Financial Statements

Directors' Responsibility Statement

In preparing the annual financial statements of the Group and of the Company, the Directors are collectively responsible to ensure that these financial statements have been prepared to give a true and fair view of the state of affairs of the Group and Company at the end of the financial year and of the results and cash flows of the Group and Company for the financial year in accordance with the applicable Malaysian Financial Reporting Standards, International Financial Reporting Standards, the requirements of the Companies Act 2016 and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

In preparing the financial statements for the year ended 31 December 2020 set out on pages 90 to 180 of this Annual Report, the Directors have applied appropriate accounting policies on a consistent basis and made judgments and estimates that are fair and reasonable.

The Directors have responsibility for ensuring that proper accounting records are kept which disclose with reasonable accuracy financial information for preparation of the financial statements.

The Directors have overall responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

This statement is made in accordance with a resolution of the Board of Directors dated 25 March 2021.

Directors' Report

The Directors are pleased to submit their report together with the audited financial statements of the Group and the Company for the financial year ended 31 December 2020.

PRINCIPAL ACTIVITIES

The principal activities of the Company are property investment and investment holding.

The principal activities of the subsidiaries of the Group are grains and agribusiness; consumer products; film exhibition and distribution; environmental engineering and utilities; property; chemicals trading and manufacturing and investment holding.

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

RESULTS

	Group RM'000	Company RM'000
Profit for the year	1,363,422	544,038
Attributable to:		
Owners of the parent	1,316,961	544,038
Non-controlling interests	46,461	-
	1,363,422	544,038

DIVIDENDS

The dividends paid or payable by the Company since the end of the previous financial year are as follows:

	RM'000
In respect of the financial year ended 31 December 2019 as disclosed in the Directors' report of that year:	
Second interim dividend of 23 sen per share paid on 2 June 2020	327,198
In respect of the financial year ended 31 December 2020:	
Interim dividend of 8 sen per share paid on 29 September 2020	113,808
Proposed final dividend of 22 sen per share payable on 1 June 2021*	312,972
Proposed special dividend of 16 sen per share payable on 1 June 2021*	227,616
	981,594

* The Directors have recommended a final dividend of 22 sen per share and a special dividend of 16 sen per share in respect of the financial year ended 31 December 2020, for shareholders' approval at the forthcoming Annual General Meeting. The financial statements for the current financial year do not reflect these proposed dividends. Such dividends, if approved, will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 December 2021.

Directors' Report

RESERVES AND PROVISIONS

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

SHARES AND DEBENTURES

The Company did not issue any shares or debentures during the financial year.

DIRECTORS

The Directors of the Company during the financial year and up to the date of this report are as follows:

Tan Sri Datuk Oh Siew Nam *(Chairman)*
Lim Soon Huat *(Managing Director)*
Dato' Capt. Ahmad Sufian @ Qurnain bin Abdul Rashid
Datuk Ong Hung Hock
Soh Chin Teck
Ahmad Riza bin Basir
Tam Chiew Lin

Datuk Ong Hung Hock and Mr Soh Chin Teck retire by rotation at the forthcoming Annual General Meeting and being eligible, offer themselves for re-election as Directors.

DIRECTORS OF THE COMPANY'S SUBSIDIARIES

The names of the directors of the subsidiaries are set out in the respective directors' reports of the subsidiaries, and the said information is deemed incorporated herein by such reference and made a part hereof.

Directors' Report

DIRECTORS' INTERESTS IN SHARES

According to the register of Directors' shareholdings, the interests of Directors who held office at the end of the financial year in shares of the Company and its related corporations are as follows:

Interest in the Company

	No. of ordinary shares			
Name of Director	**As at 1.1.20**	**Bought**	**Sold**	**As at 31.12.20**
Direct interest				
Tan Sri Datuk Oh Siew Nam	144,799	-	-	144,799
Tam Chiew Lin	7,200	-	-	7,200
Deemed interest				
Tan Sri Datuk Oh Siew Nam	1,445,397	-	-	1,445,397
Tam Chiew Lin	12,000	-	-	12,000

Interest in subsidiary – Tego Sdn Bhd

	No. of ordinary shares			
Name of Director	**As at 1.1.20**	**Bought**	**Sold**	**As at 31.12.20**
Deemed interest				
Tan Sri Datuk Oh Siew Nam	18,000	-	-	18,000

Interest in holding company – Kuok Brothers Sdn Berhad

	No. of ordinary shares			
Name of Director	**As at 1.1.20**	**Bought**	**Sold**	**As at 31.12.20**
Deemed interest				
Tan Sri Datuk Oh Siew Nam	4,966,667	-	-	4,966,667
Lim Soon Huat	200,000	-	-	200,000
Datuk Ong Hung Hock	290,000	-	-	290,000

Interest in subsidiary of holding company – Coralbid (M) Sdn Bhd

	No. of ordinary shares			
Name of Director	**As at 1.1.20**	**Bought**	**Sold**	**As at 31.12.20**
Deemed interest				
Tan Sri Datuk Oh Siew Nam	100,000	-	-	100,000

The other Directors holding office at 31 December 2020 did not have any interest in the ordinary shares of the Company and its related corporations during the financial year.

Directors' Report

DIRECTORS' INTERESTS IN CONTRACTS, BENEFITS AND EMOLUMENTS

Neither at the end of the financial year, nor at any time during the 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 of the Company has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by the Directors as shown in the financial statements or the fixed salary of a full-time employee of the Company) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

Details of the remuneration and other benefits of the Directors are set out in notes 5 and 32 to the financial statements. The amount of insurance premium paid and coverage effected for directors and officers of the Group amounted to RM78,500 and RM50 million respectively.

INFORMATION ON THE FINANCIAL STATEMENTS

(a) Before the Group's and the Company's income statements and statements of financial position were prepared, 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 provision for doubtful debts, and have satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and

(ii) to ensure that any current assets which were unlikely to realise in the ordinary course of business their value as shown in the accounting records of the Group and the Company 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 provision for doubtful debts in the financial statements of the Group and the Company inadequate to any substantial extent; or

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

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

(i) any charge on the assets of the Group and 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 which has arisen in the Group or in the Company since the end of the financial year.

Directors' Report

OTHER STATUTORY INFORMATION

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

In the opinion of the Directors:

(a) the results of the operations of the Group and of the Company for the financial year were not substantially affected by any item, transaction or event of a material and unusual nature;

(b) 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 the Company for the financial year in which this report is made, other than those disclosed in note 44; and

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

ULTIMATE HOLDING COMPANY

The Directors regard Kuok Brothers Sdn Berhad, a company incorporated in Malaysia, as the ultimate holding company.

SUBSIDIARIES

Details of the subsidiaries are set out in note 40 to the financial statements.

AUDITORS

Details of the auditors' remuneration are set out in note 5 to the financial statements.

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

APPROVAL OF THE DIRECTORS' REPORT

This report is approved by the Board of Directors in accordance with a directors' resolution dated 25 March 2021.

On behalf of the board

TAN SRI DATUK OH SIEW NAM
Chairman

LIM SOON HUAT
Managing Director

Kuala Lumpur
25 March 2021

Consolidated Income Statement

For the year ended 31 December 2020

	Note	2020 RM'000	2019 RM'000
Revenue	3	**4,190,690**	4,683,776
Cost of sales		**(3,760,894)**	(4,053,680)
Gross profit		**429,796**	630,096
Other operating income		**80,753**	62,232
Distribution costs		**(189,972)**	(208,147)
Administrative expenses		**(199,881)**	(205,332)
Other expenses		**(17,786)**	(8,061)
Share of results of associates		**1,343,138**	1,039,614
Share of results of joint venture		**3,568**	(4,960)
Finance costs	4	**(28,683)**	(33,814)
Profit before taxation	5	**1,420,933**	1,271,628
Tax expense	6	**(57,511)**	(72,366)
Profit for the year		**1,363,422**	1,199,262
Attributable to:			
Owners of the parent		**1,316,961**	1,152,551
Non-controlling interests		**46,461**	46,711
		1,363,422	1,199,262
Earnings per share - basic and diluted (sen)	7	**92.6**	81.0

The accompanying notes form an integral part of the financial statements

Consolidated Statement of Comprehensive Income

For the year ended 31 December 2020

	2020 RM'000	2019 RM'000
Profit for the year	**1,363,422**	1,199,262
Other comprehensive income/(loss), net of tax		
Items that will not be subsequently reclassified to profit or loss		
Fair value losses on investment in equity instruments designated as fair value through other comprehensive income	**(49,601)**	(99,797)
Share of associates' other comprehensive (loss)/income		
- Fair value reserve	**(65,021)**	(18,394)
- Capital reserve	**4,867**	(7,138)
Gain on disposal of equity instrument at fair value through other comprehensive income	**-**	6,487
Items that will be subsequently reclassified to profit or loss		
Exchange differences on translation of foreign operations	**(400,832)**	(171,328)
Share of associates' other comprehensive income/(loss)		
- Exchange foreign reserve	**542,358**	(54,438)
- Capital reserve	**(842)**	24,783
- Fair value reserve	**52**	-
- Hedging reserve	**(11,555)**	(35,359)
Total comprehensive income, net of tax	**1,382,848**	844,078
Attributable to:		
Owners of the parent	**1,328,665**	793,513
Non-controlling interests	**54,183**	50,565
	1,382,848	844,078

The accompanying notes form an integral part of the financial statements

Consolidated Statement of Financial Position
As at 31 December 2020

	Note	2020 RM'000	2019 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment	8	**1,320,984**	1,337,417
Investment properties	9	**300,506**	265,770
Right-of-use assets	10	**254,461**	245,769
Bearer plants	11	**3,566**	3,042
Land held for property development	12	**100,178**	100,178
Goodwill	13	**71,201**	73,704
Other intangible assets	14	**7,704**	9,202
Investment in associates	16	**19,436,825**	17,960,226
Investment in joint venture	17	**22,549**	17,404
Other investments	18	**356,042**	405,179
Deferred tax assets	19	**14,605**	342
Trade and other receivables	23	**675**	10,600
Total non-current assets		**21,889,296**	20,428,833
Current assets			
Inventories	20	**658,626**	802,513
Biological assets	11	**8,635**	16,767
Property development costs	21	**32,613**	18,881
Contract assets	22	**94,019**	49,641
Trade and other receivables	23	**768,361**	752,164
Derivative financial assets	24	**360**	128
Current tax assets		**11,407**	9,921
Cash and cash equivalents	25	**1,420,341**	1,500,909
Total current assets		**2,994,362**	3,150,924
TOTAL ASSETS		**24,883,658**	23,579,757

Consolidated Statement of Financial Position
As at 31 December 2020

	Note	2020 RM'000	2019 RM'000
EQUITY AND LIABILITIES			
Equity			
Share capital	26	**1,429,314**	1,429,314
Other non-distributable reserves	27	**3,377,002**	2,825,928
Retained earnings		**18,012,433**	17,180,017
Equity attributable to owners of the parent		**22,818,749**	21,435,259
Non-controlling interests		**727,696**	695,532
Total equity		**23,546,445**	22,130,791
Non-current liabilities			
Borrowings	28	**25,461**	4,096
Lease obligations	10	**239,307**	227,976
Deferred tax liabilities	19	**110,139**	102,191
Provision for restoration cost	30	**28,620**	29,340
Total non-current liabilities		**403,527**	363,603
Current liabilities			
Contract liabilities	22	**19,570**	21,827
Trade and other payables	29	**367,732**	647,363
Derivative financial liabilities	24	**54,009**	17,339
Borrowings	28	**455,798**	357,075
Lease obligations	10	**28,844**	28,540
Provision for restoration cost	30	**1,695**	5,200
Current tax liabilities		**6,038**	8,019
Total current liabilities		**933,686**	1,085,363
Total liabilities		**1,337,213**	1,448,966
TOTAL EQUITY AND LIABILITIES		**24,883,658**	23,579,757

The accompanying notes form an integral part of the financial statements

Consolidated Statement of Changes in Equity

For the year ended 31 December 2020

Consolidated Statement of Changes in Equity
For the year ended 31 December 2020

		Attributable to owners of the parent								
			Non-distributable							
	Note	Share Capital RM'000	Exchange Translation Reserve RM'000	Fair Value Reserve RM'000	Hedge Reserve RM'000	Capital Reserve RM'000	Retained Earnings RM'000	Total RM'000	Non-controlling Interests RM'000	Total Equity RM'000
At 1 January 2020		**1,429,314**	**2,653,889**	**17,246**	**(45,308)**	**200,101**	**17,180,017**	**21,435,259**	**695,532**	**22,130,791**
Other comprehensive income/(loss)		**-**	**133,804**	**(114,485)**	**(11,555)**	**18,246**	**(14,306)**	**11,704**	**7,722**	**19,426**
Profit for the year		**-**	**-**	**-**	**-**	**-**	**1,316,961**	**1,316,961**	**46,461**	**1,363,422**
Total comprehensive income/(loss)		**-**	**133,804**	**(114,485)**	**(11,555)**	**18,246**	**1,302,655**	**1,328,665**	**54,183**	**1,382,848**
Changes in equity interest in subsidiaries of an associate		**-**	**-**	**-**	**-**	**495,831**	**-**	**495,831**	**-**	**495,831**
Transfer of reserves	27	**-**	**-**	**-**	**-**	**29,233**	**(29,233)**	**-**	**-**	**-**
Dividends paid to shareholders of the Company	31	**-**	**-**	**-**	**-**	**-**	**(441,006)**	**(441,006)**	**-**	**(441,006)**
Dividends paid to non-controlling interests of subsidiaries		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(26,164)**	**(26,164)**
Issue of shares to non-controlling interests		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**4,145**	**4,145**
At 31 December 2020		**1,429,314**	**2,787,693**	**(97,239)**	**(56,863)**	**743,411**	**18,012,433**	**22,818,749**	**727,696**	**23,546,445**
At 1 January 2019		1,429,314	2,883,511	129,325	(9,949)	163,629	16,444,244	21,040,074	696,797	21,736,871
Other comprehensive (loss)/income		-	(229,622)	(112,079)	(35,359)	17,645	377	(359,038)	3,854	(355,184)
Profit for the year		-	-	-	-	-	1,152,551	1,152,551	46,711	1,199,262
Total comprehensive (loss)/income		-	(229,622)	(112,079)	(35,359)	17,645	1,152,928	793,513	50,565	844,078
Transfer of reserves	27	-	-	-	-	18,827	(18,827)	-	(25,904)	(25,904)
Dividends paid to shareholders of the Company	31	-	-	-	-	-	(398,328)	(398,328)	-	(398,328)
Dividends paid to non-controlling interests of subsidiaries		-	-	-	-	-	-	-	(25,926)	(25,926)
At 31 December 2019		1,429,314	2,653,889	17,246	(45,308)	200,101	17,180,017	21,435,259	695,532	22,130,791

The accompanying notes form an integral part of the financial statements

Consolidated Statement of Cash Flows
For the year ended 31 December 2020

	2020 RM'000	2019 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	**1,420,933**	1,271,628
Adjustments for non-cash items:		
Amortisation and depreciation	**186,617**	172,695
Impairment of receivables	**9,357**	914
Property, plant and equipment written off	**1,143**	534
Reversal of provision for restoration cost	**(4,196)**	-
Impairment of property, plant and equipment	**3,890**	-
Impairment of goodwill	**2,503**	-
Net gain on disposal of investment properties	**-**	(4,733)
Gain on purchase of a former associate	**(20,603)**	-
Fair value loss on biological assets	**11,507**	6,517
Share of results of associates	**(1,343,138)**	(1,039,614)
Share of results of a joint venture	**(3,568)**	4,960
Inventories written off	**2,601**	285
Unrealised net foreign exchange loss/(gain)	**529**	(440)
Unrealised net loss on fair value of derivative financial instruments	**11,537**	2,398
Interest expense	**28,683**	33,814
Dividend income	**(5,457)**	(11,511)
Income from short-term fund placements	**(27,590)**	(39,161)
Interest income	**(6,937)**	(9,151)
Operating profit before working capital changes	**267,811**	389,135
Adjustments for working capital changes:		
Increase in property development costs	**(13,732)**	(3,744)
Decrease in inventories	**135,095**	90,133
Decrease in trade and other receivables	**1,437**	37,935
Increase in net contract assets/liabilities	**(51,504)**	(27,925)
Decrease in trade and other payables	**(271,044)**	(38,122)
Cash generated from operations	**68,063**	447,412
Tax paid	**(70,346)**	(46,438)
Net cash (used in)/generated from operating activities	**(2,283)**	400,974

Consolidated Statement of Cash Flows
For the year ended 31 December 2020

	2020 RM'000	2019 RM'000
CASH FLOWS FROM INVESTING ACTIVITIES		
(Loan to)/repayment from associates	**(1,892)**	496
Proceeds from disposal of other investment	**438**	35,536
Purchase of property, plant and equipment	**(104,065)**	(102,033)
Purchase of investment properties and other intangible assets	**(22,388)**	(40,607)
Proceeds from disposal of property, plant and equipment and investment properties	**1,148**	5,266
Distribution of profit from joint venture	**7,668**	7,555
Dividends received	**509,565**	382,169
Income received from short-term fund placements	**28,540**	34,946
Interest received	**7,050**	9,266
Acquisition of remaining interests in an associate (Note 15)	**(29,373)**	-
Investment in associates	**(77,775)**	-
Purchase of other investment	**(1,000)**	-
Net cash generated from investing activities	**317,916**	332,594
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown/(repayment) of borrowings, net	**129,982**	(133,285)
Payment of lease obligations	**(43,018)**	(42,470)
Interest paid	**(17,403)**	(23,814)
Dividends paid	**(467,170)**	(424,254)
Shares issued to non-controlling interests of subsidiaries	**4,145**	-
Net cash used in financing activities	**(393,464)**	(623,823)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	**(77,831)**	109,745
CASH AND CASH EQUIVALENTS BROUGHT FORWARD	**1,500,570**	1,390,711
EFFECTS OF EXCHANGE RATE CHANGES	**(2,537)**	114
CASH AND CASH EQUIVALENTS CARRIED FORWARD	**1,420,202**	1,500,570
Represented by:		
Cash and bank balances	**257,053**	180,967
Deposits	**224,869**	174,977
Short-term fund placements	**938,419**	1,144,965
Bank overdrafts	**(139)**	(339)
	1,420,202	1,500,570

The accompanying notes form an integral part of the financial statements

Income Statement

For the year ended 31 December 2020

	Note	2020 RM'000	2019 RM'000
Revenue	3	**599,376**	490,036
Cost of sales		**(25,657)**	(28,182)
Gross profit		**573,719**	461,854
Other operating income		**19,025**	30,540
Administrative expenses		**(30,802)**	(24,810)
Finance costs	4	**(195)**	(58)
Profit before taxation	5	**561,747**	467,526
Tax expense	6	**(17,709)**	2
Profit for the year		**544,038**	467,528

Statement of Comprehensive Income

For the year ended 31 December 2020

	2020 RM'000	2019 RM'000
Profit for the year	**544,038**	467,528
Other comprehensive (loss)/income, net of tax		
Items that will not be subsequently reclassified to profit or loss		
Fair value losses on investment in equity instruments designated as fair value through other comprehensive income	**(46,911)**	(94,415)
Gain on disposal of equity instrument at fair value through other comprehensive income	**-**	6,487
Total comprehensive income, net of tax	**497,127**	379,600

The accompanying notes form an integral part of the financial statements

Statement of Financial Position

As at 31 December 2020

	Note	2020 RM'000	2019 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment	8	**1,773**	1,949
Investment properties	9	**290,804**	298,347
Right-of-use assets	10	**4,579**	791
Investment in subsidiaries	15	**1,502,902**	1,490,252
Investment in associates	16	**8,913,795**	8,841,349
Other investments	18	**339,147**	385,056
Deferred tax assets	19	**28**	26
Trade and other receivables	23	**-**	9,433
Total non-current assets		**11,053,028**	11,027,203
Current assets			
Trade and other receivables	23	**7,081**	18,862
Current tax asset		**366**	98
Cash and cash equivalents	25	**858,752**	814,490
Total current assets		**866,199**	833,450
TOTAL ASSETS		**11,919,227**	11,860,653
EQUITY AND LIABILITIES			
Equity			
Share capital	26	**1,429,314**	1,429,314
Fair value reserve		**(394,117)**	(347,206)
Retained earnings		**10,859,657**	10,756,625
Total equity		**11,894,854**	11,838,733
Non-current liabilities			
Borrowings	28	**100**	181
Deferred tax liabilities	19	**245**	255
Lease obligations	10	**4,314**	151
Total non-current liabilities		**4,659**	587
Current liabilities			
Trade and other payables	29	**19,287**	20,584
Borrowings	28	**81**	78
Lease obligations	10	**346**	671
Total current liabilities		**19,714**	21,333
Total liabilities		**24,373**	21,920
TOTAL EQUITY AND LIABILITIES		**11,919,227**	11,860,653

The accompanying notes form an integral part of the financial statements

Statement of Changes in Equity

For the year ended 31 December 2020

	Note	Share Capital RM'000	Fair Value Reserve RM'000	Retained Earnings RM'000	Total RM'000
At 1 January 2020		**1,429,314**	**(347,206)**	**10,756,625**	**11,838,733**
Other comprehensive loss		**-**	**(46,911)**	**-**	**(46,911)**
Profit for the year		**-**	**-**	**544,038**	**544,038**
Total comprehensive (loss)/income		**-**	**(46,911)**	**544,038**	**497,127**
Dividends paid to shareholders	31	**-**	**-**	**(441,006)**	**(441,006)**
At 31 December 2020		**1,429,314**	**(394,117)**	**10,859,657**	**11,894,854**
At 1 January 2019		1,429,314	(258,903)	10,687,050	11,857,461
Other comprehensive (loss)/income		-	(88,303)	375	(87,928)
Profit for the year		-	-	467,528	467,528
Total comprehensive (loss)/income		-	(88,303)	467,903	379,600
Dividends paid to shareholders	31	-	-	(398,328)	(398,328)
At 31 December 2019		1,429,314	(347,206)	10,756,625	11,838,733

The accompanying notes form an integral part of the financial statements

Statement of Cash Flows

For the year ended 31 December 2020

	2020 RM'000	2019 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	**561,747**	467,526
Adjustments for non-cash items:		
Amortisation and depreciation	**8,805**	8,670
Dividend income	**(577,286)**	(456,907)
Income from short-term fund placements	**(18,350)**	(25,485)
Interest income	**(1,470)**	(2,109)
Operating loss before working capital changes	**(26,554)**	(8,305)
Adjustments for working capital changes:		
(Increase)/decrease in trade and other receivables	**(1,226)**	258
Increase in trade and other payables	**178**	971
Cash used in operations	**(27,602)**	(7,076)
Tax (paid)/refunded	**(17,989)**	1,114
Net cash used in operating activities	**(45,591)**	(5,962)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	**(584)**	(736)
Purchase of investment properties	**(409)**	(1,248)
Purchase of other investment	**(1,000)**	-
Proceeds from disposal of other investment	**-**	35,536
Net repayment from/(advances to) subsidiaries	**778**	(2,245)
Investment in associates	**(62,582)**	-
Dividends received	**577,286**	456,907
Income received from short-term fund placements	**18,350**	25,485
Interest received	**874**	1,098
Net cash generated from investing activities	**532,713**	514,797
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment of lease obligations	**(1,347)**	(1,374)
Dividends paid	**(441,006)**	(398,328)
Repayment of borrowing	**(78)**	(74)
Net cash used in financing activities	**(442,431)**	(399,776)
NET INCREASE IN CASH AND CASH EQUIVALENTS	**44,691**	109,059
CASH AND CASH EQUIVALENTS BROUGHT FORWARD	**814,490**	705,498
EFFECTS OF EXCHANGE RATE CHANGES	**(429)**	(67)
CASH AND CASH EQUIVALENTS CARRIED FORWARD	**858,752**	814,490

The accompanying notes form an integral part of the financial statements

Notes to the Financial Statements
For the financial year ended 31 December 2020

1. GENERAL

The Company is a public company limited by way of shares incorporated in Malaysia. The Company is domiciled in Malaysia. The shares of the Company are listed on the Main Market of Bursa Malaysia Securities Berhad.

