IMPORTANT NOTICE

THIS OFFERING IS AVAILABLE ONLY TO INVESTORS WHO ARE OUTSIDE THE UNITED STATES IN ACCORDANCE WITH REGULATION S (AS DEFINED BELOW).

IMPORTANT: You must read the following before continuing. The following applies to the offering circular following this page (the "**Offering Circular**"), and you are therefore advised to read this carefully before reading, accessing or making any other use of the Offering Circular. In accessing the Offering Circular, you agree to be bound by the following terms and conditions, including any modifications to them any time you receive any information from us as a result of such access.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN THE UNITED STATES OR ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE SECURITIES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR OTHER JURISDICTION AND THE SECURITIES MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES, EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS.

THE OFFERING CIRCULAR MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER, AND IN PARTICULAR, MAY NOT BE FORWARDED TO ANY U.S. ADDRESS. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS. IF YOU HAVE GAINED ACCESS TO THIS TRANSMISSION CONTRARY TO ANY OF THE FOREGOING RESTRICTIONS, YOU ARE NOT AUTHORISED AND WILL NOT BE ABLE TO PURCHASE ANY OF THE SECURITIES DESCRIBED IN THIS OFFERING CIRCULAR.

Confirmation of your Representation: The Offering Circular is being sent at your request and by accepting the e-mail and accessing the Offering Circular, you shall be deemed to have represented to us that the electronic mail address that you gave us and to which this e-mail has been delivered is not located in the United States and that you consent to delivery of such Offering Circular by electronic transmission. The attached Offering Circular is being furnished in connection with an offshore transaction as defined in the Securities Act in compliance with Regulation S under the Securities Act ("**Regulation S**").

You are reminded that the Offering Circular has been delivered to you on the basis that you are a person into whose possession the Offering Circular may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorised to, deliver the Offering Circular, electronically or otherwise, to any other person.

The materials relating to any offering of securities described in the Offering Circular do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that the offering be made by a licensed broker or dealer and the underwriters or any affiliate of the underwriters is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by the underwriters or such affiliate on behalf of the Issuers and the Guarantor (as defined in this Offering Circular) in such jurisdiction.

This Offering Circular has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently none of Progressive View Pte. Ltd., IOI Properties Group Berhad, DBS Bank Ltd. (the "**Arranger**"), the Dealers (as defined in this Offering Circular) nor any person who controls any of them nor any director, officer, employee or agent of any of them or affiliate of any such person accepts any liability or responsibility whatsoever in respect of any difference between the Offering Circular distributed to you in electronic format and any hard copy version.

Actions that you May Not Take: If you receive this document by e-mail, you should not reply by e-mail to this notice, and you may not purchase any securities by doing so. Any reply electronic mail communications, including those you generate by using the "Reply" function on your electronic mail software, will be ignored or rejected.

You are responsible for protecting against viruses and other destructive items. Your use of this e-mail is at your own risk and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.

Offering Circular dated 4 October 2022

IOI PROPERTIES
Trusted.

PROGRESSIVE VIEW PTE. LTD.

(Incorporated with limited liability in Singapore)
Company Registration Number: 201715421D

S$2,000,000,000
Euro Medium Term Note Programme

unconditionally and irrevocably guaranteed by

IOI PROPERTIES GROUP BERHAD

(Incorporated with limited liability in Malaysia)
Company Registration Number: 201301005964 (1035807-A)

On 8 November 2019, the S$2,000,000,000 euro medium term note programme (the "**Programme**") was established. Such Programme is amended as at the date of this offering circular (the "**Offering Circular**") and this Offering Circular supersedes all previous offering circulars and any supplement thereto in relation to the Programme. Any Notes (as defined below) issued under the Programme on or after the date of this Offering Circular are issued subject to the provisions described herein. The provisions described herein do not affect any Notes issued under the Programme prior to the date of this Offering Circular.

Under the Programme, Progressive View Pte. Ltd. and any subsidiary of the Guarantor (as defined below) which accedes as an issuer of Notes under the Programme (together the "**Issuers**", and each an "**Issuer**"), subject to compliance with all relevant laws, regulations and directives, may from time to time issue euro medium term notes (the "**Notes**"). The Notes will be guaranteed (the "**Guarantee**") by IOI Properties Group Berhad (the "**Guarantor**"). The aggregate principal amount of Notes outstanding under the Programme will not at any time exceed S$2,000,000,000 (or the equivalent in other currencies), subject to increase as described herein.

The Dealer Agreement, the Trust Deed and the Agency Agreement each contain provisions enabling additional Issuers to accede as an issuer of Notes under the Programme. In such event, the Issuer(s) and such additional Issuer(s) shall make available a supplementary Offering Circular in relation to such accession. The Notes may be issued by each Issuer on a continuing basis to one or more of the Dealers appointed under the Programme from time to time (each a "**Dealer**" and together the "**Dealers**"), which appointment may be for a specific issue or on an ongoing basis. References in this Offering Circular to the "**relevant Dealer**" shall, in the case of an issue of Notes being (or intended to be) subscribed for by more than one Dealer, be to all Dealers agreeing to subscribe for such Notes.

Approval in-principle has been received from the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") for permission to deal in and for the listing of any Notes which are agreed at the time of issue thereof to be so listed on the SGX-ST. Such permission will be granted when such Notes have been admitted to the Official List of the SGX-ST. Unlisted series of Notes may also be issued pursuant to the Programme and Notes may also be listed on stock exchanges other than SGX-ST. The relevant Pricing Supplement (each, a "**Pricing Supplement**") in respect of any series of Notes will specify whether or not such Notes will be listed on the SGX-ST or on any other stock exchange. There is no assurance that the application to the Official List of the SGX-ST for the listing of the Notes will be approved. Admission to the Official List of the SGX-ST and listing of any Notes on the SGX-ST is not to be taken as an indication of the merits of the Issuers, the Guarantor, the Group (as defined below) or such Notes. The SGX-ST assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained in this Offering Circular.

Each Series (as defined in the terms and conditions of the Notes (the "**Terms and Conditions of the Notes**")) of Notes may be issued in bearer form ("**Bearer Notes**") or in registered form ("**Registered Notes**"). Bearer Notes will be represented on issue by a temporary global note in bearer form (each a "**Temporary Global Note**") or a permanent global note in bearer form (each a "**Permanent Global Note**" and together with the Temporary Global Note, the "**Global Notes**"). Registered Notes will be represented by registered certificates (each a "**Certificate**"), one Certificate being issued in respect of the entire holding of Registered Notes of one Series for each holder of Notes (each such holder a "**Noteholder**"). Registered Notes will initially be represented by a registered global Certificate (each a "**Global Certificate**") without interest coupons. Global Notes and Global Certificates may be deposited on the issue date with a common depositary on behalf of Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking S.A. ("**Clearstream**") or with The Central Depository (Pte) Limited ("**CDP**"). Beneficial interests in Global Notes or Global Certificates held in book-entry form through Euroclear, Clearstream and/or CDP will be shown on, and transfers thereof will be effected only through, records maintained by Euroclear or Clearstream or CDP, as the case may be. The provisions governing the exchange of interests in Global Notes for other Global Notes and Global Notes and Global Certificates for definitive Notes are described in "*Summary of Provisions Relating to the Notes while in Global Form*".

Unless otherwise stated in a relevant Pricing Supplement, Tranches of Notes to be issued under the Programme will be unrated.

The Notes and the Guarantee have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**") or with any securities regulatory authority of any state or other jurisdiction of the United States, and the Notes may include Bearer Notes (as defined in the Dealer Agreement referred to herein) that are subject to U.S. tax law requirements and restrictions. Subject to certain exceptions, the Notes may not be offered, sold, or, in the case of Bearer Notes, delivered within the United States. Registered Notes are subject to certain restrictions on transfer, see "*Subscription and Sale*".

Investing in Notes issued under the Programme involves certain risks. If in doubt, investors should consult his or her legal, financial, tax or other professional adviser. Prospective investors should have regard, *inter alia*, to the factors described under the section headed "*Risk Factors*" in this Offering Circular.

Arranger and Dealer

DBS BANK LTD.

NOTICE TO INVESTORS

The Issuers and the Guarantor, having made all reasonable enquiries, confirm that, as at the date of this Offering Circular, (i) this Offering Circular contains all information with regard to the Issuers, the Guarantor, the Group, the Notes and the Guarantee which is material in the context of the Programme, the issue and offering of the Notes and the giving of the Guarantee, (ii) such information is true and accurate and not misleading in all material respects, (iii) the opinions, expectations and intentions expressed in this Offering Circular have been carefully considered, are and will be, based on all relevant considerations and facts known to the Issuers and the Guarantor existing at the date of its issue, fairly, reasonably and honestly held, (iv) there are no other facts the omission of which in the said context would make any such information or expressions of opinion, expectation or intention misleading in any material respect and (v) the Issuers and the Guarantor have made all reasonable enquiries to ascertain all material facts for the purpose aforesaid.

This Offering Circular is to be read in conjunction with all documents which are deemed to be incorporated herein by reference (see "*Documents Incorporated by Reference*"). This Offering Circular shall be read and construed on the basis that such documents are incorporated in, and form part of, this Offering Circular.

This Offering Circular has been prepared by the Issuers and the Guarantor for use in connection with the offer and sale of the Notes outside the United States. The Issuers, the Guarantor, the Arranger and the Dealers reserve the right to reject any offer to purchase the Notes, in whole or in part, for any reason. This Offering Circular does not constitute an offer to any person in the United States. Distribution of this Offering Circular by any person outside the United States to any person within the United States is unauthorised and any disclosure without the prior written consent of the Issuers and the Guarantor of any of its contents to any such person within the United States, is prohibited.

No person has been authorised to give any information or to make any representation other than those contained in this Offering Circular in connection with the Programme or the issue or sale of the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuers, the Guarantor, any of the Dealers or the Arranger, HSBC Institutional Trust Services (Singapore) Limited as trustee (the "**Trustee**") or any of the Agents (as defined in the Agency Agreement referred to herein) or any person who controls any of them, or any of their respective directors, officers, employees, agents, representatives, advisers or affiliates. Save as expressly stated in this Offering Circular, nothing contained herein is, or may be relied upon as, a promise or representation as to the future performance or policies of the Issuers, the Guarantor or any of their respective subsidiaries or associated companies (if any). Neither this Offering Circular nor any other document or information or any part thereof, delivered or supplied under or in relation to the Programme may be used for the purpose of, and does not constitute an offer of, such solicitation or invitation by or on behalf of the Issuers, the Guarantor, the Arranger, any of the Dealers, the Trustee or the Agents or any person who controls any of them, or any of their respective directors, officers, employees, agents, representatives, advisers or affiliates, to subscribe for or purchase the Notes in any jurisdiction or under any circumstances in which such offer, solicitation or invitation is unlawful, or not authorised or to any person to whom it is unlawful to make such offer, solicitation or invitation.

Neither the delivery of this Offering Circular (or any part thereof) nor any sale, offering or purchase made in connection herewith shall, under any circumstances, constitute a representation or create any implication that there has been no change in the prospects, results of operation or general affairs of the Issuers, the Guarantor or their respective subsidiaries and/or associated companies since the date hereof or the date upon which this Offering Circular has been most recently amended or supplemented or that there has been no adverse change in the financial position of the Issuers, the Guarantor or their respective subsidiaries and/or associated companies since the date hereof or the date upon which this Offering Circular has been most recently amended or supplemented or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

The distribution and publication of this Offering Circular or any such other document or information and the offering or sale of the Notes in certain jurisdictions may be restricted by law. Persons who distribute or publish this Offering Circular or any such other document or information or into whose possession this Offering Circular or any such other document or information comes are required by the Issuers, the Guarantor, the Dealers and the Arranger to inform themselves about and to observe any such restrictions and all applicable laws, orders, rules and regulations. The Notes and the Guarantee have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States, and the Notes may include Bearer Notes (as defined herein) that are subject to U.S. tax law requirements. Subject to certain exceptions, the Notes may not be offered, sold, or, in the case of Bearer Notes, delivered within the United States. Registered Notes are subject to certain restrictions on transfer. In particular, there are restrictions on the distribution of this Offering Circular and the offer or sale of Notes in the United States, the European Economic Area, the United Kingdom, Hong Kong, Singapore, Malaysia, Japan and PRC (see "*Subscription and Sale*").

This Offering Circular and/or any other document or information (or any part thereof) delivered or supplied under or in relation to the Programme shall not be deemed to constitute an offer of, or an invitation by or on behalf of the Issuers, the Guarantor, any of the Dealers, the Trustee or the Agents or any person who controls any of them, or any of their respective directors, officers, employees, agents, representatives, advisers or affiliates to subscribe for, or purchase, any Notes. This Offering Circular and any other documents or materials in relation to the issue, offering or sale of the Notes have been prepared solely for the purpose of the initial sale by the relevant Dealers(s) of the Notes from time to time to be issued pursuant to the Programme. Recipients of this Offering Circular shall not reissue, circulate or distribute this Offering Circular or any part thereof in any manner whatsoever.

None of the Arranger, the Dealers, the Trustee or the Agents or any person who controls any of them, or any of their respective directors, officers, employees, agents, representatives, advisers or affiliates, have separately verified the information contained in this Offering Circular. None of the Arranger, the Dealers, the Trustee or the Agents or any person who controls any of them, or any of their respective directors, officers, employees, agents, representatives, advisers or affiliates, is making any representation or warranty expressed or implied as to the merits of the Notes or the subscription for, purchase or acquisition thereof, the creditworthiness or financial condition or otherwise of the Issuers, the Guarantor or their respective subsidiaries or associated companies (if any). Further, none of the Arranger, the Dealers, the Trustee or the Agents or any person who controls any of them, or any of their respective directors, officers, employees, agents, representatives, advisers or affiliates, makes any representation or warranty as to the Issuers, the Guarantor or their respective subsidiaries or associated companies (if any) or as to the accuracy, reliability or completeness of the information set out herein (including the legal and regulatory requirements pertaining to Sections 274, 275 and 276 or any other provisions of the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time (the "**SFA**")) and the documents which are incorporated by reference in, and form part of, this Offering Circular. This Offering Circular and any such other documents or materials are made available to the recipients thereof solely on the basis that they are persons falling within the ambit of Section 274 and/or Section 275 of the SFA and may not be relied upon by any person other than persons to whom the Notes are sold or with whom they are placed by the relevant Dealer(s) as aforesaid or for any other purpose.

To the fullest extent permitted by law, none of the Arranger, the Dealers, the Trustee or the Agents or any person who controls any of them, or any of their respective directors, officers, employees, agents, representatives, advisers or affiliates, accepts any responsibility for the contents of this Offering Circular or for any other statement made or purported to be made by the Arranger, the Dealers, the Trustee or the Agents or any person who controls any of them, or any of their respective directors, officers, employees, agents, representatives, advisers or affiliates, or on their behalf in connection with the Issuers, the Guarantor, the Programme or the issue and offering of the Notes or the giving of the Guarantee. Each of the Arranger, the Dealers, the Trustee and each Agent and each person who controls any of them, and each of their respective directors, officers, employees, agents, representatives, advisers and affiliates, accordingly disclaims all and any liability whether arising in tort or contract or otherwise (save as referred to above) which it might otherwise have in respect of this Offering Circular or any such statement.