The registered office and principal place of business of the Company is located at 12th Floor, UBN Tower, 10, Jalan P Ramlee, 50250 Kuala Lumpur.

The ultimate holding company is Kuok Brothers Sdn Berhad, a company incorporated in Malaysia.

The Company is principally engaged in property investment and investment holding. There are no significant changes in the Company's principal activities during the financial year. The principal activities of the subsidiaries are set out in note 40.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements of the Group and the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS") issued by the Malaysian Accounting Standards Board ("MASB"), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

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

The financial statements are presented in Ringgit Malaysia ("RM"), which is also the Company's functional currency. Unless otherwise indicated, the amounts in these financial statements have been rounded to the nearest thousand.

2.2 Changes in accounting policies

The significant accounting policies adopted by the Group and the Company are consistent with those of the previous financial year except for the adoption of the following Amendments to MFRSs, effective for financial periods beginning on or after 1 January 2020:

Amendments to MFRS 3: Business Combinations	1 January 2020
Amendments to MFRS 101: Presentation of Financial Statements	1 January 2020
Amendments to MFRS 108: Accounting Policies, Changes in Accounting Estimates and Errors	1 January 2020
Amendments to MFRS 7: Financial Instruments Disclosures	1 January 2020
Amendments to MFRS 9: Financial Instruments	1 January 2020
Revised Conceptual Framework for Financial Reporting	1 January 2020
Amendments to MFRS 16: Covid-19 Related Rent Concessions	1 June 2020

Notes to the Financial Statements
For the financial year ended 31 December 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Changes in accounting policies (continued)

Adoption of the above amended standards did not have any effect on the financial performance or position of the Group and the Company, except as described below.

The Group and the Company have early adopted the Amendments to MFRS 16: Covid-19 Related Rent Concessions on 1 January 2020, which is effective for financial periods beginning on or after 1 June 2020. On the adoption of the Amendments to MFRS 16, the Group applies the practical expedients not to treat a Covid-19 related rent concession from a lessor as a lease modification when all of the following conditions are met:

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

The Group accounts for such Covid-19 related rent concession as a variable lease payment in the year in which the event or condition that triggers the reduced payment occurs and recognised the concession in profit or loss under 'other income'.

2.3 Standards issued that are not yet effective

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

Description	Effective for annual periods beginning on or after
Amendments to MFRS 9, MFRS 7, and MFRS 16 Interest Rate Benchmark Reform-Phase 2	1 January 2021
Amendments to MFRS 3: Business Combinations: Reference to the Conceptual Framework	1 January 2022
Amendments to MFRS 116: Property, Plant and Equipment: Property, Plant and Equipment – Proceeds before Intended Use	1 January 2022
Amendments to MFRS 137 Provisions, Contingent Liabilities and Contingent Assets: Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
Annual Improvements to MFRS Standards 2018 – 2020	1 January 2022
Amendments to MFRS 101 Presentation of Financial Statements: Classification of Liabilities as Current or Non-Current	1 January 2023
Amendments to MFRS 101 Presentation of Financial Statements: Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates	1 January 2023

The adoption of the above standards and interpretations are not expected to have a material impact on the financial statements in the period of application.

2.4 Significant accounting estimates and judgements

The preparation of financial statements requires management to exercise judgement in the process of applying the accounting policies. It also requires the use of accounting estimates and assumptions that affect reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the end of the reporting period, and reported amounts of income and expenses during the financial year.

Notes to the Financial Statements
For the financial year ended 31 December 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Significant accounting estimates and judgements (continued)

Although these estimates are based on management's best knowledge of current events and actions, historical experience and various other factors, including expectations of future events that are believed to be reasonable under the circumstances, actual results may ultimately differ from these estimates.

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

(a) Critical judgement made in applying accounting policies

The following are judgements made by management in the process of applying the Group's accounting policies that have the most significant effect on the amounts recognised in the financial statements:

(i) Lease liability

Management has determined the lease term, based on an evaluation of the terms and conditions of the arrangements, as the non-cancellable period of a lease, taking into consideration:
- periods covered by an option to extend the lease; and
- periods covered by an option to terminate the lease.

In determining whether it is reasonably certain to exercise an option to extend the lease, or not to exercise an option to terminate the lease, management has considered all relevant facts and circumstances that have created the economic incentives to exercise such options when exercising its judgement in the assessment.

The lease terms and the discount rates have been determined using appropriate assumptions as necessary including management's estimation of the applicable interest costs.

The carrying amounts of lease liabilities are disclosed in note 10.

(b) Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources associated with estimation uncertainty at the end of the reporting period that have significant risk of causing material adjustments to the carrying amount of assets and liabilities within the next financial year are discussed below:

(i) Impairment of investments in subsidiaries, associates and joint venture

Investments in subsidiaries, associates and joint venture are assessed at the end of each reporting period to determine whether there is any indication of impairment. If such an indication exists, an estimation of their recoverable amount is required.

Notes to the Financial Statements
For the financial year ended 31 December 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Significant accounting estimates and judgements (continued)

(b) Key sources of estimation uncertainty (continued)

(i) Impairment of investments in subsidiaries, associates and joint venture (Continued)

Management ascertains the recoverable amount by using the estimated fair value less cost to sell or expected future cash flows from the subsidiaries, associates and joint venture and applies a suitable discount rate in order to calculate the present value of those cash flows. The carrying values of the Group's investments in associates and joint venture as well as the Company's investments in subsidiaries and associates at the end of the reporting period are disclosed in notes 15, 16 and 17.

(ii) Impairment of goodwill

The Group performs goodwill impairment test annually, or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. This requires an estimation of the value-in-use of the cash-generating units to which the goodwill is allocated.

Management ascertains the value-in-use by an estimate of the expected future cash flows from the cash-generating unit and applies a suitable discount rate in order to calculate the present value of those cash flows. The carrying value of the Group's goodwill is disclosed in note 13.

(iii) Depreciation of property, plant and equipment, and investment properties

Property, plant and equipment, and investment properties are depreciated on a straight-line basis over the estimated useful lives of the assets. Management estimates the useful lives of these assets to be between 2 to 50 years for property, plant and equipment, and between 10 to 50 years for investment properties, except for leasehold land which is depreciated over the remaining period of the lease.

Changes in the expected level of usage, physical wear and tear and technological development could impact the economic useful lives and residual values of these assets, and therefore future depreciation charges may be revised. The carrying amount of the Group's and the Company's property, plant and equipment and investment properties at the end of the reporting period are disclosed in notes 8 and 9.

Notes to the Financial Statements
For the financial year ended 31 December 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Significant accounting estimates and judgements (continued)

(b) Key sources of estimation uncertainty (continued)

(iv) Provision for expected credit losses of trade receivables and contract assets

Management assesses the expected credit losses ("ECL") for trade receivables at each reporting date. Credit losses are the difference between the contractual cash flows that are due to the entity and the cash flows that it actually expects to receive. Management applies the simplified approach of MFRS 9 Financial Instruments in assessing the impairment of trade receivables.

In determining the ECL, management uses the historical credit loss experience for trade receivables to estimate the ECL. Management is not only required to consider historical information that is adjusted to reflect the effects of current conditions and information that provides objective evidence that trade receivables are impaired in relation to incurred losses, but management also considers, when applicable, reasonable and supportable information that may include forecasts of future economic conditions when estimating the ECL, on an individual and collective basis. The need to consider forward-looking information means that management exercises considerable judgement as to how changes in macroeconomic factors will affect the ECL on trade receivables.

The ECL on trade receivables is mainly based on the historical credit loss experience. The carrying amount of trade receivables is disclosed in note 23.

(v) Revenue recognition of property development activities and construction contracts

The Group recognises property development and construction contracts revenue and expenses over time based on the percentage of completion method. The stages of completion of the property development activities and construction contracts are measured in accordance with the accounting policies set out in note 2.18.

Significant judgement is required in determining the percentage of completion, the extent of the development project and contract costs incurred, the estimated total revenue and total costs and the recoverability of the development project and contract. In making these judgements, management relies on past experience and the work of specialists.

2.5 Separate financial statements of the Company

Investments in subsidiaries, associates and joint venture are stated at cost less impairment losses, unless the investment is classified as held for sale.

On disposal, the difference between the net disposal proceeds and the carrying amount of a subsidiary, associate or joint venture disposed of are taken to profit or loss.

Notes to the Financial Statements
For the financial year ended 31 December 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.6 Basis of consolidation

The consolidated financial statements incorporated the financial statements of the Company and of all the subsidiaries controlled by the Company made up to the end of the financial year.

The Company controls an entity if and only if the Company has all the following:

(i) power over the entity;
(ii) exposure, or rights, to variable returns from its involvement with the entity; and
(iii) the ability to use its power over the entity to affect the amount of the returns.

Potential voting rights are considered when assessing control only if the rights are substantive.

All subsidiaries are consolidated using the acquisition method of accounting from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date such control ceases.

The consolidated financial statements are prepared using uniform accounting policies for similar transactions and other events in similar circumstances.

All intra-group balances, transactions, income and expenses are eliminated in full on consolidation and the consolidated financial statements reflect external transactions only.

The Company attributes the profit or loss and each component of other comprehensive income to the owners of the Company and to non-controlling interests. The Company also attributes total comprehensive income to the owners of the Company and to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Change in the ownership interest, which does not result in a loss of control is accounted for within equity. Where the change in ownership interest results in loss of control, any remaining interest in the former subsidiary is remeasured at fair value and a gain or loss is recognised in the income statement.

The Group accounts for each business combination by applying the acquisition method. The consideration transferred in a business combination shall be measured at fair value, which shall be calculated as the sum of the acquisition date fair values of the assets transferred by the acquirer, the liabilities incurred by the acquirer from former owners of the acquiree and the equity interests issued by the acquirer. Acquisition related costs are recognised as expenses when the costs are incurred.

On the date of acquisition, goodwill is measured as the excess of (a) over (b) below:

(a) The aggregate of: (i) the fair value of consideration transferred; (ii) the amount of any non-controlling interest in the acquiree; and (iii) the fair value of the Group's previously held equity interest in the investee, if the business combination is achieved in stages.

(b) The net fair value of the identifiable assets acquired and the liabilities assumed.

If a business combination in which the amount in (b) above exceeds the aggregate of the amounts in (a) above, the Group recognises the resulting gain in profit or loss.

Notes to the Financial Statements
For the financial year ended 31 December 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.7 Associates and joint venture

An associate is an entity in which the Group has significant influence and that is neither a subsidiary nor an interest in a joint arrangement. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but no control or joint control over those policies. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group has significant influence.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised in profit or loss.

Investments in associates or joint ventures are accounted for in the financial statements using the equity method of accounting. The Group's investment in associates or joint ventures include goodwill identified on acquisition, net of any accumulated impairment loss. The results and net assets of associates or joint ventures are accounted using uniform accounting policies for like transactions and other events in similar circumstances. An investment is accounted for using the equity method from the date on which the Group obtains significant influence or joint control until the date the Group ceases to have a significant influence or joint control. Under the equity method, the investments are initially recognised at cost and adjusted thereafter for post-acquisition changes in the Group's share of net assets of the associates or joint ventures. Unrealised gains or losses on transactions between the Group and its associates or joint ventures are eliminated to the extent of the Group's interest in the associates or joint ventures.

The Group's share of net profits or losses and changes recognised in the other comprehensive income of the associates or joint venture are recognised in the consolidated income statement and consolidated statement of comprehensive income respectively. The Group's share of an associate's net changes, other than profit or loss or other comprehensive income and distribution received, is recognised in equity.

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

When changes in the Group's interests in an associate do not result in a loss of significant influence, the retained interests in the associate are not remeasured. Any gain or loss arising from the changes in the Group's interests in the associate is recognised in the income statement.

When the Group ceases to have significant influence over an associate, any retained interest in the former associate is recognised at fair value on the date when significant influence is lost. Any gain or loss arising from the loss of significant influence over an associate is recognised in the income statement.

Notes to the Financial Statements
For the financial year ended 31 December 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.8 Property, plant and equipment

(a) Measurement basis

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any. The policy for impairment losses is disclosed in note 2.20.

The cost of property, plant and equipment includes expenditure that is directly attributable to the acquisition of an asset. Dismantlement, removal or restoration costs are included as part of the cost of property, plant and equipment if the obligation for dismantlement, removal or restoration is contracted as a consequence of acquiring or using the asset.

Subsequent costs are included as part of the carrying amount when it is probable that future economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably.

Property, plant and equipment are derecognised upon disposal or when no future economic benefits are expected from their use or disposal. On disposal, the difference between the net disposal proceeds and the carrying amount is recognised in the income statement.

(b) Depreciation

Freehold land and capital work-in-progress are not depreciated.

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

Land and buildings	2%	-	20%	or over the remaining period of lease
Plant and machinery	5%	-	33%	
Motor vehicles	5%	-	20%	
Furniture, fittings, office and other equipment	10%	-	33%	

The residual values, useful lives and depreciation methods are reviewed, at the end of each reporting period and adjusted prospectively, when appropriate.

2.9 Investment properties

Investment properties are properties held to earn rental income or for capital appreciation or both rather than for use in the production or supply of goods and services or for administrative purposes, or sale in the ordinary course of business. Investment properties include properties that are being constructed or developed for future use as investment properties.

(a) Measurement basis

Investment properties are stated at cost less accumulated depreciation and impairment losses, if any.

The cost of investment properties includes expenditure that is directly attributable to the acquisition of the asset.

Notes to the Financial Statements
For the financial year ended 31 December 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.9 Investment properties (continued)

(a) Measurement basis (continued)

Subsequent costs are included as part of the carrying amount when it is probable that future economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably. The carrying amount of the replaced part is derecognised. All other costs of repair and maintenance are charged to the income statement during the financial year in which they are incurred.

Investment properties are derecognised upon disposal or when they are permanently withdrawn from use and no future economic benefits are expected from their disposal. On disposal, the difference between the net disposal proceeds and the carrying amount is recognised in the income statement.

(b) Depreciation

Freehold land is not depreciated.

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

Freehold buildings	2%
Leasehold land and buildings	2% - 10% or over the remaining period of lease

The residual values, useful lives and depreciation methods are reviewed, and adjusted if deemed appropriate, at the end of each reporting period.

2.10 Biological assets and bearer plants

Biological assets comprise primarily livestock and fresh fruit bunches (“FFB”) prior to harvest. Bearer plants consist of oil palms.

Biological assets are measured at fair value less costs to sell. Costs to sell include all incremental costs that would be necessary to sell the biological assets. Changes in fair value are recognised in profit or loss.

Livestock

The Group’s biological assets consists of the breeder parent stock, hatchable eggs, pullet and layer stock. The fair value is determined by using the discounted cash flow method applied onto each flock of livestock according to its lifecycle based on the forecasted number of eggs expected to be produced by each flock, the estimated selling price of eggs, day-old-chicks, and the residual value of spent birds.

The costs incurred for production flocks, which include feeds, staff costs and veterinary services, etc. as well as the cost of parent stock purchase, are incorporated in the fair value measurement.

Costs incurred during the rearing stage are recognised as expense when incurred.

Notes to the Financial Statements
For the financial year ended 31 December 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.11 Leases

The Group as lessee

Right-of-use assets and corresponding lease obligations are recognised with respect to all lease agreements, except for short-term leases and leases of low value assets.

For short-term leases (i.e. leases with a lease term of 12 months or less) and leases of low value assets, lease payments are recognised as an expense on a straight-line basis over the lease term.

The lease liability is initially measured at the present value of the lease payments that are not paid at the lease commencement date, discounted using the rate implicit in the lease or incremental borrowing rate, where applicable. Lease payments included in the measurement of the lease liability comprise: (i) fixed lease payments, less lease incentives; (ii) variable lease payments based on an index or rate; and (iii) amounts expected to be paid under residual value guarantees.

In calculating the present value of lease payments, the Group uses its 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 the 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 right-of-use assets comprise the corresponding lease liability, lease payments made at or before the lease commencement date and initial direct costs. Whenever there is an obligation to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the agreed condition, a provision is recognised. These costs are included in the related right-of-use assets.

Right-of-use assets are measured at cost less accumulated depreciation and impairment losses. They are depreciated over the lease term or useful life of the underlying assets, whichever is shorter. The depreciation starts on the lease commencement date.

Variable lease payment (not based on an index or rate) is recognised as an expense in the period in which it is incurred.

The Group as lessor

Leases are classified as finance leases or operating leases. Whenever the lease transfers substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Rental income from operating leases is recognised on a straight-line basis over the lease term. Initial direct costs incurred are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Notes to the Financial Statements
For the financial year ended 31 December 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.12 Property development

Property development is classified under two categories i.e. land held for property development and property development costs.

Land held for property development

Land held for property development is land on which development is not expected to be completed within the normal operating cycle. No significant development work would have been undertaken on these lands. Accordingly, land held for property development is classified as a non-current asset. Land held for property development is measured at the lower of cost and net realisable value. Costs include incidental expenditure incurred to put the land in a condition ready for development.

Land on which development has commenced and is expected to be completed within the normal operating cycle is included in property development costs as a current asset.

Property development costs

Property development costs comprise all costs that are directly attributable to development activities or that can be allocated on a reasonable basis to such activities. Property development costs are measured at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and applicable selling expenses.

2.13 Intangible assets

(a) Goodwill

Goodwill represents the excess of the cost of acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquiree.

After initial recognition, goodwill is measured at cost less accumulated impairment losses, if any. Goodwill is not amortised and is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying values may be impaired.

(b) Computer software and film rights

(i) Measurement basis

Computer software and film rights acquired by the Group are stated at cost less accumulated amortisation and impairment losses, if any.

Computer software and film rights are derecognised upon disposal or when no future economic benefits are expected from their use or disposal. On disposal, the difference between the net disposal proceeds and the carrying amount is recognised in the income statement.

Notes to the Financial Statements
For the financial year ended 31 December 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.13 Intangible assets (continued)

(b) Computer software and film rights (continued)

(ii) Amortisation

Amortisation is calculated to reduce the amount of computer software on a straight-line basis over its estimated useful life. The principal annual rate used is 25%.

Film rights are amortised based on the total revenue stream expected to be generated from the different titles and upon the exploitation of the rights.

The amortisation period and the amortisation method are reviewed, and adjusted if appropriate, at the end of each reporting period.

2.14 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 and financial liabilities are recognised when an entity becomes a party to the contractual provisions of an instrument.

Financial assets and financial liabilities are initially recognised at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities on initial recognition.

(a) Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Subsequent measurement

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Financial assets are measured subsequently in the following manner:
- at amortised cost (debt instruments);
- at fair value through other comprehensive income ("FVTOCI"), with recycling of cumulative gains and losses (debt instruments);
- designated at FVTOCI, without recycling of cumulative gains and losses (equity instruments); or
- at fair value through profit or loss ("FVTPL").

Notes to the Financial Statements
For the financial year ended 31 December 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.14 Financial instruments (continued)

(a) Financial assets (continued)

Financial assets at amortised cost

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in profit or loss when an asset is derecognised, modified or impaired.

The effective interest method is a method of calculating the amortised cost of a financial assets and of allocating interest income over the relevant period.

Financial assets at FVTOCI

Financial assets that meet the following conditions are subsequently measured at FVTOCI:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For financial assets at FVTOCI, the related interest income, foreign exchange revaluation gain/loss and impairment losses or reversals are recognised in profit or loss and computed in the same manner as for financial assets measured at amortised cost. All other changes in the carrying amount are recognised in OCI and accumulated in a reserve in equity. Upon derecognition, the cumulative fair value change recognised in OCI is reclassified to profit or loss.

Equity instruments designated at FVTOCI

Upon initial recognition, management may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as FVTOCI. Designation as FVTOCI is not permitted if the equity investment is held for trading or if it is a contingent consideration recognised by an acquirer in a business combination.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term;
- on initial recognition it is part of a portfolio of identified financial instruments that the entity manages together and has evidence of a recent actual pattern of short-term profit-taking; or
- it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

Notes to the Financial Statements
For the financial year ended 31 December 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.14 Financial instruments (continued)

(a) Financial assets (continued)

Equity instruments designated at FVTOCI (continued)

Investments in equity instruments designated as FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in OCI and accumulated in a reserve in equity. The cumulative gain or loss will not be reclassified to profit or loss on derecognition of the equity investments; instead, they will be transferred to retained earnings. Equity instruments designated as FVTOCI are not subject to impairment assessment.

Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI are measured at FVTPL, including:

- investments in equity instruments are classified as FVTPL, unless management designates an equity investment as FVTOCI on initial recognition;
- debt instruments that do not meet the amortised cost criteria or the FVTOCI criteria are classified as FVTPL. Debt instruments that meet either the amortised cost criteria or the FVTOCI criteria may be designated as FVTPL upon initial recognition, if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases; and
- derivative instruments.

Financial assets at FVTPL are measured at fair value, with fair value gains or losses recognised in profit or loss to the extent they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial assets.

A derivative embedded within a hybrid contract containing a financial asset host is not accounted for separately. The financial asset host together with the embedded derivative is required to be classified in its entirety as a financial asset at fair value through profit or loss.

Impairment of financial assets

Loss allowance is recognised for expected credit losses ("ECL") for all debt instruments not held at FVTPL, and financial guarantee contracts.

ECL is arrived at based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that are expected to receive, discounted at an approximation of the original effective interest rate. 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. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial asset.

Notes to the Financial Statements
For the financial year ended 31 December 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.14 Financial instruments (continued)

(a) Financial assets (continued)

Impairment of financial assets (continued)

Management measures the loss allowance of trade receivables, contract assets and lease receivables using a simplified approach at an amount equal to their lifetime ECL. The ECL on these financial assets are estimated using a provision matrix based on historical credit loss experience, and where appropriate, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group and the Company consider whether a financial asset is in default when contractual payments are more than 90 days past due. In certain cases, the Group and the Company may consider a financial asset to be in default when internal or external information indicate 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.

For all other financial assets at amortised cost, where credit exposures for which there has not been a significant increase in credit risk since initial recognition, the Group measures the loss allowance for those financial assets at an amount equal to 12-month ECL. For those credit exposures for which there has been a significant increase in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring, a loss allowance is required for credit losses expected over the remaining life of the financial assets (lifetime ECL).

Derecognition of financial assets

A financial asset is derecognised only when the contractual rights to the cash flows from the financial asset expire; or when the financial asset is transferred and substantially all the risks and rewards of ownership of the financial asset are transferred to another party.

If the entity neither transfers nor retains substantially all the risks and rewards of ownership and continues to control a transferred financial asset, the entity recognises its retained interest in the financial asset and an associated liability for amounts it may have to pay. If the entity retains substantially all the risks and rewards of ownership of a transferred financial asset, the entity continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the financial asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss. On derecognition of an investment in a debt instrument classified as FVTOCI, the cumulative gain or loss previously accumulated in the reserve is reclassified to profit or loss. On derecognition of an investment in equity instrument classified as FVTOCI, the cumulative gain or loss previously accumulated in the reserve is transferred to retained earnings.

Notes to the Financial Statements
For the financial year ended 31 December 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.14 Financial instruments (continued)

(b) Financial liabilities

All financial liabilities are subsequently measured at amortised cost (using the effective interest method) or at FVTPL.

Financial liabilities at FVTPL

Financial liabilities are classified as FVTPL when the financial liability is:
- contingent consideration of an acquirer in a business combination;
- held for trading; or
- designated as FVTPL.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivatives entered into by the entity that are not designated as hedging instruments. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Financial liabilities at FVTPL are measured at fair value, with gains or losses arising on changes in fair value recognised in profit or loss to the extent that they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liabilities.

For financial liabilities that are designated as FVTPL, the change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in OCI, unless the recognition of the effects of changes in the liability's credit risk in OCI would create or enlarge an accounting mismatch in profit or loss. The remaining amount of change in the fair value of the liability is recognised in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in OCI are not subsequently reclassified to profit or loss; instead, they are transferred to retained earnings upon derecognition of the financial liability.

Financial liabilities at amortised cost

Financial liabilities that are not:
- contingent consideration of an acquirer in a business combination;
- held for trading; or
- designated as FVTPL,

are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, to the amortised cost of a financial liability.

Notes to the Financial Statements
For the financial year ended 31 December 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.14 Financial instruments (continued)

(b) Financial liabilities (continued)

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

Financial guarantee contracts issued are initially measured at their fair values and, if not designated as FVTPL and do not arise from a transfer of a financial asset, are subsequently measured at the higher of:
- the amount of the loss allowance determined in accordance with MFRS 9; and
- the amount initially recognised less, where appropriate, cumulative amount of income recognised in accordance with the revenue recognition policies.

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the obligations under the liabilities are discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

When an existing financial liability is replaced by another financial liability 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 derecognition of the original liability and the recognition of a new liability.

(c) Equity instrument

Equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued are recognised at the proceeds received.

Costs incurred directly attributable to the issuance of the equity instruments are accounted for as a deduction from equity.

Preference shares are classified as equity if they are non-redeemable or their redemption is at the discretion of the issuer.

(d) 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.

Notes to the Financial Statements
For the financial year ended 31 December 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.14 Financial instruments (continued)

(e) Derivative financial instruments

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately.

2.15 Inventories

Inventories are stated at the lower of cost and net realisable value. Costs incurred in bringing the inventories to their present location and condition are accounted for as follows:
- Raw materials and consumables: Purchase costs on a weighted average basis.
- Finished goods and work-in-progress: Costs of raw materials and labour and a proportion of overheads based on normal operating capacity. These costs are assigned on a weighted average basis.
- Completed properties: Costs comprise costs of acquisition of land including all related costs incurred subsequent to the acquisition necessary to prepare the land for its intended use, related development costs to projects and direct building costs.
- Land held for development and property development costs: Please refer to note 2.12.

Where necessary, allowance is provided for damaged, obsolete and slow moving items to adjust the carrying value of inventories to the lower of cost and net realisable value.

Net realisable value 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.

2.16 Provisions

Provisions are recognised when the entity has a present obligation (legal or constructive) as a result of a past event, when it is probable that the entity will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, a provision represents the present value of those estimated future cash flows.

When some or all of the cash flows required to settle a provision are expected to be recovered from a third party, an asset is recognised if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

2.17 Non-current assets held for sale and discontinued operations

Non-current assets are classified as held for sale if the carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the assets (or disposal group) are available for immediate sale in their present condition and the sale is highly probable subject only to terms that are usual and of customary in nature.

On initial classification as held for sale, non-current assets are measured at the lower of their carrying amount and fair value less costs to sell.

Notes to the Financial Statements
For the financial year ended 31 December 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.17 Non-current assets held for sale and discontinued operations (continued)

An impairment loss is recognised for any initial or subsequent write-down of the disposal group to fair value less costs to sell. Subsequent increase in fair value less costs to sell is recognised as a gain in the income statement to the extent of the cumulative impairment loss that had been recognised previously.

2.18 Revenue recognition

(a) Revenue from contracts with customers

Revenue from a contract with a customer is recognised when control of the goods or services is transferred to the customer. Revenue is measured based on the consideration specified in the contract to which the entity expects to be entitled in exchange for transferring the goods or services to the customer, excluding amounts collected on behalf of third parties.

If a contract with a customer contains more than one performance obligation, the amount of consideration is allocated to each performance obligation based on the relative stand-alone selling prices of the goods or services promised in the contract.

Sales of goods

Revenue from sales of goods is recognised at the point in time when control of the goods is transferred to the customers, generally upon delivery of goods.

In determining the revenue for the sales of goods, the effects of variable consideration, the existence of significant financing component, non-cash consideration, and consideration payable to the customer, etc. are taken into consideration.

Rendering of services

Revenue is recognised over time, if a customer simultaneously receives and consumes the benefits provided by the entity's performance as the entity performs.

Revenue is recognised using an input method to measure progress towards complete satisfaction of the services.

The right-to-invoice practical expedient can be applied to a performance obligation satisfied over time by recognising revenue in the amount that the Group has a right to invoice the customer, which corresponds directly with the value transferred to the customer for the performance completed to date. The Group has elected to use the right-to-invoice practical expedient in certain service contracts where the Group invoices its customers on a per day basis that directly corresponds with the value received by the customer. As days are worked on the customer's contract, the Group satisfies its performance obligation to the customer and recognises revenue on a per day basis. When this practical expedient is used, the Group does not estimate variable consideration at the inception of the contract to determine the transaction price or for disclosure purposes.

Notes to the Financial Statements
For the financial year ended 31 December 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.18 Revenue recognition (continued)

(a) Revenue from contracts with customers (continued)

Property development and construction contracts

Revenue is recognised over time, if (i) the entity creates an asset with no alternative use to the entity and the entity has an enforceable right to payment for performance completed to-date; or (ii) a customer controls the asset as it is created or enhanced by the entity.

Revenue is recognised over the period of the contract by measuring the progress towards complete satisfaction of that performance obligation. Revenue is measured on the basis of the entity's efforts or inputs to the satisfaction of a performance obligation relative to the total expected inputs to the satisfaction of that performance obligation. The stage of completion is determined by the proportion of contract costs incurred to-date relative to the estimated total contract costs.

All foreseeable losses for construction contracts have been calculated in accordance with MFRS 137. The requirements of MFRS 137 prescribe that a provision for onerous contract provision must be calculated on a least net cost basis, which includes unavoidable costs only and comparing these costs to the cost of cancelling a contract including any termination fees. The policy on provisions is in note 2.16.

Revenue from sales of completed properties is recognised when control of the properties has been passed to the buyers.

Revenue from cinema operations

Revenue from film exhibition is recognised upon delivery of services and products except for screen advertising which is recognised on an accrual basis.

Contract balances arising from revenue recognition

Contract assets are the right to consideration in exchange for goods or services transferred to customers. If goods or services are transferred to customers before the customers pay consideration or before payment is due, contract assets are recognised for the earned consideration that is conditional. Trade receivables represent the entity's right to an amount of consideration that is unconditional.

Contract liabilities are the obligation to transfer goods or services to customers for which the entity has received consideration (or an amount of consideration is due) from the customers. If the customers pay consideration before the entity transfers goods or services to the customers, contract liabilities are recognised when the payment is made or the payment is due (whichever is earlier).

Contract liabilities also include certain contracts for the sale of goods, which include a right of return or volume rebates that give rise to variable consideration. Variable consideration is typically constrained and is included in the transaction only to the extent that it is a highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved. The Group recognises the expected rebates to customer where consideration have been received from customers and refunds due to expected returns from customers as refund liabilities. Separately, the Group recognises a related asset for the right to recover the returned goods, based on the former carrying amount of the good less expected costs to recover the goods, and adjusts them against cost of sales correspondingly. At the end of each reporting date, the Group updates its assessment of the estimated transaction price, including its assessment of whether an estimate of variable consideration is constrained.

Notes to the Financial Statements
For the financial year ended 31 December 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.18 Revenue recognition (continued)

(a) Revenue from contracts with customers (continued)

Cost to obtain a contract

Incremental cost of obtaining a contract with a customer is recognised as assets, if the entity expects to recover the cost. The capitalised contract costs are amortised on a systematic basis that is consistent with the entity's transfer of the related goods or services to the customer.

(b) Other income

Other income is recognised as follows:
- interest income and income from short-term fund placement are recognised using the effective interest method;
- dividend income is recognised when the right to receive payment is established; and
- leasing of investment properties (Refer to note 2.11).

2.19 Foreign currencies

(a) Functional currency

Functional currency is the currency of the primary economic environment in which an entity operates.

The financial statements of each entity within the Group are measured using their respective functional currency.

(b) Transactions and balances in foreign currencies

Transactions in currencies other than the functional currency ("foreign currencies") are recognised at the prevailing exchange rate on the date of the transaction. At the reporting date, monetary items denominated in foreign currencies are translated at the prevailing exchange rate on that date.

Non-monetary items which are measured in terms of historical costs denominated in foreign currencies are translated at the prevailing exchange rate on the date of the transaction. Non-monetary items which are measured at fair values denominated in foreign currencies are translated at the prevailing exchange rates on the date when the fair values were determined.

Exchange differences are recognised in profit or loss, except for:
- exchange differences on borrowings denominated in foreign currencies relating to an asset under construction, which are included in the cost of that asset when the exchange differences are regarded as an adjustment to interest costs on those foreign currency borrowings; and
- exchange differences on amounts receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur in the foreseeable future (i.e. form part of the net investment in that foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on disposal or partial disposal of the net investment.

Notes to the Financial Statements
For the financial year ended 31 December 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.19 Foreign currencies (continued)

(c) Translation of foreign operations

For consolidation purposes, all assets and liabilities of foreign operations (including goodwill and fair value adjustments arising from the acquisition of a foreign operation) are translated at the prevailing exchange rate on the reporting date. Income and expense items are translated at average exchange rates for the period. Exchange differences arising from the translation of the financial statements of the foreign operation are recognised in other comprehensive income; accumulated in a separate component of equity and attributed to non-controlling interests as appropriate.

On disposal of a foreign operation (i.e. loss of control, joint control or significant influence), the accumulated exchange differences recognised in equity relating to that foreign operation are reclassified to profit or loss.

In the case of a partial disposal without loss of control over a foreign operation, the proportionate share of accumulated exchange differences in equity is re-attributed to non-controlling interests and is not recognised in profit or loss. For other partial disposals (i.e. partial disposals of associates or joint ventures that do not result in losing of significant influence or joint control), the proportionate share of the accumulated exchange differences in equity is reclassified to profit or loss.

2.20 Impairment of non-financial assets

(a) Goodwill

Goodwill is reviewed annually for impairment, or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units.

An impairment loss is recognised in the income statement when the carrying amount of the cash-generating unit, including the goodwill, exceeds the recoverable amount of the cash-generating unit. The recoverable amount of the cash-generating unit is the higher of the cash-generating unit's fair value less cost to sell and its value in use.

The total impairment loss is allocated first to reduce the carrying amount of goodwill allocated to the cash-generating unit and then to the other assets of the cash-generating unit proportionately on the basis of the carrying amount of each asset in the cash-generating unit.

Impairment loss recognised on goodwill is not reversed in the event of an increase in recoverable amount in subsequent periods.

Notes to the Financial Statements
For the financial year ended 31 December 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.20 Impairment of non-financial assets (continued)

(b) Non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired.

If such an indication exists, the asset's recoverable amount is estimated. The recoverable amount is the higher of an asset's fair value less cost to sell and its value in use. Value in use is the present value of the future cash flows expected to be derived from the assets. Recoverable amounts are estimated for individual assets or, if it is not possible, for the cash-generating unit to which the asset belongs.

An impairment loss is recognised whenever the carrying amount of an asset or a cash-generating unit exceeds its recoverable amount. Impairment losses are charged to the income statement.

Any reversal of an impairment loss as a result of a subsequent increase in recoverable amount should not exceed the carrying amount that would have been determined (net of amortisation or depreciation, if applicable) had no impairment loss been previously recognised for the asset.

2.21 Employee benefits

(a) Short-term employee benefits

Wages, salaries, paid annual leave, paid sick leave, bonuses and non-monetary benefits are recognised as an expense in the period in which the associated services are rendered by employees.

(b) Defined contribution benefits

The Company and its Malaysian subsidiaries make monthly contributions to the Employees Provident Fund ("EPF") which is a defined contribution plan. Foreign subsidiaries make contributions to their respective statutory pension plans. The obligation of the Group is limited to the amount that they agree to contribute to those defined contribution plans. The contributions to those plans are recognised as an expense when employees have rendered service entitling them to the contribution.

2.22 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. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Capitalisation of borrowing costs ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are completed or during extended periods when active development is interrupted.

All other borrowing costs are charged to the income statement in the period in which they are incurred. The interest component of hire purchase payments is charged to the income statement over the hire purchase period so as to give a constant periodic rate of interest on the remaining tenure of the hire purchase contract.

Notes to the Financial Statements
For the financial year ended 31 December 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.23 Taxation

The income tax expense represents the aggregate amount of current tax and deferred tax.

Current tax and deferred tax are recognised in profit or loss. Current tax and deferred tax are recognised in other comprehensive income or directly in equity, if the tax relates to items that are recognised in other comprehensive income or directly in equity. Where deferred tax arises from a business combination, the tax effect is included in the accounting for the business combination.

Current tax

Current tax is the expected income tax payable on the taxable profit for the year, estimated using the tax rates enacted or substantially enacted by the end of the reporting period.

A provision is recognised for those matters for which the tax determination is uncertain but it is considered probable that there will be a future payment to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable.

Deferred tax

Deferred tax is provided using the liability method on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

- Where the deferred tax liability arises from the initial recognition of goodwill or 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 or loss; and
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where 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, the carry forward of unused tax credits and unused tax losses, 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:

- Where 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 or loss; and
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in 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.

Notes to the Financial Statements
For the financial year ended 31 December 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.23 Taxation (continued)

Deferred tax (continued)

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it 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 reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in 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 end of each reporting period.

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 other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

2.24 Cash and cash equivalents

Cash and cash equivalents are cash in hand, short-term and highly liquid investments that are readily convertible to known amounts of cash which are subject to insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents are presented net of bank overdrafts and exclude deposits pledged to secure banking facilities.

2.25 Segment reporting

Segment reporting in the financial statements is presented on the same basis as that used by management internally for evaluating operating segment performance and in deciding on the allocation of resources to each operating segment. Operating segments are distinguishable components of the Group that engage in business activities from which they may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's results are reviewed regularly by the chief operating decision-maker to decide on the allocation of resources to the segment and assess its performance, and for which discrete financial information is available.

Segment revenue, expenses, assets and liabilities are those amounts resulting from operating activities of a segment that are directly attributable to the segment and a relevant portion that can be reasonably allocated to the segment.

Segment revenue, expenses, assets and liabilities are determined before intra-group balances and intra-group transactions are eliminated as part of the consolidation process, except to the extent that such intra-group balances and transactions are between group entities within a single segment.

Notes to the Financial Statements
For the financial year ended 31 December 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.26 Fair value

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.