Neither this Offering Circular nor any other document or information (or any part thereof) delivered and supplied under or in relation to the Programme is intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Issuers, the Guarantor, the Arranger, the Dealers, the Trustee or the Agents or any person who controls any of them, or any of their respective directors, officers, employees, agents, representatives, advisers or affiliates that any recipient of this Offering Circular or any other financial statements should purchase the Notes. Each potential purchaser of Notes shall make its own assessment of the foregoing and other relevant matters including the financial condition and affairs and its appraisal of the creditworthiness of the Issuers, the Guarantor and their respective subsidiaries and associated companies (if any), and obtain its own independent legal or other advice thereon, and its investment shall be deemed to be based on its own independent investigation of the financial condition and affairs and its appraisal of the creditworthiness of the Issuers, the Guarantor and their respective subsidiaries and associated companies (if any). Accordingly, notwithstanding anything herein, none of the Arranger, the Dealers, the Trustee or the Agents or any person who controls any of them, or any of their respective directors, officers, employees, agents, representatives, advisers or affiliates shall be held responsible for any loss or damage suffered or incurred by the recipients of this Offering Circular or such other document or information (or such part thereof) as a result of or arising from anything expressly or implicitly contained in or referred to in this Offering Circular or such other document or information (or such part thereof and the same shall not constitute a ground for rescission of any purchase or acquisition of any of the Notes by a recipient of this Offering Circular or such other document or information (or such part thereof). None of the Arranger, the Dealers, the Trustee or the Agents or any person who controls any of them, or any of their respective directors, officers, employees, agents, representatives, advisers or affiliates undertakes to review the financial condition or affairs of the Issuers or the Guarantor during the life of the arrangements contemplated by this Offering Circular or to advise any investor or potential investor in the Notes of any information coming to the attention of any of the Arranger, the Dealers, the Trustee, the Agents or any person who controls any of them, or any of their respective directors, officers, employees, agents, representatives, advisers or affiliates.

Any purchase or acquisition of the Notes is in all respects conditional on the satisfaction of certain conditions set out in the Dealer Agreement and the issue of the Notes by the Issuers pursuant to the Dealer Agreement. Any offer, invitation to offer or agreement made in connection with the purchase or acquisition of the Notes or pursuant to this Offering Circular shall (without any liability or responsibility) on the part of the Issuers, the Guarantor, the Arranger or any of the Dealers) lapse and cease to have any effect if (for any other reason whatsoever) the Notes are not issued by the Issuers pursuant to the Dealer Agreement.

Any person(s) who is invited to purchase or subscribe for the Notes or to whom this Offering Circular is sent shall not make any offer or sale, directly or indirectly, of any Notes or distribute or cause to be distributed any document or other material in connection therewith in any country or jurisdiction except in such manner and in such circumstances as will result in compliance with any applicable laws and regulations.

It is recommended that persons proposing to purchase or subscribe for any of the Notes consult their own legal and other advisers before purchasing or acquiring the Notes. Prospective purchasers of the Notes are advised to consult their own tax advisers concerning the tax consequences of the acquisition, ownership or disposal of the Notes.

SINGAPORE SFA PRODUCT CLASSIFICATION

The Pricing Supplement in respect of any Notes may include a legend entitled "Singapore Securities and Futures Act Products Classification" which will state the product classification of the Notes pursuant to section 309B(1) of the SFA. The relevant Issuer will make a determination and provide the appropriate written notification to "relevant persons" in relation to each issue under the Programme of the classification of the Notes being offered for purposes of section 309B(1)(a) and section 309(1)(c) of the SFA.

EEA RETAIL INVESTORS

If the Pricing Supplement in respect of any Notes includes a legend entitled "*Prohibition of Sales to EEA Retail Investors*", the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (the "**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); (ii) a customer within the meaning of Directive (EU) 2016/97 (the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (the "**Prospectus Regulation**"). Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

UK RETAIL INVESTORS

If the Pricing Supplement in respect of any Notes includes a legend entitled "*Prohibition of Sales to UK Retail Investors*", the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom ("**UK**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**"); (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 ("**FSMA**") and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

MIFID II PRODUCT GOVERNANCE/TARGET MARKET

The Pricing Supplement in respect of any Notes may include a legend entitled "*MiFID II Product Governance/Professional investors and ECPs only target market*" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (the "**MiFID Product Governance Rules**"), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.

UK MiFIR PRODUCT GOVERNANCE/TARGET MARKET

The Pricing Supplement in respect of any Notes may include a legend entitled "*UK MiFIR Product Governance/Professional investors and ECPs only target market*" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the UK MiFIR Product Governance Rules, any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the UK MiFIR Product Governance Rules.

STABILISATION

In connection with the issue of any Tranche of Notes, the Dealer or Dealers (if any) named as the stabilising manager(s) (the "**Stabilising Manager(s)**") (or any person acting on behalf of any Stabilising Manager(s)) in the applicable Pricing Supplement may over-allot Notes or effect transactions with a view to supporting the market price of the Notes of the Series of which such Tranche forms part at a level higher than that which might otherwise prevail. However, stabilisation may not necessarily occur. Any stabilisation action or over-allotment may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may cease at any time, but must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilisation action or over-allotment must be conducted by the relevant Stabilising Manager(s) (or any person acting on behalf of any Stabilising Manager(s)) in accordance with all applicable laws and rules.

CERTAIN DEFINITIONS AND ROUNDING OF AMOUNTS

In this Offering Circular, unless the context otherwise indicates, references to the "**Issuers**" are to Progressive View Pte. Ltd. and any subsidiary of the Guarantor which accedes as an issuer of Notes under the Programme (and "**Issuer**" means any of them), references to the "**Guarantor**" or the "**Company**" are to IOI Properties Group Berhad and references to the "**Group**" or "**IOI Properties**" are to IOI Properties Group Berhad and its consolidated subsidiaries (including Progressive View Pte. Ltd.), as the context requires.

All references in this document to "**U.S. dollars**" and "**U.S.$**" refer to United States dollars, all references to "**Ringgit**" and "**RM**" refer to Malaysian Ringgit and all references to "**Singapore dollar**", "**S$**" and "**SGD**" refer to Singapore dollars. In addition, all references to "**Euro**", "**euro**", "**EUR**" and "**€**" refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Community, as amended, all references to "**CNY**", "**RMB**" and "**Renminbi**" refer to Renminbi, the lawful currency for the time being of the People's Republic of China (the "**PRC**"), and all references to "**Hong Kong Dollars**" and "**HK$**" refer to Hong Kong dollars.

Certain monetary amounts and percentages in this Offering Circular have been subject to rounding adjustments; accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them. Any discrepancies in the tables included herein between the listed amounts and totals thereof are due to rounding.

FINANCIAL STATEMENTS

The Guarantor has prepared audited consolidated financial statements as at and for the financial years ended 30 June 2021 and 2022 (the "**Audited Financial Statements**"), which are included in this Offering Circular. See "*Index to Financial Statements*". The Audited Financial Statements have been audited by PricewaterhouseCoopers PLT ("**PwC**") as stated in their reports appearing herein.

The Guarantor's audited consolidated financial statements as at and for the financial years ended 30 June 2021 and 2022 are prepared in conformity with Malaysian Financial Reporting Standards ("**MFRS**") and International Financial Reporting Standards ("**IFRS**"). The Audited Financial Statements are prepared in accordance with the requirements of the Companies Act 2016 of Malaysia and reported in Malaysian Ringgit.

During the financial year ended 30 June 2021, the Group adopted the International Financial Reporting Standard Interpretation Committee ("**IFRIC**") agenda decision on IAS 23 Borrowing Costs on over time transfer of constructed goods which resulted in change in accounting policy. In March 2019, the IFRIC published an Agenda Decision on borrowing costs confirming, receivables, contract assets and inventories for which revenue is recognised over time are non-qualifying assets. On 20 March 2019, the Malaysia Accounting Standard Board announced that an entity shall apply the change in accounting policy as a result of this Agenda Decision to financial statements of annual periods beginning on or after 1 July 2020. In line with the IFRIC agenda decision, the Group adopted the IFRIC Agenda Decision retrospectively in its financial position as at 1 July 2019 to exclude properties under development where control is transferred to customers over time, as qualifying assets for the purposes of borrowing cost capitalisation. Consequently, all borrowings costs incurred cease to be capitalised when the properties under development are ready for their intended sale and are expensed to profit or loss when incurred. Previously, the Group considered all properties under development as qualifying assets. Accordingly, the comparative financial information as at and for the financial year ended 30 June 2020 in the Guarantor's Audited Financial Statements for the financial year ended 30 June 2021 have been restated to give effect to those changes. The detailed impact of change in accounting policy on the Guarantor's reported consolidated financial position, financial performance and cash flows is disclosed in Note 44 of the Audited Financial Statements for the financial year ended 30 June 2021, included elsewhere in this Offering Circular.

The selected consolidated financial information as at and for each of the financial years ended 30 June 2020 and 30 June 2021 has been derived from the Guarantor's audited financial statements for the financial year ended 30 June 2021 included elsewhere in this Offering Circular, and the selected consolidated financial information as at and for the financial year ended 30 June 2022 has been derived from the Guarantor's audited financial statements for the financial year ended 30 June 2022 included elsewhere in this Offering Circular.

INDUSTRY AND OTHER MARKET DATA

Market data and certain industry forecasts used throughout this Offering Circular have been obtained from internal surveys, market research, publicly available information and industry publications. Industry publications generally state that the information that they contain has been obtained from sources believed to be reliable but that the accuracy and completeness of that information is not guaranteed. Similarly, internal surveys, industry forecasts and market research, while believed to be reliable, have not been independently verified, and none of the Issuers, the Guarantor, the Arranger, the Dealers, the Trustee or the Agents makes any representation as to the accuracy of that information.

FORWARD-LOOKING STATEMENTS

Certain statements contained in this Offering Circular that are not statements of historical fact constitute "forward-looking statements". However, these words are not the exclusive means of identifying forward-looking statements. The words including "believe", "expect", "plan", "anticipate", "intend", "aim", "project", "seek", "should", "will", "would", "could", "schedule", "estimate" and similar words or expressions identify forward-looking statements. All statements other than statements of historical facts included in this Offering Circular, including, but without limitation, those regarding the expected financial position, business strategy, prospects, capital expenditure and investment plans of the Group and the plans and objectives of the Group's management for its future operations (including development plans and objectives relating to the Group's operations, revenue, profitability, prospects, future plans and other matters discussed in this Offering Circular regarding matters that are not historical fact and including the financial forecasts, profit projections, statements as to the expansion plans of the Issuers, the Guarantor and/or the Group, expected growth in the Issuers, the Guarantor and/or the Group and other related matters), are forward looking statements and accordingly, are only predictions.

Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements of the Issuers, the Guarantor and/or the Group to differ materially from those expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Group's present and future business strategies and the environment in which the Group will operate in the future. Each of the Issuers and the Guarantor expressly disclaims any obligation or undertaking to release any updates or revisions to any forward-looking statements contained herein to reflect any change in the Issuers', the Guarantor's or the Group's expectations with regard thereto or any change of events, conditions or circumstances, on which any such statements were based.

This Offering Circular discloses some of these factors under "*Risk Factors*" and elsewhere, important factors that could cause actual results to differ materially from the Issuers' or the Guarantor's expectations. All subsequent written and forward-looking statements attributable to the Issuers or the Guarantor or persons acting on behalf of the Issuers or the Guarantor are expressly qualified in their entirety by such cautionary statements.

SUPPLEMENTARY OFFERING CIRCULAR

The Issuers and the Guarantor have given undertakings to the Arranger that if an Issuer has notified the Arranger in writing that it intends to issue Notes under the Programme, the Issuers and the Guarantor shall prepare an amendment or supplement to this Offering Circular or a replacement Offering Circular if any event shall have occurred as a result of which this Offering Circular, if not amended or supplemented, would include a statement of fact which is not true and accurate in any material respect or omit any fact the omission of which would make any statement therein misleading in any material respect.

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DOCUMENTS INCORPORATED BY REFERENCE

This Offering Circular should be read and construed in conjunction with:

(i) each relevant Pricing Supplement,

(ii) the most recently published audited consolidated annual financial statements (including the auditors' report thereon), and any interim financial statements (including the notes thereto) published subsequently to such annual financial statements, of the Guarantor from time to time, and

(iii) all amendments and supplements from time to time to this Offering Circular,

which shall be deemed to be incorporated in, and to form part of, this Offering Circular and which shall be deemed to modify or supersede the contents of this Offering Circular to the extent that a statement contained in any such document is inconsistent with such contents. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Offering Circular.

Copies of all such documents which are so deemed to be incorporated by reference herein, and to form part of, this Offering Circular are available for inspection (**provided that** the same has been provided by the Issuers to the Issuing and Paying Agent) at the specified office of the Trustee during usual business hours (being between 9:00 a.m. and 3:00 p.m.) on any weekday (Saturdays, Sundays and public holidays excepted) (which as at the date of this Offering Circular is as set out at the end of this Offering Circular) following prior written request and proof of holding and identify satisfactory to the Issuing and Paying Agent. The documents specified in items (i) and (iii) above will also be available on the SGX-ST website at www.sgx.com. The documents specified in item (ii) above will also be published by the Guarantor on the website of Bursa Malaysia Securities Berhad (www.bursamalaysia.com). The above websites and any other websites referenced in this Offering Circular are intended as guides as to where other public information relating to the Issuers, the Guarantor and the Group may be obtained free of charge. Information appearing in such websites does not form part of this Offering Circular or any relevant Pricing Supplement and none of the Issuers, the Guarantor, Arranger, the Dealers, the Trustee, the Agents or any person who controls any of them, or any of their respective directors, officers, employees, agents, representatives, advisers or affiliates accepts any responsibility whatsoever that any information, if available, is accurate and/or up-to-date. Such information, if available, should not form the basis of any investment decision by an investor to purchase or deal in the Notes. None of the Arranger, the Dealers, the Trustee, the Agents or any person who controls any of them, or any of their respective directors, officers, employees, agents, representatives, advisers or affiliates, accepts any responsibility for any documents provided by the Issuers to the Issuing and Paying Agent so as to be available for inspection as aforesaid.

SUMMARY OF THE PROGRAMME

This summary must be read as an introduction to this Offering Circular and any decision to invest in the Notes should be based on a consideration of this Offering Circular as a whole, including any information incorporated by reference. Words and expressions defined in the Conditions or elsewhere in this Offering Circular have the same meanings in this summary.