All assets and liabilities, for which fair value is measured or disclosed, are categorised within the fair value hierarchy set out below based on the inputs that are significant to the fair value measurement. Fair value measurement is derived from:

Level 1: Unadjusted quoted prices in active markets for identical assets and liabilities

Level 2: Inputs other than quoted prices included in Level 1, for assets or liabilities that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices)

Level 3: Valuation techniques that include unobservable inputs for assets or liabilities

3. REVENUE

	Group		Company	
	2020 RM'000	**2019 RM'000**	**2020 RM'000**	**2019 RM'000**
Revenue from contracts with customers				
(a) Recognised at a point in time				
Sales of goods	**3,844,916**	3,999,528	**-**	-
Revenue from cinema operations	**82,980**	408,680	**-**	-
(b) Recognised over time				
Construction contracts	**174,006**	177,303	**-**	-
Sale of development properties	**31,116**	17,991	**-**	-
Rendering of services	**28,595**	34,185	**-**	-
	4,161,613	4,637,687	**-**	-
Rental from leasing of investment properties	**23,620**	34,578	**22,090**	33,129
Dividend income	**5,457**	11,511	**577,286**	456,907
	4,190,690	4,683,776	**599,376**	490,036

Notes to the Financial Statements
For the financial year ended 31 December 2020

3. REVENUE (CONTINUED)

Reconciliation of revenue from contract customers and segmental information:

	Grains & agribusiness RM'000	Consumer products RM'000	Film exhibition & distribution RM'000	Environmental engineering & utilities RM'000	Property RM'000	Other operations RM'000	Total RM'000
2020							
Sales of goods	**3,135,779**	**627,681**	**25,455**	**-**	**3,881**	**52,120**	**3,844,916**
Sale of development properties	**-**	**-**	**-**	**-**	**31,116**	**-**	**31,116**
Construction contracts	**-**	**-**	**-**	**174,006**	**-**	**-**	**174,006**
Revenue from cinema operations	**-**	**-**	**82,980**	**-**	**-**	**-**	**82,980**
Rendering of services	**-**	**-**	**5,820**	**14,906**	**7,440**	**429**	**28,595**
	3,135,779	**627,681**	**114,255**	**188,912**	**42,437**	**52,549**	**4,161,613**
2019							
Sales of goods	3,153,532	624,197	138,504	-	3,131	80,164	3,999,528
Sale of development properties	-	-	-	-	17,991	-	17,991
Construction contracts	-	-	-	177,303	-	-	177,303
Revenue from cinema operations	-	-	408,680	-	-	-	408,680
Rendering of services	-	-	8,943	17,266	7,562	414	34,185
	3,153,532	624,197	556,127	194,569	28,684	80,578	4,637,687

Remaining unsatisfied performance obligations ("RUPO") represent the transaction price for goods and services for which the Group has a material right but work has not been performed. Transaction price of the RUPO includes the base transaction price, variable consideration and changes in transaction price. As a practical expedient, the RUPO does not include contracts for which the Group has recognised revenue at the amount to which the Group has the right to invoice for services performed or the performance obligation is part of a contract that has an original expected duration of one year or less. As at 31 December 2020, the aggregate amount of the transaction price allocated to the RUPO of the Group is RM491 million (2019: RM717 million). The Group is expected to recognise the revenue over the next 24 months.

Notes to the Financial Statements
For the financial year ended 31 December 2020

4. FINANCE COSTS

	Group 2020 RM'000	Group 2019 RM'000	Company 2020 RM'000	Company 2019 RM'000
Interest expense on:				
Banker's acceptance	**-**	38	**-**	-
Revolving credits	**231**	635	**-**	-
Bank term loans	**16,581**	22,990	**-**	-
Bank overdrafts	**395**	108	**-**	-
Interest expense on lease obligations	**11,466**	10,030	**185**	45
Hire purchase	**10**	13	**10**	13
	28,683	33,814	**195**	58

5. PROFIT BEFORE TAXATION

	Group 2020 RM'000	Group 2019 RM'000	Company 2020 RM'000	Company 2019 RM'000
Profit before taxation is stated after charging/(crediting):				
Amortisation of other intangible assets	**15,034**	16,304	**-**	-
Auditors' remuneration				
- statutory audit	**756**	732	**90**	90
- non-audit services	**87**	309	**16**	6
- underprovision in prior year	**74**	-	**17**	-
Other auditors' remuneration				
- statutory audit	**328**	314	**-**	-
Impairment of contract assets and receivables	**9,357**	914	**408**	57
Depreciation				
- property, plant and equipment	**131,500**	115,249	**750**	649
- investment properties	**5,379**	5,173	**6,767**	6,764
- right-of-use asset	**34,461**	35,726	**1,288**	1,257
- bearer plants	**243**	243	**-**	-
Direct operating expenses from investment properties	**29,125**	31,384	**27,570**	29,769
Directors' remuneration				
- fees	**1,033**	967	**1,016**	940
- other emoluments	**3,406**	8,489	**3,403**	3,817
Net foreign exchange loss/(gain)				
- realised	**1,351**	(1,631)	**(445)**	(126)
- unrealised	**529**	(440)	**429**	-
Net fair value loss on				
- derivative financial instruments	**886**	10,137	**3,493**	-
- biological assets	**11,507**	6,517	**-**	-
Reversal of provision of restoration cost	**(4,196)**	-	**-**	-

Notes to the Financial Statements
For the financial year ended 31 December 2020

5. PROFIT BEFORE TAXATION (CONTINUED)

	Group		Company	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Net gain on disposal of investment properties	**-**	(4,733)	**-**	-
Gain on purchase of a former associate	**(20,603)**	-	**-**	-
Impairment of				
- property, plant and equipment	**3,890**	-	**-**	-
- goodwill	**2,503**	-	**-**	-
Rental waiver income	**(16,962)**	-	**-**	-
Short-term and low value asset leases	**1,544**	1,301	**-**	-
Property, plant and equipment written off	**1,143**	534	**-**	3
Inventory written off	**2,601**	285	**-**	-
Dividends from subsidiaries	**-**	-	**(84,290)**	(90,250)
Dividends from associates	**-**	-	**(487,738)**	(355,736)
Dividends from other investments	**(5,457)**	(11,511)	**(5,258)**	(10,921)
Interest income	**(6,937)**	(9,151)	**(1,470)**	(2,109)
Income from short-term fund placements	**(27,590)**	(39,161)	**(18,350)**	(25,485)
Rental income	**(5,307)**	(4,861)	**-**	-

6. TAX EXPENSE

	Group		Company	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Malaysian taxation				
Current	**43,477**	42,212	**337**	-
Deferred	**(17,773)**	930	**(63)**	4
	25,704	43,142	**274**	4
Foreign taxation				
Current	**5,960**	5,916	**-**	-
Deferred	**9,444**	15,523	**-**	-
	41,108	64,581	**274**	4
Under/(over) provision in prior year				
Malaysian taxation				
Current	**17,655**	1,973	**17,384**	-
Deferred	**(1,289)**	2,625	**51**	(6)
Foreign taxation				
Current	**16**	3,187	**-**	-
Deferred	**21**	-	**-**	-
	57,511	72,366	**17,709**	(2)

Notes to the Financial Statements
For the financial year ended 31 December 2020

6. TAX EXPENSE (CONTINUED)

The statutory tax rate applicable to the Company is 24% (2019: 24%). Taxation for other jurisdictions is calculated at rates prevailing in other jurisdictions.

The difference between the provision for taxation and the amount of taxation determined by applying the applicable statutory tax rate to the profit before taxation is analysed as follows:

	Group		Company	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Profit before taxation	**1,420,933**	1,271,628	**561,747**	467,526
Taxation at applicable tax rate	**338,612**	304,800	**134,819**	112,206
Tax effects arising from:				
Effect of share of results of:				
- associates	**(322,353)**	(249,507)	**-**	-
- joint venture	**(856)**	1,190	**-**	-
Non-taxable income	**(17,165)**	(11,684)	**(143,448)**	(115,861)
Non-deductible expenses	**30,653**	13,792	**8,903**	1,705
Utilisation of tax incentive	**-**	(1,880)	**-**	-
Utilisation of previously unrecognised tax losses	**(1,116)**	(5,272)	**-**	-
Withholding tax on undistributed profits of foreign associates	**8,724**	8,110	**-**	-
Deferred tax assets not recognised	**4,609**	5,032	**-**	1,954
Under/(over) provision in prior year	**16,403**	7,785	**17,435**	(6)
	57,511	72,366	**17,709**	(2)

7. EARNINGS PER SHARE

The basic and diluted earnings per share are calculated by dividing the Group's profit for the year attributable to owners of the parent by the number of ordinary shares in issue during the year.

	Group	
	2020	2019
Profit for the year attributable to owners of the parent (RM'000)	**1,316,961**	1,152,551
Number of ordinary shares in issue ('000)	**1,422,599**	1,422,599
Earnings per share - basic and diluted (sen)	**92.6**	81.0

The basic and diluted earnings per share are the same as the Group has no potential dilutive ordinary shares as at the end of the financial year.

Notes to the Financial Statements
For the financial year ended 31 December 2020

8. PROPERTY, PLANT AND EQUIPMENT

	Land and buildings						
	Freehold RM'000	Leasehold RM'000	Plant and machinery RM'000	Motor vehicles RM'000	Furniture, fittings, office and other equipment RM'000	Capital work-in-progress RM'000	Total RM'000
Group							
Cost							
At 1.1.2020	185,548	1,015,207	1,021,609	90,061	198,173	30,985	2,541,583
Additions	52	12,335	8,692	2,964	6,400	44,537	74,980
Acquisition of a subsidiary	-	43,302	24,739	121	2,310	-	70,472
Disposals	-	-	(3,511)	(3,616)	(732)	-	(7,859)
Exchange differences	-	(6,833)	(7,231)	(163)	(723)	(1,170)	(16,120)
Write-offs	-	(20,483)	(10,312)	(97)	(6,360)	-	(37,252)
Reclassifications	143	410	3,651	293	18	(4,515)	-
Transfer to other intangible assets (Note 14)	-	-	-	-	(66)	-	(66)
At 31.12.2020	185,743	1,043,938	1,037,637	89,563	199,020	69,837	2,625,738
Accumulated depreciation							
At 1.1.2020	81,312	392,855	550,354	49,328	128,267	-	1,202,116
Charge for the year	3,587	45,849	57,403	8,548	16,113	-	131,500
Acquisition of a subsidiary	-	4,208	7,925	100	1,439	-	13,672
Disposals	-	-	(2,661)	(3,353)	(621)	-	(6,635)
Exchange differences	-	(2,164)	(4,359)	(105)	(885)	-	(7,513)
Write-offs	-	(20,483)	(9,588)	(59)	(5,979)	-	(36,109)
Transfer to other intangible assets (Note 14)	-	-	-	-	(53)	-	(53)
At 31.12.2020	84,899	420,265	599,074	54,459	138,281	-	1,296,978

Notes to the Financial Statements
For the financial year ended 31 December 2020

8. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Land and buildings						
	Freehold RM'000	Leasehold RM'000	Plant and machinery RM'000	Motor vehicles RM'000	Furniture, fittings, office and other equipment RM'000	Capital work-in-progress RM'000	Total RM'000
Group							
Accumulated impairment losses							
At 1.1.2020	476	877	467	-	230	-	2,050
Charge for the year	-	-	855	-	-	3,035	3,890
Acquisition of a subsidiary	-	-	1,836	-	-	-	1,836
At 31.12.2020	476	877	3,158	-	230	3,035	7,776
Net book value at 31.12.2020	100,368	622,796	435,405	35,104	60,509	66,802	1,320,984
Cost							
At 1.1.2019	184,154	955,764	985,611	84,684	183,219	13,983	2,407,415
Additions	679	33,063	21,500	7,433	9,645	80,228	152,548
Disposals	-	-	(321)	(1,315)	(348)	-	(1,984)
Exchange differences	-	3,305	2,757	21	49	(162)	5,970
Write-offs	-	(11,227)	(7,049)	(762)	(3,236)	-	(22,274)
Reclassifications	715	34,302	19,111	-	8,844	(62,972)	-
Transfer to other intangible assets (Note 14)	-	-	-	-	-	(92)	(92)
At 31.12.2019	185,548	1,015,207	1,021,609	90,061	198,173	30,985	2,541,583
Accumulated depreciation							
At 1.1.2019	77,412	360,865	506,315	42,536	120,725	-	1,107,853
Charge for the year	3,900	42,521	49,292	8,651	10,885	-	115,249
Disposals	-	-	(229)	(1,253)	(270)	-	(1,752)
Exchange differences	-	688	1,769	10	39	-	2,506
Write-offs	-	(11,219)	(6,793)	(616)	(3,112)	-	(21,740)
At 31.12.2019	81,312	392,855	550,354	49,328	128,267	-	1,202,116
Accumulated impairment losses							
At 1.1.2019/31.12.2019	476	877	467	-	230	-	2,050
Net book value at 31.12.2019	103,760	621,475	470,788	40,733	69,676	30,985	1,337,417

Notes to the Financial Statements
For the financial year ended 31 December 2020

8. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Company	Motor vehicles RM'000	Furniture, fittings, office and other equipment RM'000	Total RM'000
Cost			
At 1.1.2020	**1,053**	**5,354**	**6,407**
Additions	**395**	**189**	**584**
Disposals	**(399)**	**(48)**	**(447)**
Write-offs	**-**	**(451)**	**(451)**
At 31.12.2020	**1,049**	**5,044**	**6,093**
Accumulated depreciation			
At 1.1.2020	**689**	**3,769**	**4,458**
Charge for the year	**187**	**563**	**750**
Disposals	**(399)**	**(38)**	**(437)**
Write-offs	**-**	**(451)**	**(451)**
At 31.12.2020	**477**	**3,843**	**4,320**
Net book value at 31.12.2020	**572**	**1,201**	**1,773**
Cost			
At 1.1.2019	990	4,970	5,960
Additions	120	616	736
Disposals	(57)	(28)	(85)
Write-offs	-	(204)	(204)
At 31.12.2019	1,053	5,354	6,407
Accumulated depreciation			
At 1.1.2019	637	3,453	4,090
Charge for the year	109	540	649
Disposals	(57)	(23)	(80)
Write-offs	-	(201)	(201)
At 31.12.2019	689	3,769	4,458
Net book value at 31.12.2019	364	1,585	1,949

Notes to the Financial Statements
For the financial year ended 31 December 2020

9. INVESTMENT PROPERTIES

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Cost				
At 1 January	**398,307**	371,385	**357,774**	356,577
Additions	**20,263**	27,576	**409**	1,248
Acquisition of a subsidiary	**22,613**	-	**-**	-
Disposals	**-**	(583)	**-**	-
Write-offs	**(465)**	(71)	**(286)**	(51)
Reversal	**(1,261)**	-	**(1,261)**	-
At 31 December	**439,457**	398,307	**356,636**	357,774
Accumulated depreciation				
At 1 January	**127,735**	122,934	**55,405**	48,678
Charge for the year	**5,379**	5,173	**6,767**	6,764
Acquisition of a subsidiary	**1,408**	-	**-**	-
Disposals	**-**	(314)	**-**	-
Write-offs	**(297)**	(58)	**(286)**	(37)
Reversal	**(76)**	-	**(76)**	-
At 31 December	**134,149**	127,735	**61,810**	55,405
Accumulated impairment losses				
At 1 January / 31 December	**4,802**	4,802	**4,022**	4,022
Net book value at 31 December	**300,506**	265,770	**290,804**	298,347
Fair value at 31 December	**923,846**	851,918	**507,676**	503,590

The fair value of the investment properties as at the financial year end was arrived at by reference to market evidence of transacted prices for similar properties and was performed by an experienced registered independent valuer for the locations and type of the properties being valued.

The fair value of the investment properties is within Level 3 of the fair value hierarchy.

Notes to the Financial Statements
For the financial year ended 31 December 2020

10. RIGHT-OF-USE ASSETS AND LEASE OBLIGATIONS

The Group and Company as Lessee:

	Group 2020 RM'000	Group 2019 RM'000	Company 2020 RM'000	Company 2019 RM'000
Right-of-use assets:				
Properties	**254,461**	245,769	**4,579**	791
Lease obligations:				
Non-current	**239,307**	227,976	**4,314**	151
Current	**28,844**	28,540	**346**	671
	268,151	256,516	**4,660**	822

The leases of properties are typically made for periods of 1 to 15 years. The lessors do not impose any covenant. The properties are mainly used for the Group's cinema operations and offices.

Additions to right-of-use assets during the current financial year for the Group amounted to RM43.2 million (2019: RM58.6 million).

Leases of land and buildings are disclosed in notes 8 and 12.

The changes in lease obligations (fixed lease payments) are as follows:

	Group 2020 RM'000	Group 2019 RM'000	Company 2020 RM'000	Company 2019 RM'000
Balance as at 1 January	**256,516**	233,523	**822**	1,255
Lease payment	**(43,018)**	(42,470)	**(1,347)**	(1,374)
Interest expense	**11,466**	10,030	**185**	45
Addition	**43,228**	55,683	**5,000**	896
Disposal	**(16)**	(252)	**-**	-
Exchange differences	**(25)**	2	**-**	-
Balance as at 31 December	**268,151**	256,516	**4,660**	822

Notes to the Financial Statements
For the financial year ended 31 December 2020

10. RIGHT-OF-USE ASSETS AND LEASE OBLIGATIONS (CONTINUED)

The Group and Company as Lessor:

Operating leases

Investment properties are leased out typically for 1 to 3 years.

Analysis of undiscounted lease payments to be received after the reporting date, on an annual basis:

	Group 2020 RM'000	Group 2019 RM'000	Company 2020 RM'000	Company 2019 RM'000
- within one year	**21,814**	24,940	**20,553**	22,084
- more than one year but less than five years	**12,882**	20,461	**12,007**	19,235
	34,696	45,401	**32,560**	41,319

11. BIOLOGICAL ASSETS AND BEARER PLANTS

(a) Bearer Plants
(included under non-current assets)

	Group 2020 RM'000	Group 2019 RM'000
Carrying amount	**3,566**	3,042

(b) Livestock
(included under current assets)

	Group 2020 RM'000	Group 2019 RM'000
At 1 January	**16,767**	21,980
Changes in fair value	**(11,533)**	(5,857)
Purchases	**6,227**	4,754
Disposals	**(2,826)**	(4,110)
At 31 December	**8,635**	16,767

During the financial year, the Group produced approximately 32.0 million (2019: 36.4 million) day-old-chicks and 244.6 million (2019: 235.3 million) table eggs.

As at 31 December 2020, the quantities of poultry and hatchable eggs were 1.4 million birds and 4.2 million eggs (2019: 1.3 million and 3.1 million) respectively.

The fair value measurements of biological assets are categorised at Level 3 of the fair value hierarchy.

Notes to the Financial Statements
For the financial year ended 31 December 2020

12. LAND HELD FOR PROPERTY DEVELOPMENT

Group	Freehold land RM'000	Leasehold land RM'000	Development expenditure RM'000	Total RM'000
Cost				
At 1 January 2020/31 December 2020	**67,289**	**263**	**32,626**	**100,178**
At 1 January 2019	67,289	263	33,973	101,525
Reversal	-	-	(1,347)	(1,347)
At 31 December 2019	67,289	263	32,626	100,178

13. GOODWILL

	Group 2020 RM'000	Group 2019 RM'000
Cost		
At 1 January	**73,704**	73,704
Impairment of goodwill	**(2,503)**	-
At 31 December	**71,201**	73,704

Impairment testing of goodwill

Goodwill arising from business combinations had been allocated to the Group's cash-generating units ("CGU") identified according to business segments as follows:

	Group 2020 RM'000	Group 2019 RM'000
Film exhibition and distribution	**70,232**	70,233
Environmental engineering and utilities	**969**	2,427
Chemicals trading and manufacturing	**-**	290
Other operations	**-**	754
	71,201	73,704

Notes to the Financial Statements
For the financial year ended 31 December 2020

13. GOODWILL (CONTINUED)

Film exhibition and distribution

The recoverable amount of the CGU of film exhibition and distribution is determined by value-in-use calculation using cash flow projections based on financial budgets covering a five-year period. Cash flows beyond that five-year period have been extrapolated using a terminal growth rate of 2.0% (2019: 2.1%) per annum ("p.a."), based on the long-term average growth rate of the industry. A pre-tax discount rate of 10.4% (2019: 12.7%) is applied to cash flow projections which also reflects the specific risks relating to the CGU.

Sensitivity to changes in assumptions

All the above key assumptions are based on management knowledge in the respective industries and historical information. In assessing the value-in-use, management is of the view that no foreseeable changes in any of the above key assumptions are expected to cause the carrying values of the respective CGUs to materially exceed their recoverable amounts.

The discount rates used are pre-tax and reflect specific risks relating to the relevant CGU.

14. OTHER INTANGIBLE ASSETS

Group	Film rights RM'000	Computer software RM'000	Total RM'000
Cost			
At 1 January 2020	**124,499**	**20,343**	**144,842**
Additions	**12,178**	**1,362**	**13,540**
Write-offs	**-**	**(1,015)**	**(1,015)**
Transfer from property, plant and equipment (Note 8)	**-**	**66**	**66**
Rights expired	**(11,134)**	**-**	**(11,134)**
Exchange differences	**-**	**(34)**	**(34)**
At 31 December 2020	**125,543**	**20,722**	**146,265**
Accumulated amortisation			
At 1 January 2020	**118,911**	**16,729**	**135,640**
Charge for the year	**13,335**	**1,699**	**15,034**
Write-offs	**-**	**(1,015)**	**(1,015)**
Transfer from property, plant and equipment (Note 8)	**-**	**53**	**53**
Rights expired	**(11,134)**	**-**	**(11,134)**
Exchange differences	**-**	**(17)**	**(17)**
At 31 December 2020	**121,112**	**17,449**	**138,561**
Carrying amount as at 31 December 2020	**4,431**	**3,273**	**7,704**

Notes to the Financial Statements
For the financial year ended 31 December 2020

14. OTHER INTANGIBLE ASSETS (CONTINUED)

Group	Film rights RM'000	Computer software RM'000	Total RM'000
Cost			
At 1 January 2019	122,088	19,038	141,126
Additions	11,724	1,396	13,120
Disposal	-	(79)	(79)
Write-offs	-	(122)	(122)
Transfer from property, plant and equipment (Note 8)	-	92	92
Rights expired	(9,313)	-	(9,313)
Exchange differences	-	18	18
At 31 December 2019	124,499	20,343	144,842
Accumulated amortisation			
At 1 January 2019	113,523	15,312	128,835
Charge for the year	14,701	1,603	16,304
Disposal	-	(70)	(70)
Write-offs	-	(122)	(122)
Rights expired	(9,313)	-	(9,313)
Exchange differences	-	6	6
At 31 December 2019	118,911	16,729	135,640
Carrying amount as at 31 December 2019	5,588	3,614	9,202

15. INVESTMENT IN SUBSIDIARIES

Company	2020 RM'000	2019 RM'000
Unquoted shares at cost	**1,504,026**	1,491,376
Impairment loss on unquoted shares at cost	**(1,124)**	(1,124)
	1,502,902	1,490,252

Details of the subsidiaries are set out in note 40.