Issuers:	Progressive View Pte. Ltd. and any subsidiary of the Guarantor which accedes as an issuer of Notes under the Programme.
Guarantor:	IOI Properties Group Berhad.
Description:	S$2,000,000,000 Euro Medium Term Note Programme.
Size:	The maximum aggregate principal amount of the Notes to be issued, when added to the aggregate principal amount of all Notes outstanding, shall be S$2,000,000,000 (or its equivalent in other currencies) or such higher amount as may be increased in accordance with the terms of the Dealer Agreement.
Arranger:	DBS Bank Ltd.
Dealers:	DBS Bank Ltd. and such other Dealers as may be appointed by the Issuers in accordance with the Dealer Agreement. The Issuers and the Guarantor may from time to time appoint one or more additional Dealers in accordance with the terms of the Dealer Agreement. Any such appointment of a Dealer may be in respect of a single Series, Tranche or the whole Programme. References in this Offering Circular to "**Permanent Dealers**" are to all Dealers other than those appointed as such solely in respect of one or more specified Tranches (and whose appointment has not been terminated) and references to "**Dealers**" are to all Permanent Dealers and any other Dealer that is appointed to the Programme.
Trustee:	HSBC Institutional Trust Services (Singapore) Limited.
Issuing and Paying Agent, Non-CDP Transfer Agent and Non-CDP Registrar and (where appointed in respect of Notes cleared through Euroclear or Clearstream) Calculation Agent: .	The Hongkong and Shanghai Banking Corporation Limited.
CDP Paying Agent, CDP Transfer Agent, CDP Registrar and (where appointed in respect of Notes cleared through CDP) Calculation Agent:	The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch.

Method of Issue:	Notes may be issued from time to time under the Programme on a syndicated or non-syndicated basis. Each Series may be issued in one or more tranches (each, a "**Tranche**"), on the same or different issue dates. The specific terms of each Series or Tranche will be specified in the relevant Pricing Supplement.
Issue Price:	Notes may be issued at par or at a discount, or premium, to par.
Form and Denomination and Trading of the Notes:	The Notes will be issued in bearer form or registered form and in such denominations as may be agreed between the relevant Issuer and the relevant Dealer(s). Each Tranche or Series of bearer Notes may initially be represented by a Temporary Global Note or a Permanent Global Note. Each Temporary Global Note may be deposited on the relevant issue date with CDP, a common depositary for Euroclear and Clearstream (the "**Common Depositary**") and/or any other agreed clearing system and will be exchangeable, upon request as described therein, either for a Permanent Global Note or definitive Notes (as indicated in the applicable Pricing Supplement). Each Permanent Global Note may be exchanged, unless otherwise specified in the applicable Pricing Supplement, upon request as described therein, in whole (but not in part) for definitive Notes upon the terms therein. Each Tranche or Series of registered Notes will initially be represented by a Global Certificate. Each Global Certificate may be registered in the name of, or in the name of a nominee of CDP, a Common Depositary and/or any other agreed clearing system. Each Global Certificate may be exchanged, upon request as described therein, in whole (but not in part) for Certificates upon the terms therein. Save as provided in the Conditions of the Notes, a Certificate shall be issued in respect of each Noteholder's entire holding of registered Notes of one Series.
Clearing Systems:	Clearstream, Euroclear, CDP and, in relation to any Tranche, such additional or alternative clearing system selected by the relevant Issuer or the Guarantor and approved in writing by the Trustee, the Issuing and Paying Agent and, as the case may be, the relevant Registrar.
Initial Delivery of Notes:	On or before the issue date for each Tranche, the Global Note representing Bearer Notes or the Global Certificate representing Registered Notes may be deposited with a Common Depositary, or with CDP. Global Notes or Global Certificates may also be deposited with any other clearing system or may be delivered outside any clearing system **provided that** the method of such delivery has been agreed in advance by the relevant Issuer, the Trustee, the Issuing and Paying Agent, the Registrar (in the case of Registered Notes) and the relevant Dealer. Registered Notes that are to be credited to one or more clearing systems on issue will be registered in the name of, or in the name of nominees or a common nominee for, such clearing systems.

Currencies: . . . . . Subject to compliance with all relevant laws, regulations and directives, Notes may be issued in U.S. dollars or any other currency agreed between the relevant Issuer, the Guarantor, the relevant Dealer(s), the Issuing and Paying Agent and the relevant Registrar.

Specified Denomination: . . . . . Definitive Notes will be in such denominations as may be specified in the relevant Pricing Supplement save that unless otherwise permitted by then current laws and regulations, Notes (including Notes denominated in Sterling) in respect of which the issue proceeds are to be accepted by the relevant Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of Section 19 of the FSMA and which have a maturity of less than one year must have a minimum redemption value of £100,000 (or its equivalent in other currencies).

Maturities: . . . . . Subject to compliance with all relevant laws, regulations and directives, Notes may have maturities of such tenor as may be agreed between the relevant Issuer and the relevant Dealer(s).

Interest Basis: . . . . . Notes may bear interest at fixed, floating, variable, hybrid or may bear interest at a combination of any of the foregoing rates or may not bear interest (depending upon the Interest Basis shown on its face).

Fixed Rate Notes: . . . . . Fixed Rate Notes will bear a fixed rate of interest which will be payable in arrear on specified interest payment dates and at maturity.

Floating Rate Notes: . . . . . Floating Rate Notes will bear interest determined separately for each Series as follows:

(i) on the same basis as the floating rate under a notional interest rate swap transaction in the Relevant Currency governed by an agreement incorporating the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc.; or

(ii) by reference to HIBOR, CNH HIBOR, or EURIBOR,

(or such other benchmark as may be specified in the relevant Pricing Supplement) as adjusted for any applicable margin.

Interest periods will be specified in the relevant Pricing Supplement.

Variable Rate Notes: . . . . . Variable Rate Notes will bear interest at a variable rate determined in accordance with the Terms and Conditions of the Notes. Interest periods in relation to the Variable Rate Notes will be agreed between the relevant Issuer and the relevant Dealer(s) prior to their issue.

Hybrid Notes: . . . . . Hybrid Notes will bear interest, during the fixed rate period to be agreed between the relevant Issuer and the relevant Dealer(s), at a fixed rate of interest which will be payable in arrear on specified dates and, during the floating rate period to be agreed between the relevant Issuer and the relevant Dealer(s), at the rate of interest to be determined by reference to a benchmark as may be agreed between the relevant Issuer and the relevant Dealer(s), as adjusted for any applicable margin, in each case payable at the end of each interest period to be agreed between the relevant Issuer and the relevant Dealer(s).

Zero Coupon Notes: . . . . . Zero Coupon Notes may be issued at their principal amount or at a discount to it and will not bear interest other than in the case of late payment.

Interest Periods and Interest Rates: . . . . . The length of the interest periods for the Notes and the applicable interest rate or its method of calculation may differ from time to time or be constant for any Series. Notes may have a maximum interest rate, a minimum interest rate, or both. The use of interest accrual periods permits the Notes to bear interest at different rates in the same interest period. All such information will be set out in the relevant Pricing Supplement.

Redemption: . . . . . Unless previously redeemed or purchased and cancelled, each Note will be redeemed at its redemption amount on the maturity date shown on its face. Unless permitted by then current laws and regulations, Notes (including Notes denominated in Sterling) which have a maturity of less than one year and in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of section 19 of the FSMA must have a minimum redemption amount of £100,000 (or its equivalent in other currencies).

Optional Redemption: . . . . . If so provided on the face of the Note and the relevant Pricing Supplement, Notes may be redeemed (either in whole or in part) prior to their stated maturity at the option of the relevant Issuer and/or the holders of the Notes.

Tax Redemption: . . . . . The Notes may be redeemed at the option of the relevant Issuer in whole, but not in part, on any Interest Payment Date or, if so specified thereon, at any time on giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable) and in writing to the Trustee and the Issuing and Paying Agent, at their Redemption Amount or (in the case of Zero Coupon Notes) Early Redemption Amount (together with interest accrued to (but excluding) the date fixed for redemption), if

(i) the relevant Issuer (or, if the Guarantee was called, the Guarantor) has or will become obliged to pay additional amounts as provided or referred to in Condition 8 of the Notes, or increase the payment of such additional amounts, as a result of any change in, or amendment to, the laws (or any regulations, rulings or other administrative pronouncements promulgated thereunder) of the jurisdiction of incorporation of the Issuer or the Guarantor, as the case may be, or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, rulings or other administrative pronouncements, which change or amendment is made public on or after the Issue Date or any other date specified in the Pricing Supplement, and

(ii) such obligations cannot be avoided by the relevant Issuer or, as the case may be, the Guarantor taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the relevant Issuer, or as the case may be, the Guarantor, would be obliged to pay such additional amounts were a payment in respect of the Notes then due.

Status of Notes and the Guarantee: . . . . . .

The Notes and Coupons of all Series constitute (subject to Condition 4(a) of the Terms and Conditions of the Notes) direct, unconditional, unsubordinated and unsecured obligations of the relevant Issuer and shall at all times rank *pari passu*, without any preference or priority among themselves, and *pari passu* with all other present and future unsecured obligations (other than subordinated obligations and priorities created by law) of the relevant Issuer.

The payment of all sums expressed to be payable by the relevant Issuer under the Trust Deed, the Notes and the Coupons are unconditionally and irrevocably guaranteed by the Guarantor. The obligations of the Guarantor under the Guarantee (as defined in the Trust Deed) are contained in the Trust Deed. The payment obligations of the Guarantor under the Guarantee constitute (subject to Condition 4(a) of the Terms and Conditions of the Notes) direct, unconditional, unsubordinated and unsecured obligations of the Guarantor and shall rank *pari passu* with all other present and future unsecured obligations (other than subordinated obligations and priorities created by law) of the Guarantor.

Negative Pledge: . . . . . So long as any Note or Coupon remains outstanding (as defined in the Trust Deed), neither the relevant Issuer nor the Guarantor will, and each of the relevant Issuer and the Guarantor will ensure that none of their respective Principal Subsidiaries (as defined below) will, create or have outstanding any mortgage, charge, lien, pledge or other security interest ("**Security Interest**") over the whole or any part of the present or future undertaking, assets or revenues (including any uncalled capital) to secure any Relevant Indebtedness (as defined in Condition 4(a) of the Terms and Conditions of the Notes) or to secure any guarantee or indemnity in respect of any Relevant Indebtedness, in any case without at the same time or prior thereto according to the Notes and the Coupons (i) the same security as is created or subsisting to secure any such Relevant Indebtedness, guarantee or indemnity or (ii) such other security as either (A) the Trustee shall in its absolute discretion deem not materially less beneficial to the interest of the Noteholders or (B) shall be approved by an Extraordinary Resolution (as defined in the Trust Deed) of the Noteholders.

"**Principal Subsidiary**" means at any time a Subsidiary of the Guarantor:

(i) whose assets or revenue or profit after tax, as the case may be, represent (or, in the case of a Subsidiary acquired after the end of the financial period to which the then latest audited consolidated accounts of the Group relate, are equal to) not less than five per cent. of the consolidated total assets or consolidated revenue or consolidated profit after tax, as the case may be, of the Group, as calculated by reference to the then latest audited accounts of such Subsidiary and the then latest audited consolidated accounts of the Group, provided that in the case of a Subsidiary of the Guarantor acquired after the end of the financial period to which the then latest audited consolidated accounts of the Group relate, the reference to the then latest audited consolidated accounts of the Group for the purposes of the calculation above shall, until consolidated accounts for the financial period in which the acquisition is made have been prepared and audited as aforesaid, be deemed to be a reference to such first-mentioned accounts as if such Subsidiary had been shown in such accounts by reference to its then latest relevant audited consolidated accounts, adjusted as deemed appropriate by the Guarantor;

(ii) to which is transferred the whole or substantially the whole of the undertaking and assets of a Subsidiary of the Guarantor which immediately prior to such transfer is a Principal Subsidiary, provided that: (a) the transferor Subsidiary shall upon such transfer forthwith cease to be a Principal Subsidiary and the transferee Subsidiary shall become a Principal Subsidiary and (b) on or after the date on which the first published audited consolidated accounts of the Group, prepared as of a date later than such transfer, are issued, whether such transferor Subsidiary or such transferee Subsidiary is or is not a Principal Subsidiary shall be determined by virtue of the provisions of subparagraph (i) or (iii) of this definition by reference to such audited consolidated accounts prepared after the date of such transfer; or

(iii) to which is transferred an undertaking or assets which, taken together with the undertaking or assets of the transferee Subsidiary, make up not less than five per cent. of the consolidated total assets of the Group or generated (or, in the case of the transferee Subsidiary being acquired after the end of the financial period to which the then latest audited consolidated accounts of the Group relate, generate revenue or profit after tax equal to) not less than five per cent. of the consolidated revenue or the consolidated profit after tax, as the case may be, of the Group, in each case calculated as referred to in subparagraph (i) above, provided that: (a) the transferor Subsidiary (if a Principal Subsidiary) shall upon such transfer forthwith cease to be a Principal Subsidiary unless immediately following such transfer its undertaking and assets make up not less than five per cent. of the consolidated total assets of the Group or generate (or, in the case aforesaid, generate revenue or profit after tax equal to) not less than five per cent. of the consolidated revenue or the consolidated profit after tax, as the case may be, of the Group, in each case as calculated as referred to in subparagraph (i) above, and (b) on or after the date on which the first published audited consolidated accounts of the Group, prepared as of a date later than such transfer, are issued, whether such transferor Subsidiary or such transferee Subsidiary is or is not a Principal Subsidiary shall be determined by virtue of the provisions of subparagraph (i) of this definition by reference to such audited consolidated accounts prepared after the date of such transfer.

"**Relevant Indebtedness**" means any indebtedness which is in the form of, or represented or evidenced by, bonds, notes, debentures, loan stock or other securities which for the time being are, or are intended to be or capable of being, quoted, listed or dealt in or traded on any stock exchange or over-the-counter or other securities market other than any bonds, notes, debentures, loan stock or other securities denominated in Malaysian Ringgit and less than 50 per cent. of the aggregate principal amount of which are initially distributed outside Malaysia; and

"**Subsidiary**" of any person means any entity:

(i) which is controlled, directly or indirectly, by that person; or

(ii) more than 50 per cent. of the issued share capital or other ownership interest of which are beneficially owned, directly or indirectly, by that person; or

(iii) whose financial statements at any time are required by law or in accordance with generally accepted accounting principles to be fully consolidated with those of that person,

and for these purposes, any company, corporation, trust, fund or other entity (whether or not a body corporate) shall be treated as being controlled by any person if such person is able to direct its affairs and/or to control the composition of its board of directors or equivalent body.

Limitation on Corporate Restructuring: . . . . . Each Issuer and the Guarantor shall not (and the Issuer shall procure that each Principal Subsidiary shall not) take steps to wind-up or dissolve itself, and each Issuer and/or the Guarantor shall not enter into or undertake any amalgamation, demerger, merger, consolidation, corporation reconstruction, reorganisation or restructuring (a "**Corporate Restructuring**") unless such Issuer and/or the Guarantor remain and continue as the surviving entity(ies) after such Corporate Restructuring is being effected and implemented.