The Group has assessed the non-controlling interests in the subsidiaries of the Group and has determined that the non-controlling interests are not individually material to the Group's financial position, performance and cash flows.

Notes to the Financial Statements
For the financial year ended 31 December 2020

15. INVESTMENT IN SUBSIDIARIES (CONTINUED)

For the current financial year ended 31 December 2020

On 24 June 2020, FFM Berhad ("FFM"), an 80%-subsidiary of PPB Group Berhad, had acquired the remaining 70% equity interest not already owned in FFM Further Processing Sdn Bhd ("FFMP") for RM31.5 million. Arising therefrom, FFMP has become a wholly-owned subsidiary of FFM.

The financial effects of the acquisition of FFMP which qualified as a business combination were as follows:

	Group 2020 RM'000
Property, plant and equipment	**54,949**
Investment properties	**21,229**
Other current assets	**9,557**
Non-current liabilities	**(3,167)**
Current liabilities	**(15,503)**
Total net assets acquired	**67,065**
Gain on acquisition	**(15,488)**
Total cost of acquisition	**51,577**
Satisfied by:	
Cash consideration	**31,458**
Existing investment in FFMP	**20,119**
	51,577
The net cash outflows on acquisition were as follows:	
Purchase consideration satisfied by cash	**31,458**
Cash and cash equivalent of FFMP	**(2,085)**
Net cash outflows on acquisition of FFMP	**29,373**

Notes to the Financial Statements
For the financial year ended 31 December 2020

16. INVESTMENT IN ASSOCIATES

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Quoted shares at cost	**8,080,369**	8,080,369	**8,684,629**	8,684,629
Unquoted shares at cost	**668,447**	608,597	**229,191**	156,745
	8,748,816	8,688,966	**8,913,820**	8,841,374
Impairment loss on unquoted shares	**(1,709)**	(1,709)	**(25)**	(25)
Group's share of post-acquisition reserves	**10,689,718**	9,272,969	**-**	-
	19,436,825	17,960,226	**8,913,795**	8,841,349
Market value of quoted shares	**16,573,901**	14,692,563	**16,573,901**	14,692,563

The Group's share of the associates' current year loss and accumulated losses amounted to RM428,000 and RM3,704,000 (2019: RM582,000 and RM3,275,000) respectively have not been recognised in the Group's income statement as equity accounting had ceased when the Group's share of losses of these associates exceeded the carrying amount of its investment in these associates.

During the year, the Company, through FFM, acquired the entire shareholding in FFMP, making it a wholly-owned subsidiary of FFM. The details of the acquisition are disclosed in note 15.

The summarised financial information represents the amounts in the financial statements of the associates and not the Group's share of those amounts:

Wilmar International Limited ("Wilmar")

	2020 RM'000	2019 RM'000
Non-current assets	**92,778,263**	87,894,388
Current assets	**112,168,981**	104,675,557
Non-current liabilities	**(27,329,712)**	(25,283,132)
Current liabilities	**(91,720,788)**	(94,119,861)
Net assets	**85,896,744**	73,166,952
Revenue	**212,101,376**	176,540,277
Profit for the year	**7,098,371**	5,674,107
Other comprehensive profit/(loss)	**3,052,103**	(626,408)
Total comprehensive income	**10,150,474**	5,047,699

Notes to the Financial Statements
For the financial year ended 31 December 2020

16. INVESTMENT IN ASSOCIATES (CONTINUED)

	2020 RM'000	2019 RM'000
Other disclosures		
Cash and cash equivalents	**10,377,903**	8,386,058
Current financial liabilities (excluding trade and other payables and provision)	**(72,465,166)**	(76,370,734)
Non-current financial liabilities (excluding trade and other payables and provision)	**(24,316,564)**	(22,314,524)
Depreciation and amortisation	**(4,441,251)**	(3,636,847)
Finance income	**1,762,346**	1,969,990
Finance expense	**(2,733,188)**	(3,694,810)
Income tax expense	**(2,603,005)**	(1,538,221)

The reconciliation of the summarised financial information of the Group's material associate to the carrying amount of interest in the associate is as follows:

	2020 RM'000	2019 RM'000
Net assets	**85,896,744**	73,166,952
Proportion of ownership interest held by the Group	**18.6%**	18.5%
Group's share of net assets	**15,951,025**	13,528,569
Goodwill	**4,127,817**	4,205,884
Other adjustments		
- Non-controlling interests' share of associate's net assets	**(1,865,602)**	(842,774)
- Others	**(55,373)**	(46,056)
Carrying amount of the Group's interest in the associate	**18,157,867**	16,845,623

The Company considers Wilmar as an associate by virtue of its ability to exercise significant influence over Wilmar's financial and operating policy decisions through its board representation.

During the financial year, the Company received dividends from Wilmar amounted to RM486.0 million (2019: RM354.0 million).

As at 31 December 2020, the market value of shares in Wilmar held by the Company was below its carrying amount. Accordingly, the Company had undertaken an impairment test on the carrying amount of the investment in the associate.

The recoverable amount of the investment in the associate was estimated using cash flow projections covering a ten-year period. Cash flows beyond that ten-year period have been extrapolated using a terminal growth rate of 3.5% (2019: 3.5%) p.a. A discount rate of 7.0% (2019: 7.5%) was applied to the cash flow projections. All the above key assumptions are based on management knowledge in the respective industries and historical information.

As the recoverable amount was in excess of the carrying amount, no impairment was required.

Notes to the Financial Statements
For the financial year ended 31 December 2020

16. INVESTMENT IN ASSOCIATES (CONTINUED)

The summarised aggregate financial information of the Group's share in other individually non-material associates as at 31 December are as follows:

	2020 RM'000	2019 RM'000
Profit for the year	**100,895**	79,486
Other comprehensive loss	**(52)**	(497)
Total comprehensive income	**100,843**	78,989
Carrying amount of the Group's interests in other associates	**1,278,958**	1,114,603

Details of the associates are set out in note 41.

The Group has received dividends from non-material associates in the current financial year amounted to RM18.1 million (2019: RM16.6 million).

17. INVESTMENT IN JOINT VENTURE

	Group	
	2020 RM'000	2019 RM'000
Group's share of post-acquisition reserves	**22,549**	17,404

The summarised financial information of the Group's share of joint venture as at 31 December is as follows:

	Group	
	2020 RM'000	2019 RM'000
Profit/(loss) for the year and total comprehensive income/(loss) for the year	**3,568**	(4,960)

Details of the joint venture are set out in note 42.

Notes to the Financial Statements
For the financial year ended 31 December 2020

18. OTHER INVESTMENTS

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Equity instruments designated at FVTOCI				
Quoted shares	**354,615**	404,752	**337,881**	384,790
Unquoted shares	**427**	427	**266**	266
Amortised costs				
Other investments	**1,000**	-	**1,000**	-
	356,042	405,179	**339,147**	385,056

Equity instruments designated at FVTOCI

The Group has elected to measure these equity instruments at FVTOCI due to the Group's intention to hold these equity instruments for long-term appreciation.

The Group and Company received dividends of RM5.5 million (2019: RM11.5 million) and RM5.3 million (2019: RM10.9 million) respectively from these investments during the year.

19. DEFERRED TAX ASSETS/(LIABILITIES)

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
At 1 January	**(101,849)**	(82,801)	**(229)**	(231)
Arising from the acquisition of a subsidiary	**(3,167)**	-	**-**	-
Exchange translation differences	**(115)**	30	**-**	-
Originating/(reversal) during the year	**9,597**	(19,078)	**12**	2
At 31 December	**(95,534)**	(101,849)	**(217)**	(229)

Presented after offsetting as follows:

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Deferred tax assets	**14,605**	342	**28**	26
Deferred tax liabilities	**(110,139)**	(102,191)	**(245)**	(255)
	(95,534)	(101,849)	**(217)**	(229)

19. DEFERRED TAX ASSETS/(LIABILITIES) (CONTINUED)

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

Deferred Tax Assets

Group	Unabsorbed tax losses and capital allowances RM'000	Others RM'000	Total RM'000
2020			
At beginning of the financial year	**30,261**	**2,813**	**33,074**
Recognised in profit or loss	**20,754**	**5,176**	**25,930**
Exchange differences	**-**	**131**	**131**
At end of financial year	**51,015**	**8,120**	**59,135**
Set-off deferred tax liability			**(44,530)**
			14,605

Deferred Tax Liabilities

Group	Property, plant and equipment RM'000	Withholding tax on undistributed profits of foreign associates RM'000	Total RM'000
2020			
At beginning of the financial year	**(100,260)**	**(34,663)**	**(134,923)**
Recognised in profit or loss	**(11,022)**	**(8,724)**	**(19,746)**
At end of financial year	**(111,282)**	**(43,387)**	**(154,669)**
Set-off deferred tax asset			**44,530**
			(110,139)

Notes to the Financial Statements
For the financial year ended 31 December 2020

19. DEFERRED TAX ASSETS/(LIABILITIES) (CONTINUED)

Deferred Tax Assets

Group	Unabsorbed tax losses and capital allowances RM'000	Others RM'000	Total RM'000
2019			
At beginning of the financial year	26,791	22,722	49,513
Recognised in profit or loss	3,470	(19,939)	(16,469)
Exchange differences	-	30	30
At end of financial year	30,261	2,813	33,074
Set-off deferred tax liability			(32,732)
			342

Deferred Tax Liabilities

Group	Property, plant and equipment RM'000	Withholding tax on undistributed profits of foreign associates RM'000	Total RM'000
2019			
At beginning of the financial year	(105,582)	(26,732)	(132,314)
Recognised in profit or loss	5,322	(7,931)	(2,609)
At end of financial year	(100,260)	(34,663)	(134,923)
Set-off deferred tax asset			32,732
			(102,191)

The temporary differences and unused tax credits exist as at 31 December of which the deferred tax assets have not been recognised in the financial statements are as follows:

	Group	
	2020 RM'000	**2019 RM'000**
Unabsorbed tax losses and capital allowances*	**106,276**	91,723

The availability of the unabsorbed tax losses and unabsorbed capital allowances for offsetting against future taxable profits of the respective subsidiaries are subject to the shareholding of these subsidiaries remained substantially unchanged, pursuant to section 44(5A) and 44(5B) of the Income Tax Act, 1967.

In Malaysia, the unutilised business losses can be carried forward and available for use for a period of seven years commencing from its year of assessment.

Notes to the Financial Statements
For the financial year ended 31 December 2020

19. DEFERRED TAX ASSETS/(LIABILITIES) (CONTINUED)

The Group has recognised the deferred tax assets based on the probability that sufficient taxable profit will be generated in the future against which the deferred tax assets can be utilised.

Pursuant to the relevant tax regulations, the unrecognised tax credits at the end of the reporting period will expire as follows:

	Group 2020 RM'000	Group 2019 RM'000
- With no expiry	**116**	6,425
- Within 12 months	**-**	11,082
- More than 12 months	**106,160**	74,216
	106,276	91,723

20. INVENTORIES

	Group 2020 RM'000	Group 2019 RM'000
At cost:		
Raw materials	**392,282**	404,932
Goods in transit - raw materials	**128,038**	254,255
Work-in-progress	**160**	774
Finished goods	**101,708**	109,012
Completed properties	**6,676**	6,649
Consumables	**29,762**	26,891
	658,626	802,513
Recognised in income statement:		
Inventories recognised in cost of sales	**3,346,410**	3,341,807

21. PROPERTY DEVELOPMENT COSTS

	Group 2020 RM'000	Group 2019 RM'000
Freehold land - at cost	**1,404**	1,404
Development and construction costs	**17,477**	12,386
At 1 January	**18,881**	13,790
Additions	**35,743**	17,555
Cost recognised in income statement during the year	**(22,011)**	(12,464)
At 31 December	**32,613**	18,881

Notes to the Financial Statements
For the financial year ended 31 December 2020

22. CONTRACT ASSETS/LIABILITIES

	Group 2020 RM'000	Group 2019 RM'000
(a) Contract assets		
Construction contracts	**94,019**	49,641
(b) Contract liabilities		
Construction contracts	**1,240**	2,474
Consideration received in advance	**3,305**	5,294
Other contract related liabilities:		
- Refund liabilities and expected rebates	**15,025**	14,059
	19,570	21,827

Revenue from construction contract is recognised over time using the input method, which is based on the actual cost incurred to date on the project as compared to the total budgeted cost for the respective projects. Because the customers pay according to contractual milestones, which give rise to timing differences, this will be recognised as contract assets or contract liabilities.

Refund liabilities and expected rebates are estimated based on terms in trade agreements entered into within customers.

23. TRADE AND OTHER RECEIVABLES

		Group 2020 RM'000	Group 2019 RM'000	Company 2020 RM'000	Company 2019 RM'000
Current					
Receivables from contract with customers					
- third parties		**577,779**	604,262	**-**	-
- associates		**28,606**	15,105	**-**	-
		606,385	619,367	**-**	-
Other trade receivables					
- third parties		**2,779**	1,494	**2,587**	892
Impairment		**(12,019)**	(7,276)	**(469)**	(61)
Total trade receivables	(a)	**597,145**	613,585	**2,118**	831
Other receivables	(b)	**140,381**	109,163	**2,838**	2,976
Amount due from subsidiaries	(c)	**-**	-	**2,089**	15,020
Amount due from associates	(d)	**30,835**	29,416	**36**	35
		768,361	752,164	**7,081**	18,862
Non-current					
Amount due from associates	(d)	**-**	9,433	**-**	9,433
Other receivables	(b)	**675**	1,167	**-**	-
		675	10,600	**-**	9,433
Trade and other receivables		**769,036**	762,764	**7,081**	28,295

Notes to the Financial Statements
For the financial year ended 31 December 2020

23. TRADE AND OTHER RECEIVABLES (CONTINUED)

(a) Trade receivables

The balances are subject to normal credit terms of the Group and the Company ranging from 30 to 120 days.

Included in trade receivables is a retention sum of RM15.0 million (2019: RM18.0 million) relating to construction contracts.

(b) Other receivables

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Sundry receivables	**35,149**	43,974	**1,786**	2,344
Impairment	**(2,610)**	(334)	**-**	(334)
	32,539	43,640	**1,786**	2,010
Interest receivable	**144**	257	**24**	116
Deposits	**97,011**	53,722	**610**	594
Prepayments	**10,687**	11,544	**418**	256
Other long-term receivables	**675**	1,167	**-**	-
	141,056	110,330	**2,838**	2,976

(c) Amount due from subsidiaries

The amount due from subsidiaries included under current assets is unsecured and is analysed as follows:

	Company	
	2020 RM'000	2019 RM'000
Interest-bearing (2019: 3.79% p.a.)	**-**	12,731
Non-interest bearing	**2,089**	2,289
	2,089	15,020

The non-interest bearing balances are non-trade in nature, unsecured and repayable on demand.

Notes to the Financial Statements
For the financial year ended 31 December 2020

23. TRADE AND OTHER RECEIVABLES (CONTINUED)

(d) Amount due from associates

The amount due from associates included under current assets is unsecured and is analysed as follows:

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Interest-bearing ranging from 2.50% to 2.80% (2019: 2.37% to 2.50%) p.a.	**38,093**	36,771	**-**	-
Non-interest bearing	**1,559**	1,420	**36**	35
	39,652	38,191	**36**	35
Allowance for impairment	**(8,817)**	(8,775)	**-**	-
	30,835	29,416	**36**	35

The non-interest bearing balances are non-trade in nature, unsecured and repayable on demand.

<u>Amount due from an associate included under non-current assets</u>

The amount due from an associate is unsecured, interest bearing at Nil % (2019: 4.78%) and repayable on demand.

24. DERIVATIVE FINANCIAL ASSETS/(LIABILITIES)

Group	Notional value RM'000	Derivative financial assets RM'000	Derivative financial liabilities RM'000
2020			
Forward foreign currency contracts	**124,906**	**43**	**(1,255)**
Futures and options contracts	**1,311,507**	**317**	**(52,754)**
		360	**(54,009)**
2019			
Forward foreign currency contracts	17,782	128	(95)
Futures and options contracts	591,667	-	(17,244)
		128	(17,339)

The Group classifies all derivative financial instruments as financial assets/financial liabilities at fair value through profit or loss.

The Group enters into foreign currency forward contracts to hedge the exchange rate risk associated with anticipated foreign currency payments or receipts.

The Group enters into commodity futures and options to hedge the commodity price risk associated with anticipated purchases of raw materials.

Notes to the Financial Statements
For the financial year ended 31 December 2020

25. CASH AND CASH EQUIVALENTS

		Group		Company	
		2020	**2019**	**2020**	**2019**
		RM'000	**RM'000**	**RM'000**	**RM'000**
Deposits	(a)	**224,869**	174,977	**125,904**	100,094
Short-term fund placements	(b)	**938,419**	1,144,965	**731,055**	712,517
Cash and bank balances	(c)	**257,053**	180,967	**1,793**	1,879
		1,420,341	1,500,909	**858,752**	814,490

(a) Deposits

Short-term deposits were placed for varying periods up to 3 months, and the average interest rate for the Group and Company is at 0.17% to 3.57% (2019: 0.96% to 3.59%) and 0.17% to 3.57% (2019: 1.30% to 3.59%) p.a. respectively.

(b) Short-term fund placements

Short-term fund placements represent investment in highly liquid money market instruments. This investment is readily convertible to cash and has insignificant risk of changes in value.

(c) Cash and bank balances

Included in cash and bank balances is an amount of RM31.5 million (2019: RM17.8 million) maintained in Housing Development Accounts. Withdrawals from the Housing Development Accounts are restricted in accordance with the Housing Development (Housing Development Account) Regulations 1991.

26. SHARE CAPITAL

	2020		2019	
	Number of shares '000	**RM'000**	**Number of shares '000**	**RM'000**
Issued and fully paid ordinary shares:				
At 1 January / 31 December	**1,422,599**	**1,429,314**	1,422,599	1,429,314

Notes to the Financial Statements
For the financial year ended 31 December 2020

27. OTHER NON-DISTRIBUTABLE RESERVES

		Group	
		2020	**2019**
		RM'000	**RM'000**
Exchange translation reserve	(a)	**2,787,693**	2,653,889
Fair value reserve	(b)	**(97,239)**	17,246
Hedge reserve	(c)	**(56,863)**	(45,308)
Capital reserve	(d)	**743,411**	200,101
		3,377,002	2,825,928

(a) Exchange translation reserve

The foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency and the share of exchange translation reserve of associates.

(b) Fair value reserve

Fair value reserve represents the cumulative fair value changes of equity instruments at fair value through other comprehensive income until they are disposed of or impaired.

Fair value reserve includes the share of fair value reserve of associates.

(c) Hedge reserve

Hedge reserve represents the share of associate's cumulative fair value changes net of tax of the derivative contracts which apply hedge accounting.

(d) Capital reserve

The transfer from retained earnings to capital reserve is attributable to the Group's share of associates' reserves. The associates transferred a specific amount of their net profit to reserve fund in accordance with the applicable local laws of the countries where they operate.

Capital reserve includes the share of all other reserves of associates, including the changes in ownership interests of subsidiaries of associates.

Notes to the Financial Statements
For the financial year ended 31 December 2020

28. BORROWINGS

		Group 2020 RM'000	Group 2019 RM'000	Company 2020 RM'000	Company 2019 RM'000
Non-current					
Term loan		**23,708**	-	**-**	-
Term loan - VND	(a)	**1,653**	3,915	**-**	-
Hire purchase		**100**	181	**100**	181
		25,461	4,096	**100**	181
Current					
Term loans					
- IDR		**162,305**	141,595	**-**	-
- VND		**118,244**	83,438	**-**	-
- USD		**95,080**	114,665	**-**	-
- VND	(a)	**3,848**	5,219	**-**	-
- USD	(b)	**-**	11,341	**-**	-
Hire purchase		**81**	78	**81**	78
Bank overdrafts		**139**	339	**-**	-
Revolving credits - USD		**24,101**	-	**-**	-
Revolving credits		**52,000**	400	**-**	-
		455,798	357,075	**81**	78
Total borrowings		**481,259**	361,171	**181**	259

IDR - Indonesian Rupiah
VND - Vietnam Dong
USD - United States Dollar

(a) The VND-denominated term loan is secured by a corporate guarantee from a subsidiary.

(b) The USD-denominated term loan was secured by a corporate guarantee from a subsidiary and was fully repaid in 2020.

(c) All the other borrowings are unsecured.