Financial Covenants: . . . . . So long as any of the Notes remain outstanding (as defined in the Trust Deed), each of the relevant Issuer and the Guarantor will ensure that the Debt to Equity Ratio of the Group shall not be more than 1.5 times.

"**Debt to Equity Ratio**" means, at any relevant point of time, the ratio of the total borrowings of the Group to the aggregate of the shareholders' funds of the Group, including, if any, preference and/or hybrid equity, shareholder advances and retained earnings/losses.

Events of Default: . . . . . See Condition 10 of the Terms and Conditions of the Notes.

Taxation:	All payments in respect of the Notes and the Coupons by the relevant Issuer or, as the case may be, the Guarantor shall be made free and clear of, and without deduction or withholding for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within jurisdictions of incorporation of the relevant Issuer or the Guarantor or, in any such case, any authority thereof or therein having power to tax, unless such withholding or deduction is required by law. In such event, the relevant Issuer or, as the case may be, the Guarantor shall pay such additional amounts as will result in the receipt by the Noteholders and the Couponholders of such amounts as would have been received by them had no such deduction or withholding been required, save for certain exceptions. For further details, please see Condition 8 of the Terms and Conditions of the Notes and the section on "*Taxation—Singapore Taxation*" herein.
Listing and Admission to Trading:	Each Series of the Notes may, if so agreed between the relevant Issuer and the relevant Dealer(s), be listed on the SGX-ST or any stock exchange(s) as may be agreed between the relevant Issuer and the relevant Dealer(s), subject to all necessary approvals having been obtained.
Selling Restrictions:	The United States, EEA, the United Kingdom, Hong Kong, Singapore, PRC, Malaysia and Japan. For a description of certain restrictions on offers, sales and deliveries of Notes and the distribution of offering material relating to the Notes, see the section on "*Subscription and Sale*" herein. Further restrictions may apply in connection with any particular Series or Tranche of Notes.
Governing Law:	English law or Singapore law (as specified in the applicable Pricing Supplement).
Legal Entity Identifier:	Progressive View Pte. Ltd.—254900STH3WUMB3E8Z44

SELECTED CONSOLIDATED FINANCIAL INFORMATION

The following tables set forth the selected consolidated financial information of the Guarantor as at and for the periods indicated. The Audited Financial Statements are prepared in accordance with the requirements of the Companies Act 2016 of Malaysia and reported in Malaysian Ringgit.

*During the financial year ended 30 June 2021, the Group adopted the International Financial Reporting Standard Interpretation Committee ("**IFRIC**") agenda decision on IAS 23 Borrowing Costs on over time transfer of constructed goods which resulted in change in accounting policy. In March 2019, the IFRIC published an Agenda Decision on borrowing costs confirming, receivables, contract assets and inventories for which revenue is recognised over time are non-qualifying assets. On 20 March 2019, the Malaysia Accounting Standard Board announced that an entity shall apply the change in accounting policy as a result of this Agenda Decision to financial statements of annual periods beginning on or after 1 July 2020. In line with the IFRIC agenda decision, the Group adopted the IFRIC Agenda Decision retrospectively in its financial position as at 1 July 2019 to exclude properties under development where control is transferred to customers over time, as qualifying assets for the purposes of borrowing cost capitalisation. Consequently, all borrowings costs incurred cease to be capitalised when the properties under development are ready for their intended sale and are expensed to profit or loss when incurred. Previously, the Group considered all properties under development as qualifying assets. Accordingly, the comparative financial information as at and for the financial year ended 30 June 2020 in the Guarantor's Audited Financial Statements for the financial year ended 30 June 2021 have been restated to give effect to those changes. The detailed impact of change in accounting policy on the Guarantor's reported consolidated financial position, financial performance and cash flows is disclosed in Note 44 of the Audited Financial Statements for the financial year ended 30 June 2021, included elsewhere in this Offering Circular.*

The selected consolidated financial information as at and for the financial years ended 30 June 2020, 2021 and 2022 has been derived from the Guarantor's audited financial statements for the financial years ended 30 June 2021 and 2022 included elsewhere in this Offering Circular and should be read together with those financial statements and the accompanying notes thereto. The Guarantor's audited consolidated financial statements as at and for the financial year ended 30 June 2021 and 2022 are prepared in conformity with MFRS and IFRS.

Consolidated Statements of Profit and Loss

	For the Financial Year Ended 30 June		
	2020	**2021**	**2022**
	(Restated) *(RM'000)*	*(Audited)* *(RM'000)*	*(Audited)* *(RM'000)*
Revenue	**2,116,346**	**2,488,611**	**2,590,332**
Cost of sales	(886,093)	(1,303,327)*	(1,517,084)
Gross profit	**1,230,253**	**1,185,284***	**1,073,248**
Other operating income	51,756	64,711	222,292
Marketing and selling expenses	(58,717)	(46,960)	(60,745)
Administration expenses	(156,487)	(155,961)	(179,122)
Other operating expenses	(301,175)	(332,886)*	(138,137)
Operating profit	**765,630**	**714,188**	**917,536**
Share of results of an associate	19,622	34,973	2,124
Share of results of joint ventures	141,846	249,581	164,741
Profit before interest and taxation	**927,098**	**998,742**	**1,084,401**
Interest income	50,140	34,729	42,962
Interest expense	(145)	(300)	(34,602)
Net foreign currency translation gain/(loss) on:			
—foreign currency denominated borrowings	(35,025)	46,122	4,273
—foreign currency denominated deposits	4,736	(1,293)	5,739
Profit before taxation	**946,804**	**1,078,000**	**1,102,773**
Taxation	(438,165)	(414,687)	(414,704)
Profit for the financial year	**508,639**	**663,313**	**688,069**
Profit attributable to:			
Owners of the parent	504,695	660,209	686,735
Non-controlling interests	3,944	3,104	1,334
	508,639	663,313	688,069
Earnings per ordinary share attributable to owners of the parent			
Basic earnings per share (sen)	9.17	11.99	12.47
Diluted earnings per share (sen)	9.17	11.99	12.47

* In the Guarantor's audited financial statements for the financial year ended 30 June 2022, RM 108,852,000 of property development costs written down was reclassified from other operating expenses to cost of sales in respect of the financial year ended 30 June 2021.

Consolidated Statements of Comprehensive Income

	For the Financial Year Ended 30 June		
	2020	**2021**	**2022**
	(Restated)	*(Audited)*	*(Audited)*
	(RM'000)	*(RM'000)*	*(RM'000)*
Profit for the financial year	**508,639**	**663,313**	**688,069**
Other comprehensive income/(cost) that will be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations	30,722	106,908	186,662
Net change in cash flow hedge reserve	(161,105)	91,662	131,154
Other comprehensive income/(loss) for the financial year	**(130,383)**	**198,570**	**317,816**
Total comprehensive income for the financial year	**378,256**	**861,883**	**1,005,885**
Total comprehensive income attributable to:			
Owners of the parent	374,283	858,743	1,004,366
Non-controlling interests	3,973	3,140	1,519
	378,256	861,883	1,005,885

Consolidated Statements of Financial Position

	As at 30 June		
	2020	**2021**	**2022**
	(Restated)	*(Audited)*	*(Audited)*
	(RM'000)	*(RM'000)*	*(RM'000)*
ASSETS			
Non-current assets			
Property, plant and equipment	1,421,979	1,530,672	3,054,120
Land held for property development	4,847,658	5,170,325	9,076,819
Investment properties	14,334,703	14,895,545	15,778,422
Goodwill on consolidation	11,472	11,472	11,472
Investments in an associate	109,523	51,549	53,673
Interests in joint ventures	4,379,375	4,434,207	4,390,152
Deferred tax assets	187,280	209,016	197,614
	25,291,990	26,302,786	32,562,272
Current assets			
Property development costs	3,129,002	2,223,706	568,462
Inventories	2,133,507	2,412,152	3,051,666
Derivative financial assets	—	—	7,785
Trade and other receivables	392,487	412,495	723,214
Contract assets	220,259	162,723	177,756
Amount due from a joint venture	481	23,369	—
Current tax assets	44,126	47,467	59,130
Short term funds	80,588	263,698	735,444
Deposits with financial institutions	479,891	277,082	510,576
Cash and bank balances	911,506	1,307,428	1,105,064
	7,391,847	7,130,120	6,939,097
TOTAL ASSETS	**32,683,837**	**33,432,906**	**39,501,369**

	As at 30 June		
	2020	**2021**	**2022**
	(Restated) *(RM'000)*	*(Audited)* *(RM'000)*	*(Audited)* *(RM'000)*
EQUITY AND LIABILITIES			
Equity			
Share capital	18,514,233	18,514,233	18,514,233
Reserves	(370,280)	(171,746)	145,885
Retained earnings	9,078,417	9,656,034	10,232,646
Reorganisation debit balance	(8,440,152)	(8,440,152)	(8,440,152)
Equity attributable to owners of the Company	18,782,218	19,558,369	20,452,612
Non-controlling interests	155,401	160,339	157,958
Total equity	**18,937,619**	**19,718,708**	**20,610,570**
LIABILITIES			
Non-Current Liabilities			
Borrowings	9,713,761	10,676,108	3,330,735
Lease liabilities	2,037	740	1,882
Derivative financial liabilities	128,764	45,426	—
Trade and other payables	30,704	38,903	55,936
Deferred tax liabilities	1,036,162	662,264	668,428
	10,911,428	11,423,441	4,056,981
Current liabilities			
Borrowings	1,181,415	334,003	13,485,923
Lease liabilities	1,453	1,629	1,257
Derivative financial liabilities	90,527	81,534	—
Trade and other payables	1,076,055	1,080,865	1,116,533
Contract liabilities	348,096	186,682	101,999
Current tax liabilities	137,244	606,044	128,106
	2,834,790	2,290,757	14,833,818
Total liabilities	**13,746,218**	**13,714,198**	**18,890,799**
TOTAL EQUITY AND LIABILITIES	**32,683,837**	**33,432,906**	**39,501,369**

Consolidated Statements of Cash Flows

	For the Financial Year Ended 30 June		
	2020	**2021**	**2022**
	(Restated)	*(Audited)*	*(Audited)*
	(RM'000)	*(RM'000)*	*(RM'000)*
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation	946,804	1,078,000	1,102,773
Adjustments for:			
Bad debts written off	20	635	63
Depreciation of property, plant and equipment	42,873	42,464	49,742
Fair value (gain)/loss on investment properties	54,386	71,061	(48,924)
(Gain)/loss on:			
—disposal of a subsidiary	—	—	(85,982)
—disposal of land from compulsory acquisitions	(206)	—	—
—disposal of property, plant and equipment	(214)	(140)	(68)
—disposal of investment properties	—	88	—
Impairment losses on:			
—receivables	2,523	3,935	3,585
—investment properties	84,189	—	—
Interest expense	145	300	34,602
Interest income	(50,140)	(34,729)	(42,962)
Inventories written down	3,100	—	—
Inventories written off	1	—	—
Property development costs written down	24,755	108,852	171,215
Property, plant and equipment written off	2,615	16	94
Reversal of impairment losses on receivables	(138)	(776)	(2,297)
Share of result of an associate	(19,622)	(34,973)	(2,124)
Share of results of joint ventures	(141,846)	(249,581)	(164,741)
Net foreign currency translations (gain)/loss	12,179	(45,128)	(5,170)
Operating profit before working capital changes	961,424	940,024	1,009,806
Changes in working capital:			
—Property development costs	(65,267)	170,857	(15,312)
—Inventories	286,512	422,891	942,184
—Contract assets	(3,668)	57,536	(15,033)
—Trade and other receivables	(51,042)	(12,895)	(301,766)
—Contract liabilities	6,588	(161,414)	(84,683)
—Trade and other payables	55,525	(21,520)	52,684
Cash generated from operations	1,190,072	1,395,479	1,587,880
Tax paid	(232,958)	(379,577)	(922,137)
Tax refunded	19,898	2,850	28,550
Net cash from operating activities	**977,012**	**1,018,752**	**694,293**

	For the Financial Year Ended 30 June		
	2020	2021	2022
	(Restated) *(RM'000)*	*(Audited)* *(RM'000)*	*(Audited)* *(RM'000)*
CASH FLOWS FROM INVESTING ACTIVITIES			
Deposit received from disposal of a subsidiary	—	7,902	—
Dividends received	9,412	45,109	—
Interest received	41,043	28,405	33,600
Proceeds from disposal of:			
—investment properties	2,859	1,092	—
—land from compulsory acquisitions	206	—	—
—property, plant and equipment	383	304	168
—a subsidiary	—	—	101,592
Redemption of redeemable preference shares of a joint venture	620,923	163,070	194,309
Redemption of cumulative redeemable preference shares of an associate	—	47,838	—
Repayment from joint ventures	30,427	34,817	180,952
Repayment to non-controlling interests in a subsidiary	—	—	(2,157)
Additions to:			
—property, plant and equipment	(148,727)	(123,108)	(1,521,967)
—land held for property development	(110,777)	(61,543)	(3,788,663)
—investment properties	(516,545)	(431,267)	(406,476)
Advances to joint venture	—	—	(37,467)
Net cash used in investing activities	**(70,796)**	**(287,381)**	**(5,246,109)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Consideration paid for acquisition of additional shares from non-controlling interests	(16)	(10,091)	—
Payment of lease interest	(145)	(113)	(84)
Payment of lease liabilities	(1,575)	(1,714)	(1,682)
Interest paid	(387,187)	(337,093)	(375,273)
Dividend paid	(165,184)	(82,592)	(110,123)
Dividend paid to non-controlling interests	(5,952)	(5,596)	(3,489)
Banking facilities fees paid	(9,020)	(5,493)	(16,599)
Drawdown of borrowings	1,213,587	605,029	5,900,661
Repayment of borrowings	(1,661,057)	(577,516)	(357,297)
Proceeds from issuance of preference shares to non-controlling interests in subsidiaries	—	17,485	1,746
Net cash (used in)/generated from financing activities	**(1,016,549)**	**(397,694)**	**5,037,860**
Net increase/(decrease) in cash and cash equivalents	(110,333)	333,677	486,044
Cash and cash equivalents at beginning of financial year	1,576,885	1,471,985	1,848,208
Effect of exchange rate changes	5,433	42,546	16,832
Cash and cash equivalents at end of financial year	**1,471,985**	**1,848,208**	**2,351,084**

An investment in the Notes involves a number of risks. Potential investors should carefully consider all the information contained in this Offering Circular, including the risk factors described below, before deciding to invest in the Notes. The occurrence of any of the following events could have a material adverse effect on the Group's business, financial condition and results of operations and cause the market price of the Notes to decline. The risks described below are not the only ones that may affect the Group or the Notes. All or part of an investment in the Notes could be lost.