The interest rates for the borrowings are as follows:

	2020 % p.a.	2019 % p.a.
Term loans		
- USD	**0.23 - 1.40**	1.88 - 4.04
- VND	**1.10 - 5.90**	5.00 - 6.90
- IDR	**6.80 - 8.75**	7.75 - 8.00
Revolving credits - USD	**1.44 - 1.99**	-
Long-term bank loan	**2.79 - 2.83**	-
Revolving credits	**2.50 - 3.45**	4.53

Notes to the Financial Statements
For the financial year ended 31 December 2020

28. BORROWINGS (CONTINUED)

The changes in borrowings, excluding bank overdrafts are as follows:

	Group 2020 RM'000	Group 2019 RM'000	Company 2020 RM'000	Company 2019 RM'000
Balance as at 1 January	**360,832**	488,472	**259**	333
Net drawdown/(repayment) of debts	**129,982**	(133,285)	**(78)**	(74)
Exchange differences	**(9,694)**	5,645	**-**	-
Balance as at 31 December	**481,120**	360,832	**181**	259

29. TRADE AND OTHER PAYABLES

		Group 2020 RM'000	Group 2019 RM'000	Company 2020 RM'000	Company 2019 RM'000
Trade payables					
- third parties		**191,638**	384,051	**569**	1,111
- associates		**19,876**	22,837	**-**	-
	(a)	**211,514**	406,888	**569**	1,111
Interest accrued		**660**	846	**-**	-
Other payables		**59,928**	68,944	**4,226**	2,595
Accruals		**83,417**	158,763	**5,093**	7,166
Refundable deposits		**12,213**	11,922	**8,321**	8,962
Amount due to subsidiaries	(b)	**-**	-	**1,078**	750
		367,732	647,363	**19,287**	20,584

(a) Trade payables
The normal credit terms extended by suppliers range from 30 to 120 days. Retention sums for construction contracts are payable upon the expiry of the defects liability period of the respective construction contracts.

(b) Amount due to subsidiaries
The amount due to subsidiaries is interest-free, unsecured and repayable on demand.

Notes to the Financial Statements
For the financial year ended 31 December 2020

30. PROVISION FOR RESTORATION COST

	Group 2020 RM'000	Group 2019 RM'000
At 1 January	**34,540**	31,550
Additional provision	**975**	2,990
Utilisation of provision	**(1,004)**	-
Unused amount reversed	**(4,196)**	-
At 31 December	**30,315**	34,540
Current	**1,695**	5,200
Non-current	**28,620**	29,340
	30,315	34,540

The provision represents the estimated cost of restoring the leased properties to the condition stipulated in the contracts, which is capitalised and included in the cost of right-of-use assets.

31. DIVIDENDS

	Group/Company 2020 RM'000	Group/Company 2019 RM'000
Recognised during the financial year:		
Second interim dividend of 23 sen per share for financial year ended 31 December 2019 (2019: Final dividend 20 sen for financial year ended 31 December 2018)	**327,198**	284,520
Interim dividend of 8 sen per share for the financial year ended 31 December 2020 (2018: 8 sen for financial year ended 31 December 2019)	**113,808**	113,808
	441,006	398,328
Proposed but not recognised as a liability as at 31 December:		
Final dividend of 22 sen per share payable on 1 June 2021 (2019: Second interim dividend of 23 sen per share paid on 2 June 2020)	**312,972**	327,198
Special dividend of 16 sen per share payable on 1 June 2021	**227,616**	-
	540,588	327,198

At the forthcoming Annual General Meeting, a final dividend and special dividend in respect of the financial year ended 31 December 2020, of 22 sen per share and 16 sen per share respectively will be proposed for shareholders' approval. Such dividends, if approved by shareholders, will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 December 2021.

Notes to the Financial Statements
For the financial year ended 31 December 2020

32. RELATED PARTY DISCLOSURES

(a) Other than those disclosed elsewhere in the financial statements, the significant related party transactions during the financial year are as follows:

	Group 2020 RM'000	Group 2019 RM'000	Company 2020 RM'000	Company 2019 RM'000
Transactions with associates				
Interest income	**1,134**	1,162	**346**	416
Purchase of goods	**26,484**	36,742	**-**	-
Sales of goods	**1,537**	1,670	**-**	-
Film rental income	**822**	5,807	**-**	-
Transactions with subsidiaries of the ultimate holding company				
Sales of goods	**51,456**	25,108	**-**	-
Purchase of goods	**24**	1,100	**-**	-
Supervision fees income	**1,967**	2,211	**-**	-
Transactions with subsidiaries of associates				
Purchase of goods	**261,135**	195,069	**-**	-
Sales of goods	**116,461**	108,662	**-**	-
Rental income	**3,333**	3,333	**-**	-
Security and other services expense	**18,961**	7,973	**-**	-
Freight cost	**125,205**	131,642	**-**	-
Supervision fees income	**2,654**	2,954	**-**	-

Notes to the Financial Statements
For the financial year ended 31 December 2020

32. RELATED PARTY DISCLOSURES (CONTINUED)

(b) Key management personnel compensation

	Group		Company	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Directors				
Short-term employee benefits	**3,990**	8,827	**3,971**	4,253
Contributions to defined contribution plan	**449**	629	**448**	504
Sub-total	**4,439**	9,456	**4,419**	4,757
Other key management personnel				
Short-term employee benefits	**19,478**	17,276	**5,100**	4,808
Contributions to defined contribution plan	**2,559**	2,270	**810**	762
Sub-total	**22,037**	19,546	**5,910**	5,570
Total compensation	**26,476**	29,002	**10,329**	10,327

33. EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Short-term employee benefits	**325,150**	340,218	**20,460**	20,527
Contributions to defined contribution plan	**36,490**	32,778	**2,772**	2,261
Total employee benefits expense	**361,640**	372,996	**23,232**	22,788

34. CAPITAL AND OTHER COMMITMENTS

	Group		Company	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Capital commitments				
Property, plant and equipment, and investment properties				
- contracted	**64,371**	17,989	**41**	64
- not contracted	**365,248**	446,150	**8,365**	9,340
	429,619	464,139	**8,406**	9,404
Other commitments				
- contracted	**351,853**	393,951	**80,770**	99,730
- not contracted	**148,328**	-	**-**	-
	500,181	393,951	**80,770**	99,730
Total commitments	**929,800**	858,090	**89,176**	109,134

Notes to the Financial Statements
For the financial year ended 31 December 2020

35. SEGMENTAL REPORTING

The Group's operating and reportable segments are business units engaged in providing different products and services and operating in different geographical locations.

There was no transaction with any single external customer which amounted to 10% or more of the Group's revenues for the current financial year (2019: none).

(a) By business segment

The Group's operations comprise the following reportable segments:

(i) Grains and agribusiness - Flour milling and manufacturing of animal feed, wheat and maize trading, production of day-old-chicks, eggs and other related downstream activities, and oil palm plantations

(ii) Consumer products - Marketing and distribution of edible oils and consumer products, production and distribution of frozen food and bakery products, and manufacturing of toiletry requisites and household products

(iii) Film exhibition and distribution - Exhibition and distribution of movies and content

(iv) Environmental engineering and utilities - Construction works specialising in the water and environmental industries and provision of waste management services

(v) Property - Letting of commercial properties and development of residential and commercial properties

(vi) Other operations - Investment holding, chemical trading and manufacturing, and others

(b) Segment capital expenditure

Segment capital expenditure is the total cost incurred during the financial year to acquire property, plant and equipment, investment properties, intangible assets and bearer plants.

Notes to the Financial Statements

For the financial year ended 31 December 2020

Notes to the Financial Statements
For the financial year ended 31 December 2020

35. SEGMENTAL REPORTING (CONTINUED)

2020	Grains & agribusiness RM'000	Consumer products RM'000	Film exhibition & distribution RM'000	Environmental engineering & utilities RM'000	Property RM'000	Other operations RM'000	Elimination RM'000	Total RM'000
REVENUE								
External sales	3,135,779	627,681	114,255	188,912	66,078	57,985	-	4,190,690
Inter-segment sales	155,351	594	-	631	968	3,308	(160,852)	-
Total revenue	3,291,130	628,275	114,255	189,543	67,046	61,293	(160,852)	4,190,690
RESULTS								
Segment results	161,834	32,374	(122,502)	4,629	5,024	21,795	-	103,154
Share of results of associates	109,848	(826)	(13,096)	6,185	(1,084)	1,242,111	-	1,343,138
Share of results of joint venture	-	-	-	3,568	-	-	-	3,568
Unallocated corporate expense	-	-	-	-	-	-	-	(28,927)
Profit/(loss) before taxation	271,682	31,548	(135,598)	14,382	3,940	1,263,906	-	1,420,933
Tax expense								(57,511)
Profit for the year								1,363,422
OTHER INFORMATION								
Segment assets	2,270,623	495,670	595,907	211,961	506,597	1,308,209	(11)	5,388,956
Investment in associates	693,996	20,281	172,825	51,709	293,006	18,205,008	-	19,436,825
Investment in joint venture	-	-	-	22,549	-	-	-	22,549
Tax assets								26,012
Unallocated corporate assets								9,316
Consolidated total assets								24,883,658
Segment liabilities	194,098	58,984	354,130	69,353	47,559	4,691	(11)	728,804
Borrowings								481,259
Tax liabilities								116,177
Unallocated corporate liabilities								10,973
Consolidated total liabilities								1,337,213
Capital expenditure	52,130	14,562	21,577	473	18,486	1,757	-	108,985
Unallocated corporate capital expenditure								552
								109,537
Amortisation and depreciation	64,559	16,092	94,668	2,189	5,338	2,202	-	185,048
Amortisation and depreciation of unallocated capital expenditure								1,569
								186,617
Non-cash items other than amortisation and depreciation	29,178	(16,201)	3,604	1,244	295	404	-	18,524

Notes to the Financial Statements
For the financial year ended 31 December 2020

Notes to the Financial Statements
For the financial year ended 31 December 2020

35. SEGMENTAL REPORTING (CONTINUED)

2019	Grains & agribusiness RM'000	Consumer products RM'000	Film exhibition & distribution RM'000	Environmental engineering & utilities RM'000	Property RM'000	Other operations RM'000	Elimination RM'000	Total RM'000
REVENUE								
External sales	3,153,532	624,197	556,127	194,569	63,298	92,053	-	4,683,776
Inter-segment sales	150,615	3,243	-	270	1,337	319	(155,784)	-
Total revenue	3,304,147	627,440	556,127	194,839	64,635	92,372	(155,784)	4,683,776
RESULTS								
Segment results	135,204	6,377	65,287	11,310	13,491	48,655	-	280,324
Share of results of associates	77,806	(5,730)	1,551	4,922	400	960,665	-	1,039,614
Share of results of joint venture	-	-	-	(4,960)	-	-	-	(4,960)
Unallocated corporate expense	-	-	-	-	-	-	-	(43,350)
Profit before taxation	213,010	647	66,838	11,272	13,891	1,009,320	-	1,271,628
Tax expense								(72,366)
Profit for the year								1,199,262
OTHER INFORMATION								
Segment assets	2,393,804	415,704	759,478	215,959	472,563	1,320,062	(632)	5,576,938
Investment in associates	584,207	21,249	188,367	49,288	267,327	16,849,788	-	17,960,226
Investment in joint venture	-	-	-	17,404	-	-	-	17,404
Tax assets								10,263
Unallocated corporate assets								14,926
Consolidated total assets								23,579,757
Segment liabilities	321,737	60,044	470,289	76,436	33,644	9,360	(632)	970,878
Borrowings								361,171
Tax liabilities								110,210
Unallocated corporate liabilities								6,707
Consolidated total liabilities								1,448,966
Capital expenditure	49,668	11,751	110,408	477	20,303	49	-	192,656
Unallocated corporate capital expenditure								729
								193,385
Amortisation and depreciation	61,486	14,898	87,368	1,281	5,379	830	-	171,242
Amortisation and depreciation of unallocated capital expenditure								1,453
								172,695
Non-cash items other than amortisation and depreciation	8,236	610	675	(474)	(4,174)	69	-	4,942

Notes to the Financial Statements
For the financial year ended 31 December 2020

35. SEGMENTAL REPORTING (CONTINUED)

(b) By geographical segment

The Group operates mainly in Asia. In determining the geographical segments of the Group, revenue is based on the geographical location of customers. Non-current assets are disclosed based on the geographical locations of the assets, and do not include investments in associates and joint venture, other investments and deferred tax assets.

	Revenue		Carrying amount of non-current assets	
	2020 RM'000	**2019 RM'000**	**2020 RM'000**	**2019 RM'000**
Malaysia	**2,806,432**	3,216,785	**1,731,456**	1,702,105
Indonesia	**651,867**	745,712	**152,766**	170,788
Vietnam	**545,477**	488,916	**174,733**	168,975
Other ASEAN countries	**126,806**	176,829	**320**	3,814
Other Asian countries	**18,950**	13,032	**-**	-
Others	**41,158**	42,502	**-**	-
	4,190,690	4,683,776	**2,059,275**	2,045,682

36. FINANCIAL INSTRUMENTS

(a) Classification of financial instruments

	At amortised cost RM'000	At FVTOCI[1] RM'000	At FVTPL[2] RM'000	Total RM'000
Financial assets				
Group				
2020				
Other investments	**1,000**	**355,042**	**-**	**356,042**
Receivables	**753,079**	**-**	**-**	**753,079**
Derivative financial assets	**-**	**-**	**360**	**360**
Deposits, cash and bank balances	**481,922**	**-**	**-**	**481,922**
Short-term fund placements	**-**	**-**	**938,419**	**938,419**
Total financial assets	**1,236,001**	**355,042**	**938,779**	**2,529,822**

FVTOCI[1] represents fair value through other comprehensive income
FVTPL[2] represents fair value through profit or loss

Notes to the Financial Statements
For the financial year ended 31 December 2020

36. FINANCIAL INSTRUMENTS (CONTINUED)

(a) Classification of financial instruments (continued)

	At amortised cost RM'000	At FVTOCI[1] RM'000	At FVTPL[2] RM'000	Total RM'000
Financial assets				
Group				
2019				
Other investments	-	405,179	-	405,179
Receivables	732,570	-	-	732,570
Derivative financial assets	-	-	128	128
Deposits, cash and bank balances	355,944	-	-	355,944
Short-term fund placements	-	-	1,144,965	1,144,965
Total financial assets	1,088,514	405,179	1,145,093	2,638,786
Company				
2020				
Other investments	**1,000**	**338,147**	**-**	**339,147**
Receivables	**6,663**	**-**	**-**	**6,663**
Deposits, cash and bank balances	**127,697**	**-**	**-**	**127,697**
Short-term fund placements	**-**	**-**	**731,055**	**731,055**
Total financial assets	**135,360**	**338,147**	**731,055**	**1,204,562**
2019				
Other investments	-	385,056	-	385,056
Receivables	28,039	-	-	28,039
Deposits, cash and bank balances	101,973	-	-	101,973
Short-term fund placements	-	-	712,517	712,517
Total financial assets	130,012	385,056	712,517	1,227,585

FVTOCI[1] represents fair value through other comprehensive income
FVTPL[2] represents fair value through profit or loss

Notes to the Financial Statements
For the financial year ended 31 December 2020

36. FINANCIAL INSTRUMENTS (CONTINUED)

(a) Classification of financial instruments (continued)

	At amortised cost RM'000	At FVTPL[1] RM'000	Total RM'000
Financial liabilities			
Group			
2020			
Payables	**364,748**	**-**	**364,748**
Borrowings	**481,259**	**-**	**481,259**
Lease obligations	**268,151**	**-**	**268,151**
Derivative financial liabilities	**-**	**54,009**	**54,009**
Total financial liabilities	**1,114,158**	**54,009**	**1,168,167**
2019			
Payables	627,332	-	627,332
Borrowings	361,171	-	361,171
Lease obligations	256,516	-	256,516
Derivative financial liabilities	-	17,339	17,339
Total financial liabilities	1,245,019	17,339	1,262,358
Company			
2020			
Payables	**19,287**	**-**	**19,287**
Lease obligations	**4,660**	**-**	**4,660**
Borrowings	**181**	**-**	**181**
Total financial liabilities	**24,128**	**-**	**24,128**

FVTPL[1] represents fair value through profit or loss

Notes to the Financial Statements
For the financial year ended 31 December 2020

36. FINANCIAL INSTRUMENTS (CONTINUED)

(a) Classification of financial instruments (continued)

	At amortised cost RM'000	At FVTPL[1] RM'000	Total RM'000
Financial liabilities			
Company			
2019			
Payables	20,584	-	20,584
Lease obligations	822	-	822
Borrowings	259	-	259
Total financial liabilities	21,665	-	21,665

FVTPL[1] represents fair value through profit or loss

(b) Fair value of financial instruments

The following summarises the methods used in determining the fair value of financial instruments:

(i) Other investments

Fair value of investments in quoted shares has been determined by reference to their quoted closing bid price at the end of the reporting period.

Fair value of unquoted equity investments is measured using generally acceptable valuation techniques.

(ii) Derivatives

Fair value of forward foreign currency contracts has been determined by reference to current forward exchange rates for contracts with similar maturity profiles.

Fair value of commodities futures and options has been determined by reference to current quoted market prices for contracts with similar maturity profiles.

(iii) Short-term fund

Fair value of the short-term fund has been determined by reference to the net assets value of the fund at the end of the reporting period as quoted by the fund managers.

Notes to the Financial Statements
For the financial year ended 31 December 2020

36. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Fair value of financial instruments (continued)

Financial assets and financial liabilities that are measured at fair value on a recurring basis:

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Financial assets				
Group				
2020				
Other investments	**354,615**	**-**	**427**	**355,042**
Short-term fund placements	**938,419**	**-**	**-**	**938,419**
Derivative financial assets	**-**	**360**	**-**	**360**
	1,293,034	**360**	**427**	**1,293,821**
2019				
Other investments	404,752	-	427	405,179
Short-term fund placements	1,144,965	-	-	1,144,965
Derivative financial assets	-	128	-	128
	1,549,717	128	427	1,550,272
Company				
2020				
Other investments	**337,881**	**-**	**266**	**338,147**
Short-term fund placements	**731,055**	**-**	**-**	**731,055**
	1,068,936	**-**	**266**	**1,069,202**
2019				
Other investments	384,790	-	266	385,056
Short-term fund placements	712,517	-	-	712,517
	1,097,307	-	266	1,097,573

	Level 1 RM'000	Level 2 RM'000	Total RM'000
Financial liabilities			
Group			
2020			
Forward contracts	**-**	**1,255**	**1,255**
Futures and options contracts	**-**	**52,754**	**52,754**
	-	**54,009**	**54,009**
2019			
Forward contracts	-	95	95
Futures and options contracts	-	17,244	17,244
	-	17,339	17,339

There were no transfers between Level 1 and Level 2 assets and liabilities throughout the year.

The carrying amounts of the financial instruments of the Group and the Company, which are not measured at fair value on a recurring basis at the end of the reporting period approximated or were at their fair value, due to their short-term or interest-bearing nature.

Notes to the Financial Statements
For the financial year ended 31 December 2020

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's activities are exposed to a variety of financial risks. The Group's overall financial risk management objective is to minimise potential adverse effects on the financial performance of the Group.

Financial risk management is carried out through risk reviews, internal control systems, insurance programmes and adherence to financial risk management policies.

The Group enters into derivative instruments, principally forward, futures and options contracts to hedge its exposure to financial risks. The Group does not trade in derivative instruments.

There have been no significant changes in the Group's exposure to financial risks from the previous year. Also, there have been no changes to the Group's risk management objectives, policies and processes since the previous financial year end.

The Group's management review and agree on policies for managing each of the financial risks and they are summarised as follows:

(a) Foreign currency exchange risk

The Group is exposed to currency risk as a result of foreign currency transactions entered into in currencies other than its functional currencies. The Group enters into forward foreign currency contracts to limit its exposure to foreign currency receivables and payables, and on cash flows from anticipated transactions denominated in foreign currencies.

The carrying amounts of material foreign currency denominated monetary assets and liabilities at the reporting date are as follows:

	Group	
	2020 RM'000	2019 RM'000
Assets		
- United States Dollar ("USD")	**196,291**	72,233
- Singapore Dollar ("SGD")	**135,068**	104,857
- Indonesian Rupiah ("IDR")	**13,556**	27,148
Liabilities		
- USD	**159,701**	319,483
- SGD	**3,344**	3,778
- IDR	**181,333**	170,644

Notes to the Financial Statements
For the financial year ended 31 December 2020

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(a) Foreign currency exchange risk (continued)

A sensitivity analysis has been performed on changes in exchange rates of foreign currencies against RM for outstanding foreign currency denominated monetary items. Management has considered the recent volatility in exchange rates and has concluded that a 5% movement in exchange rates is a reasonably possible assumption. If the following foreign currencies appreciate against RM with all other variables held constant, the Group's profit before taxation would increase/(decrease) as follows:

	Group	
	2020 RM'000	2019 RM'000
USD	**1,830**	(12,380)
SGD	**6,586**	5,054
IDR	**(8,388)**	(7,175)

As other foreign currency denominated monetary items as at 31 December 2020 and 31 December 2019 are not material, the sensitivity analysis has not been presented.

(b) Interest rate risk

The Group is exposed to interest rate risk which is the risk that the fair value of the financial instrument or future cash flows will fluctuate as a result of changes in market interest rates.

The Group's income and operating cash flows are substantially independent of changes in market interest rates. Exposure to changes in interest rate risk relates primarily to the Group's bank borrowings, short-term fund placements and deposits placed with licensed banks and financial institutions. As the exposure to interest risk is not expected to be material, the sensitivity analysis has not been presented.