RISKS RELATING TO THE GROUP'S BUSINESS

Cyclicality and changing market conditions may adversely affect the Group's business, financial condition and results of operations.

The Group has operations in Malaysia, Singapore and the PRC and its business is subject to the market conditions and performance of the property industry in these countries, which is cyclical in nature. Cyclical downturns may arise from changes in global and local economic conditions, periodic local oversupply of properties for sale or lease, changes in wages, energy costs, construction and maintenance costs, government regulations or changes in interest rates, and availability of financing for operating and/or capital requirements. Should the property market in a country in which the Group operates experience a downturn, demand for the Group's property development projects in that country may slow down significantly. On the other hand, cyclical upturns may prompt the relevant authorities to implement cooling measures. For example, in Malaysia, Real Property Gains Tax ("**RPGT**") was reinstated by the Malaysian government in 2010 to deter speculative activities in the secondary property market. In 2019, the RPGT rates were revised higher by the Malaysian government as part of its efforts to further curb speculation in the property market. Whilst the RPGT rate on gains from the disposal of real property and shares in real property company in the sixth year and onwards has been reduced from 5% to 0% by the Malaysian government effective from 1 January 2022 for individuals who are Malaysian citizens and permanent residents, such reduction is only enjoyed by Malaysian citizens and permanent residents (and are hence only relevant to the Group's Malaysian property development operations). In addition, there is no assurance that the RPGT rate will not be reinstated or increased by the Malaysian government in the future.

In Singapore, the Singapore government has implemented various rounds of property curbs and cooling measures since September 2009. Such measures have included, inter alia, the lowering of loan-to-value ("**LTV**") limits, the increase in minimum cash down-payments, the imposition of Additional Buyer's Stamp Duty ("**ABSD**") and the stipulation of a maximum loan tenure. Similarly, in Xiamen, PRC, property cooling measures such as restrictions on the purchase of a third home (i.e. allowed only for families with more than two children (with at least one of the children aged below 18 years)) by Xiamen residents, and restrictions on the purchase of property by non-Xiamen residents, are in place, to stabilise the property market and minimise the risk of overheating.

Any of these factors may adversely affect the Group's financial performance and profitability.

In addition, the property markets in the various jurisdictions in which the Group operates is subject to changes in economic outlook and financial market volatility.

Rapidly changing market conditions, including changes in consumer tastes, market prices and the desirability of a location, may adversely affect the Group's property development business. Timing for the launch of new projects is one of the crucial factors to securing the sale of units at optimal prices. A downturn in a property market leading to lower property values may result in the Group having to delay the launch of new developments in that market. This could result in increased holding costs until the development properties are sold. Furthermore, property development requires significant capital outlay and returns on capital are not achieved until cash is received from sales or leases. The size of the capital outlay and the number of parties involved in a property development project may make it difficult to change property development plans once determined. As a result, the Group may not be able to adjust its plans or re-allocate its resources to adapt to changing market conditions and this could materially and adversely affect its business, financial condition and results of operations.

The Group is also exposed to regional economic downturns and developments. Decreases in business, industrial or manufacturing activity in the Asia-Pacific region may result in decreased suburban and rural to urban migration, which may in turn lead to decreased demand for housing and commercial properties. It may be difficult to predict the duration or scale of such regional downturns, and there is no assurance that the Group will not face a long-term reduction in demand for its properties depending on the economic performance of the region. This could adversely affect its business, financial condition, results of operations and prospects.

The Group's operations are susceptible to political, economic and macro-economic conditions.

The Group has operations in Malaysia, Singapore and the PRC. The viability and profitability of the Group's business are affected by the general performance of the global, regional and/or local economy. Concerns over, among others, inflation, geopolitical issues, the availability and cost of credit, volatile oil prices and an unstable real estate market in the countries in which the Group operates have contributed to increased volatility for the global economy and the markets.

Increased political instability and social unrest (such as the threat or occurrence of terrorist attacks) and enhanced national security measures and the resulting decline in consumer confidence, whether locally or overseas, may hinder the Group's ability to do business. Any escalation in or re-occurrence of these events may disrupt the operations of the Group or those of its customers. These events have had and may continue to have an adverse effect on the world economy in general, and consumer confidence and spending in particular, which could in turn adversely affect the Group's revenue and results of operations. Further, the effect of these events on global financial markets may limit the capital resources available to the Group.

For example, the ongoing military action between Russia and Ukraine could adversely affect the Group's business. On 24 February 2022, Russian military forces launched a military action in Ukraine, and sustained conflict and disruption in the region is likely. Although the length, impact and outcome of the ongoing military conflict in Ukraine is highly unpredictable, this conflict could lead to significant disruptions, including significant volatility in commodity prices and supply of energy resources, instability in financial markets, supply chain interruptions, political and social instability, changes in consumer or purchaser preferences as well as increase in cyberattacks and espionage.

At the same time, the trade disputes between the PRC and the United States and the increased tariff that the United States plans to impose on Chinese imports may have an adverse effect on the global and the PRC economies resulting in continuing uncertainty over the overall prospects of the global and the PRC economies this year and beyond. In 2018, the United States announced a series of tariffs on imported goods from the PRC. The PRC imposed tariffs on a wide range of products from the United States in retaliation for the new U.S. tariffs. In December 2018, the PRC and the United States commenced negotiations to resolve their trade conflicts. In May 2019, the United States raised additional tariffs on certain goods imported from the PRC, which the PRC government responded by announcing further tariffs on certain goods of U.S. origin. In January 2020, the PRC and the United States signed the Phase I Agreement, which includes, among others, commitments by the PRC to increase purchases of goods and services from the United States. However, the Group cannot predict as to the implementation or effect of the Phase I Agreement between the PRC and the United States. It remains uncertain whether or not the PRC and the United States would be able to reach any further trade agreement or otherwise resolve their remaining trade issues in the near future or at all. The adoption and expansion of trade restrictions, the occurrence and escalation of a trade war, or other governmental action related to tariffs or trade agreements or policies has the potential to adversely impact the PRC economy, which in turn could adversely impact the business, financial condition and results of operations of the Group.

Additionally, the Group's operations in the PRC may be affected by factors beyond the Group's control, such as the continuing strain on the PRC and Taiwan relations. Since 1949, Taiwan and the Chinese mainland have been separately governed. Although significant economic and cultural relations have been established during recent years between Taiwan and the PRC, relations have often been strained. For instance, the PRC government passed an Anti-Secession Law in March 2005, which retains the

non-peaceful means and other necessary measures should Taiwan move to gain independence from mainland China, and the PRC government reiterated its stance in May 2020. More recently, U.S. House Speaker Nancy Pelosi's visit to Taiwan in August 2022 sparked a series of live-fire military drills by the PRC. Relations between Taiwan and the PRC may face uncertainty going forward. Past developments in relations between the PRC and Taiwan have impacted the securities market. The Group has several property development projects and property investments in the PRC, which include mixed developments, retail malls and office spaces. Therefore, factors affecting political or economic conditions in the PRC could have an adverse effect on the Group's business, financial condition and operating results.

There is no assurance that any contentious developments between the PRC and the Republic of China ("**ROC**") will resolve with the current status quo being maintained or will remain peaceful, that relations between the PRC and ROC will not deteriorate, or that future military actions or economic sanctions or other disruptive activities will not be undertaken by either government. Relations between the PRC and the ROC and other factors affecting military, political, or economic stability in the PRC could have a material adverse effect on the Group's financial condition and results of operations, as well as the market price and the liquidity of the ordinary shares. Any changes in the cross-border relationship could also adversely affect the Group's business and the market value of the shares.

In recent years, there has been a slowdown in the overall growth of the PRC economy. In Asia and other emerging markets, some countries are expecting increasing inflationary pressure as a result of liberal monetary policy or excessive foreign fund inflow, or both. The UK's exit from the European Union has resulted in volatility in global financial markets and is expected to create mid-to long-term economic uncertainty to not only the economies of the UK and the European Union but also globally. In addition, the U.S. government's policies may create uncertainty for the global economy and financial markets. Geopolitical events such as continued tensions in the Middle East and the Korean peninsula, as well as the escalation of tensions between the United States and the PRC over trade policies, political and other issues could significantly undermine the stability of the global economy and financial markets.

Factors that have historically adversely affected and that may affect the global economy in the future include the following:—

- decreases in business, industrial or financial activity;
- decreases or changes in consumption habits;
- decreases in property values;
- decreases in demand for housing and retail space;
- fluctuations in prices of raw materials;
- scarcity of credit or other financing, resulting in lower demand for products and services provided by companies;
- exchange rate fluctuations;
- a prolonged period of inflation or increase in interest rates;
- changes in taxation policies;
- natural disasters, including typhoons, earthquakes, fires, floods and similar events; and
- other regulatory, political, social or economic developments.

These and other issues resulting from the global economic slowdown and financial market turmoil have adversely affected, and may continue adversely affecting, homeowners and potential property purchasers, which may lead to a decline in the general demand for the Group's products and erosion of their sale prices. In addition, any further tightening of liquidity in the global financial markets may negatively affect the Group's liquidity. Therefore, if the global economic slowdown and turmoil in the financial markets crisis continue, the Group's business, financial condition and results of operations may be negatively affected.

The Group faces certain risks associated with the outbreak of COVID-19 and other communicable diseases.

The Group's operations and financial condition could be materially and adversely affected by any outbreak, epidemic and/or pandemic of (or the escalation and/or intensification of any outbreak, epidemic and/or pandemic of) infectious or contagious diseases and/or other adverse public health developments in Malaysia, Singapore or the PRC. Any outbreak of Influenza A (H1N1), avian influenza, H5N1, Severe Acute Respiratory Syndrome (SARS), Middle East Respiratory Syndrome (MERS), H7N9, Zika Virus Disease or COVID-19 and/or other communicable diseases in the countries and regions where the Group's operations are based, if uncontrolled, could affect the Group's operations, as well as its customers, guests and suppliers. Any occurrence of a pandemic, an epidemic or outbreak of other disease may have an adverse effect on the Group's business operations. Further, in the event that any of the Group's employees or hotel guests are infected or suspected to be infected with Influenza A (H1N1), avian influenza, H5N1, SARS, MERS, H7N9, Zika Virus Disease or COVID-19 and/or other communicable diseases, the Group may be required to quarantine some of its hotel guests, employees and/or shut down part of its operations to prevent the spread of the disease. Such events may lead to disruption and/or loss of business or affect the Group's ability to attract new business. Market sentiment and consumer confidence could be affected and this may lead to a deterioration of economic conditions. In the event that the Group's employees, contractors or sub-contractors are infected or suspected of being infected with any communicable disease, the Group may be required by health authorities to temporarily shut down the affected project sites and quarantine the relevant workers to prevent the spread of the disease. This may result in delays in the Group's projects and may adversely affect the Group's profitability and financial performance.

Consumer confidence or consumer sentiment in Malaysia, Singapore, the PRC and elsewhere continues to be materially affected due to the continuing COVID-19 pandemic. In particular, during the COVID-19 pandemic, certain governments issued travel advisories against non-essential travel to affected regions, imposed travel restrictions or quarantines and stay-at-home orders with a view to containing the COVID-19 pandemic, which had reduced the number of tourists from other overseas countries visiting these countries and correspondingly reduced demand for the Group's hotel rooms, catering and restaurant facilities. Recently, the Malaysian and Singapore governments lifted the travel restrictions and mandatory quarantine measures, which has allowed the Group's businesses in these countries to resume operations. However, the COVID-19 pandemic and policies implemented by governments to deter the spread of the disease have had and may continue to have an adverse effect on consumer confidence and general economic conditions which the Group's business is subject to. The sales and construction of some of the Group's development projects in Malaysia, Singapore and the PRC had been temporarily halted while the Group's hotels and shopping malls have experienced temporary closure during the lockdown in certain cities. Since then, operations in Malaysia and Singapore have been progressively resumed in line with government policy. However, in March, April and May of 2022, due to a large increase of COVID-19 cases in the PRC and an unexpected outbreak in Shanghai specifically, further travel restrictions and pandemic control measures were implemented. The pandemic situation in the PRC in early 2022 was more severe as compared to 2021 and 2020 due to clusters in multiple regions simultaneously and as such, increased pandemic control measures including strengthened travel restrictions were introduced. These have caused and may continue to cause a long-term adverse impact on the economy and social conditions in the PRC. There is no assurance that the Group's commissioned construction projects, hotels and shopping malls will not be further disrupted by the on-going spread or the impact of the COVID-19 pandemic. Any continued escalation of the COVID-19 pandemic may result in material disruptions to the Group's property development and sales and operation of the Group's commercial properties. In addition, the number of

customers visiting the Group's shopping malls and guests staying at the Group's hotels may also be significantly reduced due to the quarantine measures and public-gathering limits imposed. Moreover, government measures or actions to combat the spread of COVID-19 could also negatively impact the ability of the Group's contractors, including its construction contractors, to perform their contracts with the Group. As a result, completion of the Group's projects may be delayed, which may in turn result in an increase in development costs, a decrease in sales and/or otherwise adversely affect the Group's financial condition, results of operations and profitability. In addition, the Group's sale and pre-sale of residential properties may also be adversely affected due to reasons such as a reduced number of potential buyers attending pre-sale activities of the Group, temporary closure of the Group's sales centres and restrictions imposed on large-scale sales and marketing activities to comply with social-distancing measures imposed by the government authorities. Moreover, if any of the Group's employees or the Group's contractors' employees are identified as having contracted COVID-19 or any other communicable disease, the Group may be required to quarantine employees who are suspected of being infected, or the Group's contractors may be required to quarantine its employees whom are suspected of being infected, as well as others whom have come into contact with those employees, which could lead to disruption of commercial activities and sustained costs to comply with the standard operating procedures, any of which, may have an adverse effect on the Group's business operations, financial condition and results of operations. The ongoing COVID-19 pandemic may also adversely affect the ability of the Group's tenants to maintain their business performance and/or normal business operations and/or provide uninterrupted sales and services to its customers. Whilst the Group has undertaken and continues with proactive measures including standard operating procedures and guidelines on preventive and precautionary actions covering personal hygiene and self-preventive measures, physical and social distancing measures and travel procedures, there is no assurance that such measures will be effective. It is difficult to predict the level of impact of the ongoing COVID-19 pandemic on Malaysia, Singapore, the PRC and the global economy and there is no assurance that it would not have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

The property development industry is highly competitive.

Generally, the property development industry is highly competitive with a few large established players and many new entrants, each with its own strengths and who have significant financial and non-financial resources, as well as market reputations that are more established than the Group. The Group's competitors may also have more extensive networks which afford them better exposure to potential business opportunities, land banks and more prime or attractive land sites. These advantages may allow the Group's competitors to place higher bids for land sites, invest in bigger and/or more profitable property development projects and better weather adverse economic conditions and adverse occurrences specific to the industry. In comparison, the Group may have a shorter operating history and track record upon which it may be evaluated compared to some other more established property developers.

Competition between property developers may result in, among other things, increased costs for the acquisition of land for development, oversupply of properties, a decrease in property prices, a decrease in the rate at which new development properties will be approved or reviewed by the relevant government authorities, an increase in construction costs and difficulty in obtaining high quality contractors and qualified employees. Any such consequences may adversely affect the Group's business and operations.

Should the Group fail to compete effectively with other property developers, who are able to secure better locations or develop, market and sell more attractive properties than the Group, its financial performance and profitability may be adversely affected. In the event of any over-supply of properties, property prices may decrease significantly and this may adversely affect the Group's financial performance and profitability.

The Group may not be able to complete its development projects within budgeted project costs or on time or at all.

Property development projects require substantial capital expenditures prior to and during the construction period for, among other things, land acquisition and construction. The construction of property projects may take a few years or longer before generating positive net cash flow through sales or pre-sales. As a result, the Group's cash flows and results of operations may be significantly affected by its project development schedules and any changes to those schedules. The schedules of the Group's projects depend on a number of factors, including the performance and efficiency of its third-party contractors and its ability to finance construction. Other factors that could adversely affect the Group's project development schedules include:

- natural catastrophes and adverse weather conditions;
- changes in market conditions, economic downturns, and decreases in business and consumer sentiment in general;
- fluctuating costs in construction materials and for skilled labour;
- delays in obtaining government approvals and permits;
- changes in relevant regulations and government policies;
- shortages of materials, equipment, contractors and skilled labour;
- labour disputes;
- construction accidents;
- errors in judgment on the selection and acquisition criteria for potential sites; and
- other unforeseen problems or circumstances.

Construction delays or failure to complete the construction of a project according to its planned specifications, schedule and budget may affect the Group's reputation as a property developer or lead to cost overruns, or loss of or delay in recognising revenues, and subsequently, lower margins. Factors such as fluctuating costs in construction materials, equipment, and skilled and unskilled labour would directly affect the operating costs of the Group's projects. This may also result in sales and resulting profits from a particular development not being recognised in the year in which it was originally expected to be recognised, which could adversely affect the Group's results of operations for that year. If a property project is not completed on time, the purchasers of pre-sold units within the project may be entitled to compensation for late delivery. If the delay extends beyond a certain period, the purchasers may be entitled to terminate their sale and purchase agreements. There can be no assurance that the Group will not experience any significant delays in completion or delivery of its projects in the future or that it will not be subject to any liabilities for any such delays.

The Group is dependent on independent third-party contractors and sales agents.

The Group is dependent on independent third-party contractors to provide various construction services for the completion of a property development project. There can be no assurance that the Group will be able to find or engage an independent contractor for any particular project or find a contractor that is willing to undertake a particular project within the Group's budget, which could result in cost increases or project delays. Additionally, while the Group adopts stringent measures in selecting contractors and ensuring that their work is of acceptable quality, there is no assurance that the services and products rendered by the contractors will always be satisfactory and in compliance with the Group's standards and

requirements. Should the contractors fail to rectify any unsatisfactory works and should suitable alternative solutions not be found in a timely manner, the projects may not be completed within the budget and time schedule, thus resulting in cost overruns and project delays. Moreover, should the contractors fail to sustain their operations due to adverse changes in their financial conditions and should suitable replacements not be secured in a timely manner, the Group's projects will be subject to disruption and delay. In such an event, the Group's profitability and financial performance may be adversely affected.

Similarly, the Group may from time to time engage third-party sales agents to market and sell its property development projects to potential customers. These agents may also act as agents for other developers in the same markets in which the Group operates, and there can be no assurance that they will not favour the interests of such developers over the interests of the Group in lease or sale opportunities, or otherwise act in the Group's best interests. The competition in the markets for such agents may result in the Group being unable to engage sufficient numbers of agents to market and sell its property developments. These factors could disrupt the Group's business and negatively affect its financial condition, results of operation and prospects.

Growth and expansion of the Group's business is dependent on its ability to identify new land sites and projects for development.

The Group is required to identify land sites for its property development, investment and hospitality businesses to maintain the growth of its business. The Group usually replenishes and sources for new plots of land by participating in property tenders, acquiring plots of land from private owners as well as sourcing for suitable development sites through government land sales programmes. The Group may also experience difficulty in finding suitable business partners to enter into joint venture agreements with the Group that will provide it with reasonable returns or at all, and may also experience difficulty in finding appropriate third party hotel operators for hotel development opportunities. There is also no assurance that the actual demand for its projects in the future will meet the Group's expectations. If the Group fails to achieve its business objectives or sales targets, there may be an adverse effect on its profitability.

In addition, while the Group has planned the expansion of its property development, property investment and hospitality businesses based on the outlook and its understanding of the current property and hospitality market and general economic situation, there is no assurance that such expansion plans will be commercially successful, that its existing resources will be able to cope with the additional demands arising from the expansion or that the actual outcome of such expansion plans will match its expectations. Should such situations arise, they may have an adverse impact on the Group's profitability and financial position.

The Group's performance is also dependent on its ability to identify property development, property investment and hospitality projects with good potential returns and by completing its projects within a scheduled time frame to realise such returns. Such ability is based on the Group's understanding of the operational environment and anticipation of the market conditions. Hence, the viability and profitability of the Group's property development, property investment and hospitality projects may be affected by factors such as unexpected project delays, changes in interest rates, construction costs, land costs and market conditions. Accordingly, there is no assurance that the Group will be consistently successful in identifying profitable property development, property investment and hospitality projects, and in completing and launching such projects under the best possible market conditions as planned in some of the Group's integrated developments. There is also no assurance that a project, which may be assessed to be profitable at the initial phases, will not turn out to be a loss-making asset or investment of the Group due to changes in circumstances not within the Group's control. Further, the Group may plan developments in its existing integrated developments where there is no assurance that these projects will yield good potential returns, or that they will be completed within the scheduled timeframe so as to realise such returns. Should the Group fail to identify suitable projects or complete them profitably or within a reasonable time, its profitability and financial performance may be adversely affected.

The Group may be adversely affected if it fails to obtain, or if there are material delays in obtaining, requisite governmental approvals for its land acquisitions and property development projects.

The property development industry in the countries in which the Group operates are governed by laws and regulations which have been implemented to regulate and protect individual consumers as well as to establish a minimum standard for the property development and construction industry. Real estate developers must comply with various requirements mandated by applicable laws and regulations, including the policies and procedures established by local authorities designed for the implementation of such laws and regulations. In order to develop and complete a property development project, a property developer must obtain various permits, licences, certificates and other approvals from the relevant administrative authorities at various stages of the property development process, including, among others, land use rights documents, planning permits, building plan approvals, construction permits, advertisement and sale permits and certificates or confirmation of completion and acceptance. Each approval is dependent on the satisfaction of certain conditions.

There can be no assurance that the Group will not encounter problems in obtaining governmental approvals for new acquisitions of land or in fulfilling the conditions required for obtaining such approvals, or that it will be able to adapt to, and comply with, all new laws, regulations or policies that may come into effect from time to time with respect to the real estate industry or the particular processes with respect to the granting of approvals in the countries in which it operates. If the Group fails to obtain the relevant approvals on time or at all, or to fulfil the conditions of those approvals for a significant number of its property developments, and these property developments do not proceed on schedule or get completed at all, its business, financial condition, results of operations and prospects may be adversely affected.

The Group may encounter problems with its joint ventures that may adversely affect its business.

The Group has entered into joint venture agreements with business partners and may do so as and when a suitable opportunity arises. As joint ventures generally enable the pooling of financial resources and management expertise in the development of projects to reduce the risks undertaken by a single party, the Group views joint ventures as an important factor in the success of any property development and investment project. The success of the Group's joint venture projects also depends on its ability to partner successfully with appropriate joint venture partners. Depending on the nature of the Group's equity interest and the extent of its involvement in such projects, the Group may not be able to control the decision-making process of joint venture projects without reference to its joint venture partners. In addition, there is no assurance that any new joint ventures that the Group enter into will yield its anticipated benefits.

A joint venture partner may have economic or business interests or goals inconsistent with or different from those of the Group's, and as such may take actions which may differ from that of the Group, or act in a manner which may not be aligned with the Group's business interest, policies or objectives. Any dispute with the Group's joint venture partners which cannot be resolved amicably may escalate and become litigious or result in the early termination of such joint venture which could in turn adversely affect the Group's business, financial condition and results of operations. Political uncertainties or new government regulations such as restrictions on ownership or changes in economic, business and operating conditions may also result in a decline in the Group's investment in these joint venture entities and associated companies or a loss in its ability to influence the management and directors of, and the decisions made by, these joint venture entities and associated companies. Additionally, in light of the current economic climate, the Group's joint venture partners may not be able to fulfil their respective contractual obligations (for example, they may default in making payments during future capital calls or capital raising exercises) or may experience a decline in creditworthiness. Although joint venture agreements generally contain terms that govern the treatment of such events to the detriment of the defaulting party and the Group would generally seek to enforce its rights as enumerated within such agreements, the occurrence of any of these events may materially and adversely affect the performance of the Group's joint ventures. There is no assurance that the Group will not encounter such risks which may have a material adverse effect on its business, financial condition and results of operations in the future.

The Group may be affected by property overhang and/or unsold properties.

Property overhang is commonly caused by oversupply and/or low take-up rate of new property launches by property developers. Other factors contributing to property overhang may include economic downturns and unfavourable market conditions. See "*Cyclicality and changing market conditions may adversely affect the Group's business, financial condition and results of operations*" above.

In recent years, the PRC government has also imposed and may continue to impose various macroeconomic measures with an aim of cooling the overheated real estate market in the PRC, such as setting minimum down payment requirements and minimum mortgage rates on residential housing purchases, imposing value-added taxes on the transfer of certain residential properties and levying mandatory personal income tax for second home sales. In addition, the defaults on the bonds of real estate developers in the PRC increased the uncertainty in the market. All of these factors may also lead to lower demand for new property launches in the PRC. Any prolonged rise in the property overhang situation would result in the Group potentially holding a high number of unsold properties.

Apart from the general property overhang situation, an increase in the number of unsold properties in the property market may also be due to other factors such as the location of the development and changes in consumer preferences.

Although the Group has continued and is able to hold unsold properties post-completion, there is no assurance that the Group will be able to sell these properties in the future or at its target price and these unsold properties may have a material impact on its business, financial performance and results of operations.

The Group is exposed to general risks of doing business in various countries.

Although the Company is based in Malaysia, the Group has operations in Singapore and the PRC, and it may expand its business to other countries in the future.

There are inherent risks in doing business in various countries. These include difficulties in and increases in costs of staffing and managing foreign operations, social, economic and political instability, terrorism threats, fluctuations in currency exchange rates and interest rates, inflation, potentially adverse tax consequences, price and wage controls, risks of nationalisation and expropriation of assets, tariffs and other trade barriers, and unexpected changes in local laws, regulations and government policies (including barriers to the repatriation of profits and regulations relating to the industries in which the Group has operations), any of which could materially affect the Group's overseas operations.

In addition, the income and gains derived from investments in property in other countries may be subject to various types of taxes, including income tax and capital gains tax. Dividends and interest payments from the Group's overseas subsidiaries may be subject to withholding tax if there are no tax treaties between Malaysia and those countries which exempt or reduce such withholding tax.

The legal and regulatory regimes in these countries may be uncertain and subject to unforeseen changes. The interpretation or application of laws and regulations in these countries may be unclear and could affect issues such as rights to real property. Should such risks materialise, the Group's business and financial condition may be adversely affected. See "*The Group is subject to various regulatory requirements and government policies in the countries in which it operates*" below.

Furthermore, repatriation of investment income, capital and the proceeds from sales of securities by foreign investors such as the Group may require certain governmental registration and approval. If the governments of the countries in which the Group operates tighten or otherwise change their laws and regulations relating to the repatriation of their local currency, investment income or proceeds from sales of securities, the ability of the Group's overseas operations to repatriate profits may be affected and accordingly, the Group's cash flow may be adversely affected.

The Group is subject to various regulatory requirements and government policies in the countries in which it operates.

The governments of the various countries in which the Group operates monitor their respective property markets closely and adopt measures to promote stable and sustainable property markets. This degree of regulatory scrutiny may result in governments and regulatory authorities introducing new policies and/or regulations, or amending or abolishing existing policies and/or regulations. The Group has no control over such conditions and developments and can provide no assurance that such conditions and developments will not have a material adverse effect on its business, profitability, results of operations and financial condition.

The Group's property development and investment operations in Malaysia are governed by government policies and legislation, regulations and requirements established to control and protect consumers as well as to determine minimum industry standards. The legislation, regulations and requirements that govern the property development industry include, but are not limited to, the National Land Code 1965, the Housing Development (Control and Licensing) Act 1966 ("**HDA**"), the Housing Development (Control and Licensing) Regulations 1989, the Housing Development (Housing Development Account) Regulations 1991, the Strata Titles Act 1985, the Strata Management Act 2013, the Street, Drainage and Building Act 1974, the Uniform Building By-laws 1984, the Architects Act 1967, the Town and Country Planning Act, 1976, the Local Government Act 1976 and the Environmental Quality Act 1974, including any amendments thereof.

Before commencing any project, a developer is required to apply for layout planning and building plan approvals, in relation to which the local government has a significant input in administering all aspects of property development including layout planning and building plan approvals as well as the maintenance of infrastructure such as street lighting, under amongst others the Street, Drainage and Building Act 1974, the Uniform Building By-laws 1984, the Town and Country Planning Act, 1976 and the Local Government Act 1976. After obtaining the aforesaid approvals, where applicable, the developer is required to obtain a housing developer's licence and advertisement and sale permit from the Ministry of Housing and Local Government under the HDA and the Housing Development (Control and Licensing) Regulations 1989. Delays in the process of obtaining the requisite approvals or failure to comply with one or more of such legislation, regulations and requirements may affect the progress of the Group's development projects.

In addition, since 2009, Singapore has introduced a series of cooling measures which have had a significant impact on the property market. Similarly, in Xiamen, PRC, restrictions on the purchase of property have been imposed, in order to stabilise the property market. See "*Cyclicality and changing market conditions may adversely affect the Group's business, financial condition and results of operations*", above. Other countries in which the Group does business may also implement legislation, regulations, and government policies which could be subject to change depending on the development of the property market in those countries. Such changes could potentially materially and adversely impact both property prices as well as the property development industry in these countries, which could in turn adversely affect the Group's profitability and financial performance.

In addition, property developers and/or building contractors are subject to local laws and regulations relating to workplace health and safety, environmental pollution control and other areas that may concern the industry. There can be no assurance that such regulatory standards will remain unchanged in the future. Should the relevant authorities implement additional and/or more stringent requirements, the Group may have to incur additional expenses and/or devote extra time or effort to comply with such changes or procure the Group's contractors to comply with such changes. In the event of any non-compliance with such regulatory standards at project sites, the Group's project sites may be subject to temporary suspension or further examinations resulting in project delays. Should such situations arise, the Group's profitability and financial performance may be adversely affected.