(c) Commodity price risk

The prices of agricultural commodities are subject to wide fluctuations due to unpredictable factors such as weather, government policies, changes in global demand resulting from population growth and changes in standards of living, and global production of similar and competitive crops. During its ordinary course of business, the value of the Group's open sales and purchases commitments and inventory of raw material changes continuously in line with movements in the prices of the underlying commodities. To the extent that its open sales and purchases commitments do not match at the end of each business day, the Group is subjected to price fluctuations in the commodities market.

While the Group is exposed to fluctuations in agricultural commodities prices, its policy is to minimise its risks arising from such fluctuations by hedging its raw materials purchases either through direct purchase of a similar commodity or through futures contracts on the commodity exchanges. The prices on the commodity exchanges are generally quoted up to twelve months forward.

In the course of hedging its purchases either through direct purchases or through futures, options and swap contracts, the Group may also be exposed to the inherent risk associated with trading activities conducted by its personnel. The Group has in place risk management policies to manage such risk exposure.

Notes to the Financial Statements
For the financial year ended 31 December 2020

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(d) Market price risk

Market 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 commodity price, interest or exchange rates). The Group is exposed to equity price risk arising from its investment in equity instruments. These instruments are classified as investment securities at FVTOCI.

(e) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligation.

The Group's management has credit policies in place to ensure that transactions are conducted with creditworthy counterparties.

The Group's credit risk is primarily attributable to trade receivables arising from the sale of goods or services, unsecured loans to associates, and cash and cash equivalents.

An impairment analysis is performed at each reporting date to measure the ECL. The calculation reflects information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Trade receivables

Management applied a simplified approach (i.e. lifetime ECL) in measuring the loss allowance for trade receivables, lease receivables and contract assets. The ECL on trade receivables are estimated using a provision matrix by reference to past default experience of the debtors and an analysis of the debtors' current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

Management writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

Exposure to credit risk arising from sales made on deferred credit terms is managed through the application of credit approvals, credit limits and monitoring procedures on an ongoing basis. If necessary, the Group may obtain collaterals from counterparties as a means of mitigating losses in the event of default.

Apart from a customer of a subsidiary, the Group does not have significant credit risk exposure to any single debtor or any group of debtors. The amount due from the said customer amounted to RM55.6 million (2019: RM53.3 million) as at the end of the reporting period. The credit risk associated with trade receivables from this customer is mitigated by immoveable property charged to the subsidiary and personal guarantee pledged in favour of the subsidiary. The security value of the immoveable property charged approximates the outstanding amount due from the customer at the end of the reporting period.

Notes to the Financial Statements
For the financial year ended 31 December 2020

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(e) Credit risk (continued)

The risk profile and aging analysis of trade receivables are as follows:

	Group		Company	
	Gross RM'000	Impairment RM'000	Gross RM'000	Impairment RM'000
2020				
Not past due	**458,216**	**-**	**43**	**(225)**
Less than 30 days past due	**104,056**	**(534)**	**833**	**(211)**
Between 30 and 90 days past due	**28,242**	**(804)**	**608**	**-**
More than 90 days past due	**18,650**	**(10,681)**	**1,105**	**(33)**
	609,164	**(12,019)**	**2,589**	**(469)**
2019				
Not past due	464,712	-	89	-
Less than 30 days past due	87,992	(101)	506	(25)
Between 30 and 90 days past due	43,704	(95)	109	(27)
More than 90 days past due	24,453	(7,080)	188	(9)
	620,861	(7,276)	892	(61)

Movements in the impairment of trade receivables are as follows:

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
At 1 January	**7,276**	8,661	**61**	4
Impairment recognised	**6,848**	924	**469**	57
Bad debts written off	**(1,648)**	(1,732)	**-**	-
Reversal of impairment	**(470)**	(571)	**(61)**	-
Exchange translation differences	**13**	(6)	**-**	-
At 31 December	**12,019**	7,276	**469**	61

Loans to associates

Exposure to credit risk arising from unsecured loans to associates is managed through credit evaluation and ongoing monitoring of the credit quality of the associates.

Management assessed the credit risk in respect of loans to associates with reference to the financial capability and probability of default.

Management concluded that the credit risk in respect of loans to associates is considered low.

Cash and cash equivalents

The Group seeks to invest its surplus cash prudently by depositing it with licensed banks and financial institutions.

Notes to the Financial Statements
For the financial year ended 31 December 2020

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(f) Liquidity risk

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

The Group seeks to ensure all business units maintain optimum levels of liquidity at all times, sufficient for their operating, investing and financing activities.

Therefore, the policy seeks to ensure that each business unit, through efficient working capital management (i.e. inventory, accounts receivable and accounts payable management), must be able to convert its current assets into cash to meet all demands for payment as and when they fall due.

Owing to the nature of its businesses, the Group also seeks to maintain sufficient credit lines available to meet its liquidity requirements while ensuring effective working capital management within the Group.

The table below summarises the maturity profile of the Group's and the Company's financial liabilities based on contractual undiscounted cash flows.

	Less than 1 year RM'000	1 to 5 years RM'000	More than 5 years RM'000	Total RM'000
Group				
2020				
Payables	**364,748**	**-**	**-**	**364,748**
Borrowings	**462,364**	**26,469**	**-**	**488,833**
Derivative financial liabilities	**54,009**	**-**	**-**	**54,009**
Lease obligations	**39,588**	**140,556**	**148,845**	**328,989**
	920,709	**167,025**	**148,845**	**1,236,579**
2019				
Payables	627,332	-	-	627,332
Borrowings	360,756	4,173	-	364,929
Derivative financial liabilities	17,339	-	-	17,339
Lease obligations	39,711	128,523	150,766	319,000
	1,045,138	132,696	150,766	1,328,600

Notes to the Financial Statements
For the financial year ended 31 December 2020

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(f) Liquidity risk (continued)

	Less than 1 year RM'000	1 to 5 years RM'000	Total RM'000
Company			
2020			
Payables	**19,287**	**-**	**19,287**
Lease obligations	**1,136**	**4,103**	**5,239**
Borrowings	**88**	**117**	**205**
	20,511	**4,220**	**24,731**
2019			
Payables	20,584	-	20,584
Lease obligations	686	151	837
Borrowings	87	190	277
	21,357	341	21,698

38. CAPITAL MANAGEMENT

The primary objectives of the Group's capital management are to ensure that it maintains a strong capital base in order to support its existing business operations and enable future development of the businesses as well as maximise shareholders' value.

The capital structure of the Group consists of equity attributable to the owners of the parent (i.e. share capital, reserves) and total borrowings.

Management reviews and manages the capital structure regularly and makes adjustments to address changes in the economic environment and risk characteristics inherent in the Group's business operations. These initiatives may include adjustment to the amount of dividends to be distributed to shareholders. No changes were made in the objectives, policies and processes during the current financial year.

The total borrowings to capital ratio was as follows:

	Group 2020 RM'000	Group 2019 RM'000
Share capital	**1,429,314**	1,429,314
Reserves	**21,389,435**	20,005,945
Total capital	**22,818,749**	21,435,259
Short-term borrowings	**455,798**	357,075
Long-term borrowings	**25,461**	4,096
Total borrowings	**481,259**	361,171
Total borrowings to capital ratio (times)	**0.02**	0.02

Notes to the Financial Statements
For the financial year ended 31 December 2020

39. AUTHORISATION FOR ISSUE OF FINANCIAL STATEMENTS

These financial statements were authorised for issue in accordance with a resolution of the Directors on 25 March 2021.

40. SUBSIDIARIES

The subsidiaries are as follows:

Companies	Group's equity interest 2020 %	Group's equity interest 2019 %	Place of incorporation	Principal activities
FFM Berhad	**80.0**	80.0	Malaysia	Investment holding, flour milling, animal feed manufacturing, grains trading and trading in rice products
Johor Bahru Flour Mill Sdn Bhd	**100.0**	100.0	Malaysia	Flour milling, manufacturing of animal feed and provision of management services
FFM (Sabah) Sdn Bhd	**100.0**	100.0	Malaysia	Manufacturing and trading of animal feed
FFM Feedmills (Sarawak) Sdn Bhd	**100.0**	100.0	Malaysia	Manufacturing and trading of animal feed and its by-products
Mantap Aman Sdn Bhd	**100.0**	100.0	Malaysia	Investment holding
# PT Pundi Kencana	**51.0**	51.0	Indonesia	Flour milling
FFM Marketing Sdn Bhd	**100.0**	100.0	Malaysia	Distribution and marketing of edible oils and consumer products
FFM Flour Mills (Sabah) Sdn Bhd	**100.0**	100.0	Malaysia	Provision of management services
Taloh Sdn Bhd	**100.0**	100.0	Malaysia	Investment holding
Waikari Sdn Bhd	**100.0**	100.0	Malaysia	Investment holding
* Buxton Ltd	**100.0**	100.0	Samoa	Investment holding
Friendship Trading Sdn Bhd	**100.0**	100.0	Malaysia	Provision of transportation management services
* Glowland Ltd	**100.0**	100.0	Samoa	Investment holding
JBFM Flour Mill Sdn Bhd	**100.0**	100.0	Malaysia	Provision of management services
FFM Farms Sdn Bhd	**100.0**	100.0	Malaysia	Poultry farming and breeding, production of organic fertilisers and owner of oil palm plantation
FFM Pulau Indah Sdn Bhd	**100.0**	100.0	Malaysia	Provision of management services
FFM Grains & Mills Sdn Bhd	**100.0**	100.0	Malaysia	Flour milling and manufacturing of animal feed
FFM SMI Sdn Bhd	**100.0**	100.0	Malaysia	Investment holding and provision of management services
* Vietnam Flour Mills Ltd	**100.0**	100.0	Vietnam	Flour milling
* VFM-Wilmar Flour Mills Company Ltd	**51.0**	51.0	Vietnam	Wheat flour milling and the sale of flour, flour based products and by-products
Tego Sdn Bhd	**96.4**	96.4	Malaysia	Investment holding
Tego Multifil Sdn Bhd	**100.0**	100.0	Malaysia	Under members' voluntary liquidation
The Italian Baker Sdn Bhd	**100.0**	100.0	Malaysia	Manufacturing and distribution of bakery products
FFM Further Processing Sdn Bhd	**100.0**	30.0	Malaysia	Manufacturing and processing of nuggets, sausages and burgers

* Subsidiaries not audited by Ernst & Young PLT
# Subsidiaries audited by a network firm of Ernst & Young PLT

Notes to the Financial Statements
For the financial year ended 31 December 2020

40. SUBSIDIARIES (CONTINUED)

Companies	Group's equity interest 2020 %	Group's equity interest 2019 %	Place of incorporation	Principal activities
PPB Hartabina Sdn Bhd	**100.0**	100.0	Malaysia	Property development, provision of project and property management, and other related services
South Island Mining Company Sdn Bhd	**100.0**	100.0	Malaysia	Investment holding and oil palm cultivation
Seletar Sdn Bhd	**100.0**	100.0	Malaysia	Oil palm cultivation and property development
PPB Property Development Sdn Bhd	**100.0**	100.0	Malaysia	Provision of project and property management and other related services
Peakland Property Management Sdn Bhd	**100.0**	100.0	Malaysia	Dormant
PPB Leisure Holdings Sdn Bhd	**100.0**	100.0	Malaysia	Investment holding
Cathay Screen Cinemas Sdn Bhd	**100.0**	100.0	Malaysia	Property investment and investment holding
Cathay Theatres Sdn Bhd	**100.0**	100.0	Malaysia	Property investment
Golden Screen Cinemas Sdn Bhd	**100.0**	100.0	Malaysia	Exhibition of movies and content
Cinead Sdn Bhd	**100.0**	100.0	Malaysia	Advertising contractor and consultant
Glitters Café Sdn Bhd	**100.0**	100.0	Malaysia	Operator of cafés and sales of merchandise goods
Easi (M) Sdn Bhd	**60.0**	60.0	Malaysia	Provision of information technology solutions, consultation services and sales of related products and services
* Enterprise Advanced System Intelligence Pte Ltd	**60.0**	60.0	Singapore	Provision of information technology solutions, consultation services and sales of related products and services
Easi Ticketing Sdn Bhd	**100.0**	100.0	Malaysia	Provision of information technology services and sales of related products
GSC Movies Sdn Bhd	**100.0**	100.0	Malaysia	Distribution of movies and content
Golden Screen International Sdn Bhd	**100.0**	100.0	Malaysia	Investment holding
Mediamore Sdn Bhd	**100.0**	100.0	Malaysia	Investment holding
GSC Vietnam Ltd	**100.0**	100.0	Malaysia	Investment holding
GSC Cambodia Ltd	**00.0**	100.0	Malaysia	Investment holding
* Golden Screen Cinemas (Cambodia) Co., Ltd	**60.0**	60.0	Kingdom of Cambodia	Dormant
LGSC Cambodia Limited	**100.0**	100.0	Malaysia	Dormant
PPB Corporate Services Sdn Bhd	**100.0**	100.0	Malaysia	Provision of corporate secretarial, share registration and share nominee services

* Subsidiaries not audited by Ernst & Young PLT

Notes to the Financial Statements
For the financial year ended 31 December 2020

40. SUBSIDIARIES (CONTINUED)

Companies	Group's equity interest 2020 %	Group's equity interest 2019 %	Place of incorporation	Principal activities
Hexarich Sdn Bhd	**100.0**	100.0	Malaysia	Investment holding
* **Masuma Trading Co Ltd**	**100.0**	100.0	Hong Kong	Investment holding
Chemquest Sdn Bhd	**55.0**	55.0	Malaysia	Trading in chemical products, investment holding and provision of management services
Products Manufacturing Sdn Bhd	**70.0**	70.0	Malaysia	Manufacture and wholesale of toiletry requisites, household and chemical products
CWM Group Sdn Bhd	**100.0**	100.0	Malaysia	Construction works specialising in the water and environmental industry
Dinamik Cemerlang Sdn Bhd	**100.0**	100.0	Malaysia	Investment holding
Cipta Wawasan Maju Engineering Sdn Bhd	**100.0**	100.0	Malaysia	Builders and contractors for general engineering and construction works
Sitamas Environmental Systems Sdn Bhd	**100.0**	100.0	Malaysia	Provision of refuse disposal services
Entrol Systems Sdn Bhd	**100.0**	100.0	Malaysia	Letting of properties
Tunggak Menara Services Sdn Bhd	**100.0**	100.0	Malaysia	Provision of garbage collection and disposal services
Malayan Adhesives And Chemicals Sdn Bhd	**99.6**	99.6	Malaysia	Manufacturing and marketing of adhesives, resins, additives,formaldehyde and phenoset microsphere, trading in contact glue and investment holding
* Chemquest (Overseas) Ltd	**100.0**	100.0	British Virgin Islands	Investment holding
* PT Healthcare Glovindo	**99.9**	99.9	Indonesia	Dormant
* Kerry Utilities Ltd	**50.0**	50.0	Samoa	Investment holding
Beijing KVW Wastewater Technology Company Ltd.	**51.0**	51.0	The People's Republic of China	Investment holding
* Beijing CQ Environmental Management Consultancy Services Co Ltd	**100.0**	100.0	The People's Republic of China	Provision of consultancy services
* Chemquest Pte. Ltd.	**100.0**	100.0	Singapore	Wholesale of industrial, construction and related machinery and equipment, variety of goods without a dominant product

* Subsidiaries not audited by Ernst & Young PLT

Notes to the Financial Statements
For the financial year ended 31 December 2020

41. ASSOCIATES

The associates are as follows:

Companies	Group's equity interest 2020 %	Group's equity interest 2019 %	Place of incorporation	Principal activities
* Shaw Brothers (M) Sdn Bhd	**34.0**	34.0	Malaysia	Investment holding, property investment and hotel ownership operation
* Vita Tenggara Fruit Industries Sdn Bhd	**40.0**	40.0	Malaysia	Property development and investment in real properties
* Trinity Coral Sdn Bhd	**25.0**	25.0	Malaysia	Investment holding
Huge Quest Realty Sdn Bhd	**40.0**	40.0	Malaysia	Investment holding
* Kerry Flour Mills Ltd	**43.4**	43.4	Thailand	Wheat flour milling and distribution
Berjaya-GSC Sdn Bhd	**50.0**	50.0	Malaysia	Exhibition of movies and content
* Ancom-Chemquest Terminals Sdn Bhd	**25.0**	25.0	Malaysia	Building, owning, operating, leasing and managing a chemical tank farm and warehouse
* Worldwide Landfills Sdn Bhd	**40.0**	40.0	Malaysia	Management of environmental sanitary landfill and waste treatment
* Veolia Water Kerry Water Services Ltd	**49.0**	49.0	Hong Kong	Investment holding
* Meizan CLV Corporation	**50.0**	50.0	Vietnam	Manufacturing of value added grain food processed from all kinds of grains
# Wilmar International Limited	**18.6**	18.5	Singapore	Oil palm cultivation, oilseed crushing, edible oils refining, sugar milling and refining, manufacturing of consumer products, specialty fats, oleochemicals, biodiesel and fertiliser, as well as flour and rice milling
* PT Tri Persada Mulia	**30.0**	30.0	Indonesia	Dormant
* Kart Food Industries Sdn Bhd	**45.0**	45.0	Malaysia	Manufacturing and trading of food products
* Kart Food Marketing Sdn Bhd	**45.0**	45.0	Malaysia	Dormant
* Yihai Kerry (Quanzhou) Oils, Grains & Foodstuffs Industries Co., Ltd	**20.0**	20.0	The People's Republic of China	Flour milling
* Yihai Kerry (Anyang) Foodstuffs Industries Co., Ltd	**20.0**	20.0	The People's Republic of China	Flour milling
* Yihai Kerry (Beijing) Oils, Grains & Foodstuffs Industries Co., Ltd	**20.0**	20.0	The People's Republic of China	Flour milling
* Yihai Kerry (Shenyang) Oils, Grains & Foodstuffs Industries Co., Ltd	**20.0**	20.0	The People's Republic of China	Flour milling

* Associates not audited by Ernst & Young PLT
\# Associates audited by a network firm of Ernst & Young PLT

Notes to the Financial Statements
For the financial year ended 31 December 2020

41. ASSOCIATES (CONTINUED)

Companies	Group's equity interest 2020 %	Group's equity interest 2019 %	Place of incorporation	Principal activities
* Dongguan Yihai Kerry Oils, Grains & Foodstuffs Industries Co., Ltd	**20.0**	20.0	The People's Republic of China	Flour milling
* Yihai (Zhoukou) Wheat Industries Co., Ltd	**20.0**	20.0	The People's Republic of China	Flour milling
* Yihai Kerry (Zhengzhou) Foodstuffs Industries Co., Ltd	**20.0**	20.0	The People's Republic of China	Flour milling
* Yihai Kerry (Kunshan) Foodstuffs Industries Co., Ltd	**20.0**	20.0	The People's Republic of China	Flour milling
Raintree Profits Sdn Bhd	**31.5**	31.5	Malaysia	Film production
* Dream Talents Pictures Sdn Bhd	**35.0**	35.0	Malaysia	Film production
* Medan Multimedia Sdn Bhd	**19.0**	19.0	Malaysia	Film production
* Galaxy Studio Joint Stock Company	**40.0**	40.0	Vietnam	Exhibition and distribution of movies and content
Vietnam Investment Ltd	**50.0**	50.0	Malaysia	Investment holding
* Hillcrest Gardens Sdn Bhd	**16.8**	16.8	Malaysia	Real property development, property holding and property
Orion Capital Sdn Bhd	**40.0**	50.0	Malaysia	Investment holding
* Orion Fund Pte Ltd	**40.0**	-	Singapore	Investment holding
* Orion Fund II Pte Ltd	**40.0**	-	Singapore	Investment holding

* Associates not audited by Ernst & Young PLT

The financial year ends of the associates are co-terminous with that of the Group except for the following:

Companies	Financial year end
Shaw Brothers (M) Sdn Bhd	31 March
Ancom-Chemquest Terminals Sdn Bhd	31 May

For the purpose of applying equity accounting, management financial statements of these associates are prepared to the same reporting date as the Group.

Notes to the Financial Statements
For the financial year ended 31 December 2020

42. JOINT VENTURE

The joint venture is as follows:

Companies	Proportion of ownership interest 2020 %	2019 %	Place of operation	Principal activities
* Beijing Drainage Group Co Ltd Veolia Kerry Wastewater Treatment Plant	**42.0**	42.0	The People's Republic of China	Own, operate and maintain a waste water treatment plant

* Joint venture not audited by Ernst & Young PLT

43. SIGNIFICANT EVENT

The Covid-19 pandemic will continue to weigh on the Film exhibition and distribution and Property segments. The other main business segments, which are mainly in the production and distribution of staple food and services, are expected to perform satisfactorily. Wilmar International Limited's performance will continue to contribute substantially to the overall profitability of the Group.

44. SUBSEQUENT EVENT

Golden Screen Cinemas Sdn Bhd, the operating company of the GSC cinemas has, on 23 February 2021, entered into an Asset Sale Agreement to acquire the cinema assets of the former MBO cinema circuits. The acquisition is expected to be completed by the second quarter of 2021. This strategic move will expand the Group's network of cinemas and further strengthen the Group's market leading position.

The Group is confident that the movie industry will start to recover as the new number of Covid-19 cases is brought under control and after the planned rollout of the vaccination programme towards the second quarter of 2021. The Group remains resilient during this transitory period and continues to work on revenue diversification and cost optimisation initiatives, in addition to stringent cash flow management.

Statement by Directors
Pursuant to Section 251(2) of the Companies Act 2016

We, LIM SOON HUAT and DATO' CAPT. AHMAD SUFIAN @ QURNAIN BIN ABDUL RASHID, being two of the Directors of PPB Group Berhad, do hereby state that, in the opinion of the Directors, the financial statements set out on pages 90 to 180 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 so as to give a true and fair view of the financial position of the Group and the Company at 31 December 2020 and of the financial performance and cash flows for the year ended on that date.

On behalf of the Board

LIM SOON HUAT
Managing Director

DATO' CAPT. AHMAD SUFIAN @ QURNAIN BIN ABDUL RASHID
Director

Kuala Lumpur
25 March 2021

Statutory Declaration
Pursuant to Section 251(1) of the Companies Act 2016

I, YAP CHOI FOONG, being the person primarily responsible for the accounting records and financial management of PPB Group Berhad, do solemnly and sincerely declare that the financial statements of the Group and the Company set out on pages 90 to 180 are to the best of my knowledge and belief, 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.

YAP CHOI FOONG

Subscribed and solemnly declared by the
abovenamed Yap Choi Foong, MIA No. CA 7287,
at Kuala Lumpur in the Federal Territory
on this

Before me,

TAN SEOK KETT
Commissioner for Oaths
Malaysia
No. W530

Independent Auditors' Report

To the members of PPB Group Berhad

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of PPB Group Berhad, which comprise the statements of financial position as at 31 December 2020 of the Group and of the Company, and statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 90 to 180.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2020, and of their financial performance and their cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our 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 Matter

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. We have determined that there are no key audit matters to communicate in our report on the financial statements of the Company. The key audit matters for the audit of the financial statements of the Group are described below. These matters were addressed in the context of our audit of the financial statements of the Group 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 the matter. 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 matter below, provide the basis of our audit opinion on the accompanying financial statements.

Independent Auditors' Report
To the members of PPB Group Berhad

Key Audit Matter (cont'd)

Impairment assessment of investment in an associate, *Wilmar International Limited* (Refer to note 16 to the financial statements)

As at 31 December 2020, the Group's investment in an associate, Wilmar International Limited, amounted to RM18,158 million. In accordance with MFRS 136: Impairment of Assets, the Group are required to assess at each reporting date, whether there are any indications of impairment amongst others for investment in associates. If indicators of impairment exist, an impairment test is carried out by comparing the carrying amount of the investment in associates with its recoverable amount. Recoverable amount is defined as the higher of fair value less cost of disposal and value-in-use ("VIU"). Brought about by the lower market capitalisation of a material investment in associate as compared to its carrying amount, the Group estimated the recoverable amount of the said investment in an associate using the VIU method.

In estimating the VIU, management exercised significant judgement in preparing the discounted cash flow forecast. It involves determining the key assumptions such as forecasted earnings, growth rate and discount rate which have a significant impact on the estimated VIU. The key assumptions made in relation to the impairment assessment of investment in an associate are disclosed in Note 16 to the financial statements.

We considered this as an area of audit focus due to the magnitude of the carrying value of the investment in associates. Further, significant judgement is involved in the estimation, which requires substantial audit effort in the assessment of possible variations in the assumptions used by management.

In addressing the matter above, we have amongst others performed the following audit procedures:

i) Obtained an understanding of the relevant processes and internal controls over the impairment assessment process;
ii) Evaluated the key assumptions used by management in the cash flow projections on whether they are reasonable by comparing to historical results and cash flows of the associate;
iii) Corroborated the key assumptions with industry analysts' views and available market information;
iv) Evaluated the discount rates, growth rates and methodology used in deriving the present value of the cash flows with the support of our valuation specialist;
v) Performed sensitivity analysis on the key inputs to understand the impact that alternative assumptions would have had on the overall carrying value;
vi) Considered other facts and circumstances to indicate whether any impairment exists; and
vii) Assessed the adequacy of the disclosures made in the financial statements.

Information other than the financial statements and auditors' report

The directors of the Company are responsible for the other information. The other information comprises the director's report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon, which we obtained prior to the date of this auditors' report, and the Group's Annual Report, which is expected to be made available to us after the date of this auditors' report.

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.

Independent Auditors' Report
To the members of PPB Group Berhad

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.

Independent Auditors' Report
To the members of PPB Group Berhad

Auditors' Responsibilities for the Audit of the Financial Statements (cont'd)

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

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

We communicate with 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, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our 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 40 to the financial statements.

Other Matters

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

NG YEE YEE
No. 03176/05/2021 J
Chartered Accountant

Kuala Lumpur
25 March 2021

Corporate Information

BOARD OF DIRECTORS

Tan Sri Datuk Oh Siew Nam
Chairman
Non-Independent Non-Executive Director

Mr Lim Soon Huat
Managing Director

Datuk Ong Hung Hock
Non-Independent Non-Executive Director

Mr Soh Chin Teck
Independent Non-Executive Director

Dato' Capt Ahmad Sufian @ Qurnain bin Abdul Rashid
Independent Non-Executive Director

En Ahmad Riza bin Basir
Independent Non-Executive Director

Madam Tam Chiew Lin
Independent Non-Executive Director

AUDIT COMMITTEE

Mr Soh Chin Teck
Chairman

Dato' Capt Ahmad Sufian @ Qurnain bin Abdul Rashid

Madam Tam Chiew Lin

NOMINATION COMMITTEE

En Ahmad Riza bin Basir
Chairman

Datuk Ong Hung Hock

Mr Soh Chin Teck

REMUNERATION COMMITTEE

Dato' Capt Ahmad Sufian @ Qurnain bin Abdul Rashid
Chairman

Tan Sri Datuk Oh Siew Nam

Madam Tam Chiew Lin

COMPANY SECRETARY

Mr Mah Teck Keong

REGISTERED OFFICE

12th Floor UBN Tower
10 Jalan P Ramlee
50250 Kuala Lumpur
Telephone : 03-2726 0088
Facsimile : 03-2726 0099
Website : www.ppbgroup.com

PRINCIPAL BANKERS

Malayan Banking Berhad
Hong Leong Bank Berhad
AmBank (M) Berhad
HSBC Amanah Malaysia Berhad

AUDITORS

Ernst & Young PLT
Level 23A Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
50490 Kuala Lumpur

REGISTRAR

PPB Corporate Services Sdn Bhd
12th Floor UBN Tower
10 Jalan P Ramlee
50250 Kuala Lumpur
Telephone : 03-2726 0088
Facsimile : 03-2726 0099
Email : pcs@ppb.com.my

STOCK EXCHANGE LISTING

Bursa Malaysia Securities Berhad
(Main Market)
Sector : Consumer Products and Services
Stock Name : PPB
Stock Number : 4065
ISIN : MYL4065OO008

Additional Compliance Information

The following additional information is provided in compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad :

1. Audit and non-audit fees

The audit and non-audit fees paid or payable to the external auditors of PPB by the Group and the Company for the financial year ended ("FYE") 31 December 2020 were as follows:

	Group	Company
Audit fees	RM756,000	RM90,000
Non-audit fees	RM87,250	RM16,000

2. Material contracts

There were no material contracts entered into by PPB Group involving the directors' and major shareholders' interests since the end of the previous financial year nor still subsisting at the end of FYE 31 December 2020.

3. Recurrent related party transactions of a revenue or trading nature ("RRPT")

The actual values of RRPTs entered into by PPB Group with PGEO Group Sdn Bhd ("PGSB") and/or its connected persons in FYE 31 December 2020 pursuant to the shareholders' mandate obtained at the 51st Annual General Meeting are as follows:

Nature of transactions undertaken by PPB and/or its subsidiaries	Transacting party	FYE 2020 Actual RM'000	Nature of relationship
Purchase of cooking oil, soyabean, crude palm oil and refined palm products from PGSB Group			
FFM Berhad ("FFM")* Group	PGSB Group	**183,928**	PGSB is a major shareholder of FFM.
Purchase of crude palm oil from Sapi			
FFM (Sabah) Sdn Bhd	Sapi Plantations Sdn Bhd ("Sapi")	**4,555**	Sapi is a wholly-owned subsidiary of PPB Oil Palms Berhad, a person connected with PGSB.
Charter hire of vessels from RSI			
FFM Group	Raffles Shipping International Pte Ltd ("RSI")	**125,205**	RSI is a 100%-owned subsidiary of Wilmar International Limited ("Wilmar"), a person connected with PGSB.
Sale of flour and pollard to Wilmar Group			
FFM Group	Wilmar Group	**115,596**	Wilmar is a person connected with PGSB.
Payment of agency commission to WMCLV for sale of flour and pollard			
FFM Group	Wilmar Marketing CLV Company Ltd ("WMCLV")	**6,563**	WMCLV is an indirect 100%-owned subsidiary of Wilmar.
Rental of land and buildings to PGEO			
Taloh Sdn Bhd	PGEO Edible Oils Sdn Bhd ("PGEO")	**1,980**	PGEO is a wholly-owned subsidiary of PGSB.

Additional Compliance Information

3. **Recurrent related party transactions of a revenue or trading nature (continued)**

Nature of transactions undertaken by PPB and/or its subsidiaries	Transacting party	FYE 2020 Actual RM'000	Nature of relationship
Purchase of meat, bone meal and wheat from WGPL			
FFM Group	Wilmar Trading (Australia) Pty Ltd ("WGPL")	**14,128**	WGPL is a 100%-owned subsidiary of Wilmar.
Payment of advisory fee to WTA			
FFM	Wilmar Trading (Asia) Pte Ltd ("WTA")	**913**	WTA is an indirect 100%-owned subsidiary of Wilmar.
Purchase of consumer products			
FFM Group	Goodman Fielder Pte Ltd ("GFP")	**19,457**	GFP is an indirect 100%-owned subsidiary of Wilmar.
Purchase of consumer products			
Golden Screen Cinemas Sdn Bhd	FFM Marketing Sdn Bhd ("FFMM")	**498**	FFMM is a wholly-owned subsidiary of FFM, is a person connected with PGSB.

* FFM is an 80%-owned subsidiary of PPB.

List of Top 10 Properties Owned by PPB Group Berhad and Its Subsidiaries

Location	Description & existing use of properties	Date of acquisition/ revaluation	Age of buildings in years	Land area	Built up area	Tenure	Year of expiry	Net book value at 31.12.2020 RM'000
STATE OF KEDAH								
PT 876-2360, 2363-2372, & 2390-2398 3726-3733, 3774-3781, 4027-4350 & 4681-4728, Mukim Semeling, Daerah Kuala Muda	Land for property development	13.4.1981	-	501,774 sq metres	-	Freehold	-	23,295
STATE OF PENANG								
GM 59 Lot 3582 & GM 60 Lot 3583 Mukim 18, Tempat Vale of Tempe, Daerah Timor Laut, Negeri Pulau Pinang	Land for property development	20.4.2016	-	23,548 sq metres	-	Freehold	-	45,938
STATE OF PERAK								
Lot 504, 523, 834-852, 857, 863, 870-891, 902-904, 907-917, 944-961, 1016, 1032-1040, 1089, 1111 1125-1126, 1131-1132, 1148, 1178, 1192, 1244, 2380-2382, 2387, 2389, 2394-2401, 2405-2408, 2410 & 3485 Mukim Trong, Daerah Larut and Matang	Layer farm & oil palm plantation	25.10.1996	22	221 hectares	47,606 sq metres	Freehold	-	35,137
STATE OF SELANGOR								
Lot 64531-64532 Lot 142827 Mukim Klang Daerah Klang	Factory, warehouse & vacant industrial land	6.6.1995	6 to 19	172,494 sq metres	69,805 sq metres	Leasehold	2097	186,746
Lots 2824-2827 & PT 45125 Mukim Sg Buloh Daerah Petaling Jaya	Warehouse cum office & vacant industrial land	19.10.1993 1.6.1994	10 to 23	243,419 sq metres	13,177 sq metres	Freehold	-	60,854
Lot No PT 10989 & PT 10991, Jln SS24/10 & 24/5, Taman Megah, 47301 Petaling Jaya	Investment property under construction	16.4.1990	-	13,631 sq metres	-	Freehold	-	60,525

List of Top 10 Properties Owned by PPB Group Berhad and Its Subsidiaries

Location	Description & existing use of properties	Date of acquisition/ revaluation	Age of buildings in years	Land area	Built up area	Tenure	Year of expiry	Net book value at 31.12.2020 RM'000
WILAYAH PERSEKUTUAN								
Cheras LeisureMall Jln Manis 6, Taman Segar, Cheras, 56100 Kuala Lumpur	Shopping mall	9.3.1982	26	21,225 sq metres	73,339 sq metres	Leasehold	2077 & 2080	68,984
STATE OF JOHOR								
Lot 66243 Mukim Plentong Daerah Johor Bahru	Factory & office building	7.1.1989	4 to 46	36,394 sq metres	20,823 sq metres	Leasehold	2057	48,347
STATE OF SABAH								
CL 015582233 Kota Kinabalu Industrial Park Kota Kinabalu	Factory & office building	19.10.2006	10	14,520 sq metres	5,230 sq metres	Leasehold	2096	23,628
INDONESIA								
Jl.S.Gunungjati, LK.Lijajar Rt.13/06, Kelurahan Tegalratu Kecamatan Ciwandan, Kota Cilegon	Factory & office building	26.1.2007 3.4.2007	7 to 12	149,661 sq metres	71,160 sq metres	Leasehold	2039 to 2048	99,021

Statement of Shareholdings

As at 22 March 2021

Class of Shares : Ordinary Shares
Voting Rights : One vote per Ordinary Share

DISTRIBUTION OF SHAREHOLDINGS

Size of Holdings	No. of Holders	% of Holders %	No. of Issued Shares	% of Issued Shares %
Less than 100	1,289	14.15	27,251	0.00
100 - 1,000	1,804	19.80	793,633	0.06
1,001 - 10,000	4,088	44.86	15,067,611	1.06
10,001 - 100,000	1,535	16.85	48,837,788	3.43
100,001 to less than 5% of issued shares	393	4.31	541,158,038	38.04
5% and above of issued shares	3	0.03	816,714,618	57.41
Total	9,112	100.00	1,422,598,939	100.00

DIRECTORS' INTERESTS IN SHARES

	Direct Interest		Deemed Interest	
	No. of Issued Shares	% of Issued Shares %	No. of Issued Shares	% of Issued Shares %
IN THE COMPANY				
Tan Sri Datuk Oh Siew Nam	144,799	0.01	1,445,397	0.10
Tam Chiew Lin	7,200	0.00	12,000	0.00
IN RELATED CORPORATIONS				
Tego Sdn Bhd - Subsidiary				
Tan Sri Datuk Oh Siew Nam	-	-	18,000	0.10
Kuok Brothers Sdn Berhad - Holding company				
Tan Sri Datuk Oh Siew Nam	-	-	4,966,667	0.99
Lim Soon Huat	-	-	200,000	0.04
Datuk Ong Hung Hock	-	-	290,000	0.06
Coralbid (M) Sdn Bhd - Subsidiary of holding company				
Tan Sri Datuk Oh Siew Nam	-	-	100,000	0.27

Save as disclosed above, none of the other Directors had any direct nor deemed interest in shares of the Company or its related corporations.

Statement of Shareholdings
As at 22 March 2021

SUBSTANTIAL SHAREHOLDERS

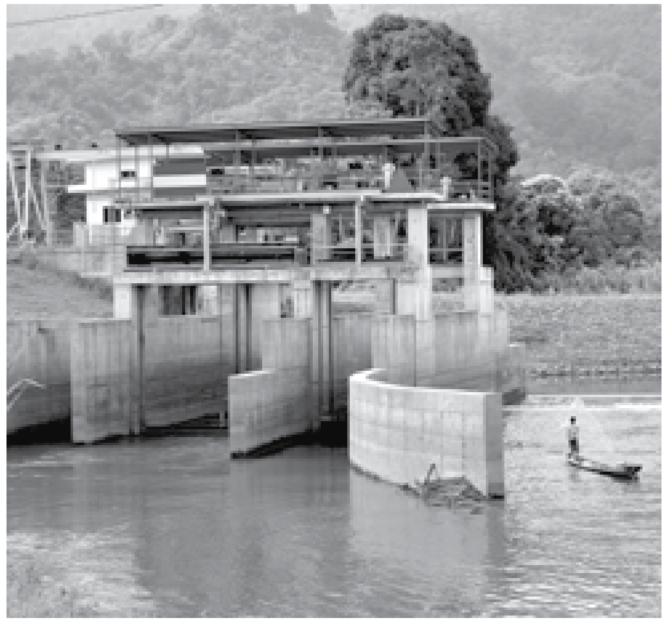
Name of Substantial Shareholders	Direct Interest No. of Issued Shares	Direct Interest % of Issued Shares %	Deemed Interest No. of Issued Shares	Deemed Interest % of Issued Shares %	Total No. of Issued Shares	Total % of Issued Shares %
Kuok Brothers Sdn Berhad	713,867,548	50.18	8,904,604	0.63	722,772,152	50.81
Employees Provident Fund Board	164,401,854	11.56	-	-	164,401,854	11.56

THIRTY LARGEST SHAREHOLDERS *(as per Record of Depositors)* as at 22 March 2021

	Name of Shareholder	No. of Issued Shares	% of Issued Shares %
1.	Kuok Brothers Sdn Berhad	567,253,646	39.87
2.	Citigroup Nominees (Tempatan) Sdn Bhd *For Employees Provident Fund Board*	162,001,454	11.39
3.	Kuok Brothers Sdn Berhad	87,459,518	6.15
4.	Kuok Brothers Sdn Berhad	59,155,816	4.16
5.	Nai Seng Sdn Berhad	48,991,800	3.44
6.	Kuok Foundation Berhad	20,543,664	1.44
7.	HSBC Nominees (Asing) Sdn Bhd *Exempt AN* *For Morgan Stanley & Co. International PLC (Client)*	19,600,562	1.38
8.	Cartaban Nominees (Asing) Sdn Bhd *Exempt AN* *For State Street Bank & Trust Company (West CLTOD67)*	16,453,259	1.16
9.	Citigroup Nominees (Asing) Sdn Bhd *Exempt AN* *For UBS AG Hong Kong (Foreign)*	14,270,700	1.00
10.	Citigroup Nominees (Asing) Sdn Bhd *Exempt AN* *For UBS AG Singapore (Foreign)*	14,221,100	1.00
11.	Kumpulan Wang Persaraan (Diperbadankan)	13,405,580	0.94
12.	Cartaban Nominees (Tempatan) Sdn Bhd *PAMB* *For Prulink Equity Fund*	12,515,760	0.88
13.	Chinchoo Investment Sdn Berhad	12,220,920	0.86
14.	UOBM Nominees (Asing) Sdn Bhd *United Overseas Bank Nominees (Pte) Ltd* *For Sin Heng Chan (1960) Pte Ltd*	10,320,000	0.73

Statement of Shareholdings
As at 22 March 2021

	Name of Shareholder	No. of Issued Shares	% of Issued Shares %
15.	Maybank Nominees (Tempatan) Sdn Bhd *Maybank Trustees Berhad* *For Public Ittikal Fund (N14011970240)*	10,000,000	0.70
16.	HSBC Nominees (Asing) Sdn Bhd *JPMCB NA* *For Vanguard Emerging Markets Stock Index Fund*	9,330,460	0.66
17.	UOB Kay Hian Nominees (Asing) Sdn Bhd *Exempt AN* *For UOB Kay Hian (Hong Kong) Limited (a/c Clients)*	9,146,455	0.64
18.	HSBC Nominees (Asing) Sdn Bhd *JPMCB NA* *For Vanguard Total International Stock Index Fund*	8,290,845	0.58
19.	Gaintique Sdn Bhd	7,119,960	0.50
20.	Citigroup Nominees (Asing) Sdn Bhd *Exempt AN* *For Bank of Singapore Limited (Foreign)*	6,711,892	0.47
21.	Citigroup Nominees (Tempatan) Sdn Bhd *Exempt AN* *For AIA Bhd*	6,511,140	0.46
22.	Key Development Sdn Berhad	6,000,000	0.42
23.	Citigroup Nominees (Asing) Sdn Bhd *Exempt AN* *For Citibank New York (Norges Bank 14)*	4,367,320	0.31
24.	HSBC Nominees (Asing) Sdn Bhd *JPMCB NA* *For Flexshares Morningstar Global Upstream Natural Resources Index Fund*	4,365,600	0.31
25.	Ang Poon Tiak	4,350,000	0.31
26.	HSBC Nominees (Asing) Sdn Bhd *For J.P. Morgan Securities Plc*	4,332,960	0.30
27.	DB (Malaysia) Nominee (Asing) Sdn Bhd *BNYM SA/NV* *For People's Bank of China (SICL Asia EM)*	4,239,040	0.30
28.	Amanahraya Trustees Berhad *For Public Islamic Equity Fund*	4,122,000	0.29
29.	Universiti Kebangsaan Malaysia	3,988,329	0.28
30.	UOB Kay Hian Nominees (Asing) Sdn Bhd *Exempt AN* *For UOB Kay Hian Pte Ltd (a/c Clients)*	3,972,648	0.28
Total		**1,155,262,428**	**81.21**



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