From time to time, the relevant authorities and/or governments of the countries and/or regions in which the Group operates may carry out redevelopment plans or effect zoning changes to particular areas. The supply of land to property developers is also regulated by the relevant authorities and/or governments of these countries, and such land could become the subject of compulsory acquisition. Should such situations arise, the Group may incur an increase in management expenses or unforeseen capital expenditure in order to ensure compliance which may in turn adversely affect the Group's profitability and financial performance.

The PRC government exercises significant control over the economic growth of the PRC through the allocation of resources, controlling the payment of foreign currency denominated obligations, setting monetary policy and providing preferential treatment to particular industries or companies. Any future actions and policies adopted by the PRC government could materially affect the economy of the PRC, which may adversely affect the Group's business, financial condition and results of operations.

The Group relies on key management personnel, and the Group's business may be adversely affected by any inability to recruit, train, retain and motivate key employees.

The Group believes that its management team contributes significant experience and expertise to the management and growth of the Group's business. See "*Business—Competitive Strengths—Experienced and dedicated management team*". The continued success of the Group's business and the Group's ability to execute its business strategies in the future will depend in large part on the efforts of the Group's key personnel. The loss of any key management staff, and with them any such experience, knowledge, business relationships and expertise, for any reason, without suitable and timely replacement, and the inability to attract, train and retain qualified and experienced management personnel may lead to the loss or deterioration of important business relations as well as the management's ability to implement plans and maintain operational effectiveness. This may in turn have an adverse impact on the Group's operations, thereby adversely affecting the Group's financial position and profitability.

The Group is exposed to foreign exchange risks.

As the operations of the Group are located in various countries, exchange rate fluctuations could have a material adverse effect on its financial performance. To the extent that its sales, purchases, inter-Group loans and operating expenses are not matched in terms of currency and timing, the Group may be faced with foreign exchange exposure. Further, the Group's foreign operations are conducted in foreign currencies, primarily the Singapore dollar and Chinese Renminbi. As such, any significant fluctuations in the foreign exchange rates of these currencies may adversely affect the Group's revenue and financial performance.

The Group seeks to manage its foreign exchange exposure through natural hedging by relying on the offsetting of the foreign currency liabilities against the respective foreign currency assets, as well as foreign currency swaps. Although the Group monitors its foreign exchange exposure, there is no assurance that the Group will be able to do so successfully.

The Group is also exposed to translation risks that arise from fluctuations in foreign exchange rates as its consolidated financial statements are presented in Malaysian Ringgit while the financial statements of its overseas subsidiaries are prepared in their respective functional currencies. For the purpose of consolidating the financial results of its overseas subsidiaries, the assets and liabilities of the Group's overseas subsidiaries for each statement of financial position which are denominated in other currencies are translated at the closing rate at the date of that statement of financial position, the income and expense items for each statement of profit or loss and statement of comprehensive income are translated at average rates of exchange for the reporting year and all resulting exchange differences are recognised as a separate component of other comprehensive income. Consequently, any significant fluctuation of the Malaysian Ringgit against the respective functional currencies of its overseas subsidiaries may adversely affect the Group's financial performance and results of operations.

The Guarantor and other members of the Group are subject to restrictive debt covenants that may limit the Guarantor's ability to finance the future operations of the Group and its capital needs and to pursue business opportunities and activities.

The Guarantor and other members of the Group are subject to restrictive debt covenants in the financing arrangements to which they are a party which restrict their ability to:—

- make dividends or distributions with respect to the shares of the Guarantor's subsidiaries;
- prepay or redeem subordinated debt or equity;
- make certain investments;
- create encumbrances on the assets of the Guarantor or any of its subsidiaries;
- grant loans or advances to, or guarantees in favour of any person;
- transfer, sell, lease or otherwise dispose of the whole or a substantial part of the assets of the Guarantor or any of its subsidiaries;
- engage in certain transactions with shareholders, related parties and/or affiliates;
- enter into unrelated businesses or engage in prohibited activities; and
- consolidate or merge with other entities.

These covenants could limit the Guarantor's ability to finance the future operations and capital needs of the Group and its ability to pursue business opportunities and activities that may be in the Group's interest.

The Group may be affected by uninsured loss to its properties.

The Group maintains insurance policies covering its assets and business in line with general business practices. However, due to various reasons, certain liabilities in respect of the Group's properties may be uninsurable or the cost of insurance may be prohibitive, such as liabilities from war or civil disorder, which may generally be considered to have a lower probability of occurring in the countries in which the Group operates. Furthermore, it may not be cost-effective for the Group to obtain insurance cover for all of its properties against losses from such events. As such, if such events occur, there may be circumstances in which the Group will be required to pay compensation, cover the shortfall for such amounts claimed and/or may lose capital invested or anticipated future returns in the affected project, property or equipment, thereby affecting the Group's profitability and financial performance.

Increased inflation, fluctuations in interest rates and changes in government borrowing patterns could have a material adverse effect on the Group's and its customers' ability to obtain financing.

Increased inflation could result in an increase in the cost of raw materials, which the Group may not be able to pass on to its customers by increasing the prices of its properties.

Interest rates, and factors that affect interest rates, such as fiscal policies enacted by local governments in countries where the Group operates, could have a material adverse effect on the Group and on the demand for its products. If the governments in the various countries in which the Group does business significantly increase their borrowing levels, this could increase the interest rates charged by banks and other financial institutions and also effectively reduce the pool of bank financing available to both prospective property purchasers and real estate developers, including the Group.

In addition, the Group may be subjected to interest rate movement risks, in particular with respect to external financing it obtains in order to finance its property developments. In July 2022, to curb rising inflation, the United States Federal Reserve announced another three-quarter of a percentage point increase in its benchmark interest rates, which was the fourth rate increase since the beginning of 2022. While the market was concerned that the economy of the United States had entered into a recession, the Federal Reserve stressed that it needed to slow growth in order to control inflation. In contrast, in August 2022, PBOC lowered the one-year loan prime rate by five basis points to 3.65 per cent. from 3.7 per cent., while the five-year rate was cut by fifteen basis points to 4.3 per cent. from 4.45 per cent., reducing the cost of payments on existing loans.

Changes in interest rates will affect the Group's interest income and interest expense from short-term deposits and other interest-bearing financial assets and liabilities. This could in turn have a material and adverse effect on its financial performance. Furthermore, an increase in interest rates may also adversely affect the willingness and ability of prospective customers to purchase the Group's properties and its ability to raise and service long-term debt. All of these factors would add to the uncertainties relating to the overall prospects for the global economy and the economies in which the Group operates, which may have a material adverse effect on the Group's business, financial condition and results of operations.

The Group is dependent on the nature and extent of its title to properties in the landbank of the Group.

The nature and extent of the title to and interests in the land and properties under the Group's development may vary, depending on a number of factors, including:—

- the country and location of the property;
- the laws and regulations that apply to the property;
- the extent to which the contract pursuant to which the property interest was acquired has been performed, the extent to which the terms and conditions thereunder have been complied with, and the amount of the purchase consideration which has been paid;
- the extent of compliance by the Group or any other relevant party (including previous owners, the vendor of the property and the entity in which the Group has invested that has acquired or is acquiring the property) with all relevant laws and regulations relating to the ownership, use, sale, development or construction of the property;
- the manner under which the interest in the property is held, whether through a joint venture, a development or joint operation agreement, under a master lease or otherwise; and
- the capacity, power, authority and general creditworthiness of the counterparties to the contractual and other arrangements through which the Group has acquired an interest in the property.

Due to the laws in some of the countries where the Group operates, there could be disputes relating to the nature and extent of the title to the Group's property interests. Delays in acquiring properties required for the Group's development activities could negatively affect the Group's profitability and financial performance. The Group's acquisition of properties and/or assets is dependent on the due diligence as to, *inter alia*, the title to the land and properties, which in turn is dependent on professional advice received and the availability of reliable, accurate, complete and up-to date information in the relevant countries. The nature and extent of the title to the Group's property interests may be challenged or adversely impacted or may adversely affect the Group's ability to deal with its property interests and in turn the value of the Group's investment in these properties.

The Group is exposed to risks associated with the ownership and management of, and investment in, real estate.

The Group may be subject to a variety of risks incidental to the ownership of and investments in land and real estate in the countries in which it operates, including changes in the supply of, or demand for, investment property in an area, competition for tenants, changes in market rents, inability to renew leases or re-let space as existing leases expire, inability to dispose of major investment properties for the values at which they are recorded in the Group's financial statements, the need to renovate, repair and re-let space periodically, changes in interest rates and the availability of financing, difficulties in mortgaging due to uncertainty in land and security regulations, difficulties which may be encountered at land or security registries, changes in property tax rates and/or land use and lease laws, changes in laws and governmental regulations governing zoning or urban planning, credit risks of tenants, suppliers and contractors, and environmental conditions. The feasibility, marketability and value of any project in these countries may therefore be affected by factors beyond the Group's control.

In addition, real estate investments are generally illiquid, limiting the ability of the Group as owner or developer to convert its property assets into cash on short notice. As such, if a quick sale is required, there is no assurance that the Group will be able to sell its property assets without applying a discount to the sale price. This illiquidity thus limits the Group's ability to manage its portfolio in response to changes in global, regional and local economic or other conditions. The Group may also face difficulties in obtaining appropriate financing facilities to be secured by real estate, owing to restrictions contained in its various debt obligations.

The Group's revenue and earnings may be volatile.

The amount of revenue to be recognised in a financial year is dependent on the number, value and stage of completion of projects undertaken by the Group, which in turn depend on various factors, such as availability of its resources, market sentiment, market competition and general economic conditions. There can be no assurance that the Group's revenues will remain comparable every year. As the Group's revenue is mainly generated by its property development business, any market or other factors that result in the Group undertaking fewer or no new property development projects or any delay in the progress of any of the projects in the Group's portfolio could have a material and adverse impact on the amount of revenue recognised by the Group in a given year. The historical financial performance and position of the Group is therefore not indicative of its future performance.

The Group may not be able to successfully manage its growth or expansion strategies.

The Group intends to continue to grow and expand its property development business and diversify its portfolio earnings across geographies and property segments. In order to grow its business, the Group may expand its operations or explore strategic acquisitions or opportunities. The Group may also be required to manage relationships with an increasing number of customers, suppliers, contractors, hotel operators, service providers, lenders and other third parties. Any expansion involves numerous risks, such as the costs of setting up operations and increased working capital requirements. There is no assurance that any such expansion, if it materialises, will achieve a sufficient level of revenue and if the Group fails to manage its costs, the Group's results of operations and financial position may be adversely affected. Additionally, participation in strategic acquisitions or development opportunities involves numerous risks, such as difficulties in the assimilation of management, operations and personnel and the possible diversion of management attention from the Group's existing business concerns. There is no assurance that the Group's expansion plans will be successful or that its existing resources will be able to cope with the additional demands arising from the expansion. As a result, the Group's business, financial condition and results of operations could be materially and adversely affected.

The Group's business is dependent on consumer preferences and spending trends.

The success of the Group's property developments is dependent on consumer preferences, the popularity of its properties (including in terms of location and design) and consumer spending trends. Consumer preferences and spending trends are influenced by external factors including, among others, the income level of consumers and the demographic profiles in its various markets. In order to maintain and/or increase consumers' interest in the Group's projects, the Group seeks to produce designs with sufficient market appeal to attract consumers with different preferences. If the Group's competitors are able to introduce more innovative and/or more functional designs or properties that can better cater to consumers' needs or that are better accepted by the market, the Group may not be able to maintain its competitive edge and this may adversely affect the Group's profitability and financial performance.

A deterioration in the Group's reputation could have a material adverse effect on the Group's business and prospects.

The Group believes that it has a positive reputation among customers and that its continued success is largely based on its ability to maintain that reputation. If any of the Group's projects experience construction or infrastructure failures, design flaws, significant project delays, quality control issues or otherwise, this could have a negative effect on the Group's reputation and make it more difficult to attract customers to its new and existing projects. If the Group is unable to access funds to create or maintain a premium condition and appearance for its properties, the attractiveness of its properties and its reputation could suffer and the Group's recurring revenues, development revenues or both may decline. Any negative effect on the Group's reputation or its brand could also affect the Group's ability to sell its housing and land development projects, as well as its investment properties. The Group cannot provide any assurance that the abovementioned events will not occur in a manner that may adversely affect its results of operations or financial condition.

The Group's revenue and cash flow may be affected by the Group's exposure to key tenants.

Part of the Group's retail and commercial space is leased to anchor tenants that have been selected by the Group because of their ability to attract customers and/or other potential tenants. Such tenants are typically pursued by other developers and building owners because of their potential ability to enhance the value of their properties in which they are located, and there can be no assurance that the Group can successfully compete to obtain or retain such anchor tenants in its investment properties. The Group's ability to lease units in its investment properties, as well as the value of such units, could be adversely affected by the loss of a key tenant or in the event such key tenant files for bankruptcy or insolvency or experiences a downturn in its business. In addition, the Group may face difficulties in finding suitable and timely replacement tenants for space vacated by key tenants and, if found, the lease terms with such replacement tenants may be less favourable or unsatisfactory. Accordingly, the Group's ability to optimise its revenue and cash flow for such retail and commercial space that has been leased to such key tenants could be adversely affected. Any of these events could materially and adversely affect the Group's business, financial condition and results of operations.

Under certain market conditions, key tenants may be given more favourable terms such as lower rental rates or other incentives. The Group also faces the risk that its existing tenants may not renew all of their leases, and this may lead to reduced occupancy levels. The Group also faces the risk that, if replacement tenants are found, the terms of replacement tenancies may be less favourable than current tenancies, which may in turn reduce the Group's revenue. If the leases are not renewed or are renewed on terms less favourable to the Group, this could affect the Group's business, financial condition and results of operations. In addition, if the expiry of a significant number of leases is concentrated at a particular time and/or location, the Group's existing or prospective tenants may acquire leverage in negotiating a lower rental price, which might adversely impact the Group's revenue and business.

The Group's rental rates for its investment properties are dependent on market conditions.

Rental rates have experienced significant volatility in recent years due to global and regional economic instability and other factors beyond the Group's control. The revenue earned from, and the value of, the Group's investment properties may be adversely affected by a number of factors, including:–

- vacancies following the expiry or termination of leases that lead to lower occupancy rates which reduce the Group's revenue;
- the inability to collect rent from tenants on a timely basis or at all;
- rental rebates given to tenants facing market pressure;
- tenants seeking the protection of bankruptcy laws which could result in delays in the receipt of rent payments, inability to collect rental income, or delays in the termination of the tenant's lease, or which could hinder or delay the re-letting of the space in question;
- the amount of rent payable by tenants and the terms on which lease renewals and new leases are agreed being less favourable than those of current leases;
- the recurring need for renovation, refurbishment and improvement to the Group's investment properties;
- the local and international economic climate and real estate market conditions (such as oversupply of, or reduced demand for, retail and commercial space, changes in market rental rates and operating expenses for the Group's properties);
- the inability to arrange for adequate management and maintenance or to put in place adequate insurance;
- competition for tenants from other properties which may affect rental levels or occupancy levels at the Group's properties; and
- changes in laws and governmental regulations in relation to real estate, including those governing usage, zoning, taxes and government charges. Such revisions may lead to an increase in management expenses or unforeseen capital expenditure to ensure compliance, and a reduction in net profit generated from the rental of the Group's properties. Rights related to the relevant properties may also be restricted by legislative actions, such as revisions to laws relating to building standards or town planning laws, or the enactment of new laws related to condemnation and redevelopment.

The Group may not be able to achieve profitability through its hospitality and leisure business.

As part of the Group's strategy to diversify its earnings base, the Group's business also includes the hospitality and leisure segment, where it develops hotels in its integrated developments. See "*Business—Business Segments—Hospitality and Leisure*" for details on the Group's hospitality and leisure business.

The Group's hospitality and leisure business is subject to seasonal fluctuations associated with the hospitality industry. Seasonal fluctuations in the tourism industry and in the number of overseas visitors to Malaysia, Singapore and the PRC could result in lower hospitality revenue as a portion of the Group's revenues across different periods. However, the Group's expenses are not expected to vary significantly due to changes in occupancy rates and revenues because a significant portion of operating costs in its hospitality business, such as payroll, software, system support and maintenance fees, and utilities, is fixed in nature. Accordingly, a decrease in the Group's revenues from its hospitality business could result in a disproportionately greater decrease in the Group's earnings because the operating costs and expenses of its hospitality business are unlikely to decrease proportionately. The Group's costs and expenses may remain constant or increase even if its hospitality revenues decline, which would adversely affect its results of operations.

In addition, the hospitality industry is highly competitive due to various factors, including changes in local and regional economic conditions, changes in local and regional populations, the supply of and demand for hotel rooms, changes in travel patterns and preferences, availability of attractions, services and amenities close to the commercial areas, as well as new supply of hotels in the locations which the Group operates in. The Group's competitors may offer more facilities at their premises at similar or more competitive prices. In addition, travel restrictions in countries where the Group's property investments and developments are located aimed at containing the COVID-19 pandemic led to a significant decrease in travel and thereby sharply reduced the demand for hotel rooms. See "*The Group faces certain risks associated with the outbreak of COVID-19 and other communicable diseases*" above. All of these factors could affect the Group's hotels' occupancy rates and affect the Group's business, financial condition and results of operations.

There is therefore no assurance that the Group can achieve profitability through its hospitality and leisure business.

The Group relies on international hotel operators in the operation, management, maintenance, branding and marketing of its hotels.

The Group relies on international hotel operators in the operation, management, maintenance, branding and marketing of its hotels. In the event that any agreement for the operation and management of any of the Group's hotels is terminated prematurely or not renewed upon expiry on mutually agreeable terms, or the Group is unable to engage the services of a competent hotel operator as a replacement, the operational results and financial performance of the Group may be adversely affected. There is also no assurance that the Group's hotels will be operated, managed, maintained, branded or marketed well in the future and consequently, the profitability and financial performance of the Group could be adversely affected. Failure of the hotel operators to properly operate, manage or maintain the Group's hotels under management agreements may result in customers choosing alternative hotels. Lack of capital or insufficient cash flow caused by lower occupancy may adversely impact the future operations and profitability of the Group's hotels, thereby affecting the ability of its hotels to generate income. Consequently, the financial performance of the Group could be adversely affected.

The Group's hotels have entered into operating services agreements. The success of the Group's hotels is closely linked to the reputation of the various brands under the hotel operator's group of hotels. If any of these brands suffer a decline in reputation, demand for, among others, the rooms and services of the Group's hotels may be adversely affected and as a result the Group's business, financial conditions and results of operations may be adversely affected. In addition, there is no assurance that no conflict will arise between the policies or objectives adopted by the Group and the hotel operator.

The Group is subject to risks inherent in investment entities and/or associated companies which it does not control.

The Group holds some of its investments through joint ventures or the acquisition of minority interests in investment entities and/or associated companies. There can be no assurance that the Group will be able to control such entities or exercise any influence over the assets of such entities or their distributions to the Group. The management and/or the employees of such entities may also make decisions which could adversely affect the operations of the Group. This could affect the Group's ability to deal with its investments in a manner which achieves its objectives which could in turn have a material adverse impact on the Group's financial condition.

The Group may not be able to successfully manage its landbank, which could adversely affect its margins.

In the property development business, the Group needs to identify, manage and plan for the right land for property development in order to achieve good investment returns. The Group replenishes and sources for new landbank through participating in government tenders and auctions as well as acquiring plots of land from private owners. The Group cannot assure investors that the measures it employs to manage land inventory risks will be successful. In the event of significant changes in economic, political, security or market conditions, the Group may have to sell subdivision lots and housing and condominium units at significantly lower margins or at a loss. Changes in economic or market conditions may also require the Group to defer the commencement of housing and land development projects. This would require the Group to continue to carry the cost of acquired but undeveloped land on its statement of financial position, as well as reduce the amount of property available for sale. Any of the foregoing events may have a material adverse effect on the Group's business, financial condition and results of operations.

The Group is subject to risks associated with debt financing and refinancing.

Due to the large capital requirements for its property development business, the Group finances a substantial portion of its property development projects, especially for acquisition of land sites and construction and development of properties, through bank loans and credit facilities. Accordingly, the Group is subject to the risks associated with debt financing and refinancing (including Notes to be issued under the Programme), including the risk that its cash flow may be insufficient to meet required payments of principal and interest, resulting in negative cash flow from operating activities. In the event that it is unable to secure adequate financing for successfully tendered land, the Group may have to forfeit its deposit. Additionally, a property development project usually experiences net cash outflow in its early stage of development until payments are collected from purchasers of sold units and/or when the units of the project are substantially sold. As such, the Group's cash flow position may fluctuate depending on its sales performance and the timing and extent of the receipt of payments from purchasers. In the event that it is not able to generate sufficient cash flow to meet the financing costs of its property development projects for whatever reason, the Group's business and financial performance may be adversely affected.

Some of the Group's banking facilities are granted with floating interest rates and consequently, the interest costs in respect of such debts and borrowings will be subject to fluctuations in interest rates. If there is any increase in such floating interest rates and if the Group is unable to obtain alternative facilities with comparable or more favourable terms, the Group may be forced to incur higher interest expense. Further, if all or a substantial part of the Group's existing banking facilities are withdrawn and it is unable to secure alternative financing on comparable terms, its operations and working capital position may be adversely affected. The occurrence of such events may adversely affect the Group's financial position and profitability.

Where appropriate, the Group may seek to minimise its interest rate risk exposure by entering into interest rate swap contracts to swap floating interest rates for fixed interest rates over the duration of certain of its debts and borrowings. However, such hedging policy may not completely insulate the Group from risks associated with interest rate fluctuations.

In addition, the Group may be subject to market disruption clauses contained in its loan agreements with banks. Such clauses will generally provide that to the extent that the banks may face difficulties in raising funds in the interbank market or are paying materially more for interbank deposits than the displayed screen rates, the banks may pass on the higher cost of funds to the borrower, notwithstanding the margins agreed.

The Group may also require additional debt financing to fund its activities in the future. Additional debt financing may restrict the Group's ability to pay dividends, increase its vulnerability to adverse economic and industry conditions and/or require the Group to dedicate a substantial portion of cash flow from operating activities to repay its debt, thereby reducing the availability of its cash flow to fund capital

expenditure, working capital and other requirements and/or lower its flexibility in utilising working capital to react to changes within the industry. There is no assurance that the Group will be able to obtain additional financing on acceptable terms or any other financing support. In the event that the Group is unable to secure adequate financing at acceptable cost or at all, its profitability and financial performance may be adversely affected.

The Group is exposed to the credit risk of its customers.

Purchasers of the Group's properties who make payment in cash are not required to secure financing for the acquisition of properties at the execution of the sale and purchase agreement. As such, the collection of progress payments from these buyers may be subject to their creditworthiness. In this respect, there is no assurance that progress payments will be collected from these buyers on a timely basis, or at all. Any significant delay or inability in collecting such payments may have an adverse impact on the Group's financial performance. For instance, the recent mortgage boycotts in the PRC have seen hundreds of thousands of homebuyers refusing to service their mortgages in respect of uncompleted properties, due to delays in construction stemming from a liquidity crunch amongst property developers.

There is no assurance that the risk of default by such customers will not materialise or increase in the future, or that the Group will not experience cash flow problems as a result of such defaults. Should this risk materialise, the Group's operations, cash flows and profitability may be adversely affected.

Additionally, if the Group were to experience a material number of sales cancellations in the future due to customers not being able to make payments for the purchased properties, particularly during slowdowns or downturns in the countries in which it operates, periods when interest rates are high or other similar situations, there is no assurance that the Group would be able to re-sell the same property at an acceptable price or at all. Any of the foregoing events may have a material adverse effect on the Group's business, financial condition and results of operations.

The value of properties and land sites are subject to fluctuations.

The valuations of the Group's properties and land sites are conducted by independent professional valuers under certain assumptions and subject to prevailing market conditions. These valuations may therefore not accurately reflect the actual value of such properties upon realisation or disposal. Should the value of the Group's properties and land sites be lower for any reason upon realisation or disposal, its financial position and performance may be adversely affected. In addition, the Group may record impairment losses in its financial statements in the event that the market value of the unsold properties and land sites, as determined by independent professional valuers, fall below their carrying amounts.

Potential liability for environmental problems could result in substantial costs.

The Group is subject to extensive laws and regulations concerning environmental protection. The application of such laws and regulations differs across the countries in which the Group operates, and varies greatly according to a site's location, its environmental condition, present and former use, as well as the circumstances of its adjoining properties. The Group's worksites for its existing and upcoming developments currently under construction across Malaysia, Singapore and the PRC will each need to comply with all applicable laws to it. Such variation in applicable laws may result in delays in the Group's project completion, and may cause it to incur substantial compliance costs and restrict its project development activities in certain regions or areas.

The Group may also be liable for environmental damage caused by its operations to the surrounding area. For example, heavy construction activity, the construction of worker accommodation and the disposal of construction waste, may contribute to land degradation or pollution, or trigger landslides. Although this is dependent to some extent on conditions beyond the Group's control, such as adverse weather conditions and the environmental condition of the site, there is no assurance that the Group will not be subject to administrative, civil and criminal proceedings initiated by the local authorities should such outcomes materialise. It may also be subject to civil proceedings initiated by environmental groups. Such proceedings could result in substantial fines and liabilities against the Group, orders that could limit or halt its operations, and negative media attention.

If the Group fails to comply with existing or future environmental laws and regulations in the countries in which it operates, its reputation may be affected or it may be required to pay penalties or fines or take remedial actions, any of which could have a material adverse effect on its business, financial condition, results of operations and prospects.

The Group may, from time to time, be subject to liability, or be involved in legal and other proceedings, arising from its property developments, property investments and hospitality and leisure businesses.

The Group may, from time to time, be involved in disputes with various parties involved in the development and sale of its property development and/or property investment projects. This includes main contractors, sub-contractors, agents, suppliers, construction companies, purchasers, tenants, customers, other partners and lenders. The Group may also face claims from purchasers of units in its development projects for reasons such as delay in completion, alleged defects or variation from contract specifications. In the event of any major claims or disputes with any such parties, the Group may have to pay damages and/or be subject to legal proceedings resulting in an adverse impact on its profitability, financial performance and corporate reputation. Under certain circumstances, reimbursements may be claimed from the Group's contractors for the delay or building defects. However, there is no assurance that the amount reimbursed by contractors would be sufficient to cover the amount of liquidated damages paid or to be paid to such purchasers. There is also no assurance that the contractors hired by the Group will be able to either rectify any such defects or indemnify the Group for costs incurred by the Group to rectify such defects. Should such events occur, there could be a material adverse effect on the Group's reputation, profitability and financial performance.

As part of its hospitality and leisure business, the Group also enters into operating services agreements in respect of its hotels. Such arrangements involve a number of risks, including potential disputes with the Group's hotel operators in connection with the performance of each party's respective obligations under the relevant agreements, and disputes as to the scope of each party's responsibilities under these agreements. Further, since the Group relies on the expertise of third party hotel operators to manage its hotels, a dispute with any of such hotel operators may adversely affect the relevant hotel's operational performance and reputation. Further, as with all other legal proceedings, such disputes may expose the Group to claims for damages, and adversely affect the Group's business, financial condition, results of operations and prospects.

The Group may be affected by the illiquidity of its property assets.

Real estate assets, such as the residential properties developed and land sites acquired by the Group, are relatively illiquid. In addition, as at the date of this Offering Circular, the Group holds certain investment properties in Malaysia, Singapore and the PRC. See "*Business—Business Segments—Property Investment*" for further details. The illiquidity of the Group's real estate assets may limit its ability to convert these assets into cash in response to changes in the economy, the property market or other conditions or may result in a significant reduction in the price that it might otherwise seek for such assets in the event that it is required to effect an urgent sale. Should such an event occur, the Group's profitability and financial performance may be adversely affected.

The Group may be exposed to risk of loss due to disruptions in its operations resulting from industrial disputes in the PRC.

Employees in Xiamen, PRC, where the Group operates, belong to a labour union established in accordance with the requirements of the PRC government. The Group has not entered into any collective bargaining agreement with the labour union in relation to its operations in Xiamen, PRC. However, there is no assurance that the labour union may not initiate actions that may disrupt the Group's operations due to strikes or work stoppages. In the event of such disruptions, it could affect the Group's business operations and financial condition.

RISKS RELATING TO MALAYSIA

There is no assurance that the Malaysian government will not re-impose capital controls.

There are foreign exchange control policies in Malaysia which support the monitoring of capital flows into and out of the country in order to preserve its financial and economic stability. The foreign exchange control framework in Malaysia is governed by the Financial Services Act 2013 and the Foreign Exchange Administration Rules. These regulations regulate both residents and non-residents of Malaysia.

As part of the package of policy responses to the 1997 economic crisis in Southeast Asia, the Malaysian government and Bank Negara Malaysia ("**BNM**") introduced, on 1 September 1998, selective capital control measures to stabilise the Ringgit exchange rates. On 2 September 1998, the Ringgit was fixed at an exchange rate of RM3.80 to U.S.$1.00. The Malaysian government subsequently liberalised such selective capital control measures in 1999 to allow foreign investors to repatriate profits, subject to an exit levy of 10%. On 1 February 2001, the Malaysian government revised the levy to apply only to profits made from portfolio investments retained in Malaysia for less than one year. On 2 May 2001, the Malaysian government lifted all such controls in respect of the repatriation of foreign portfolio investments.

Subsequently on 21 July 2005, BNM adopted a managed float system for the Ringgit exchange rate, which benchmarked the Ringgit to a currency basket to ensure that the Ringgit remains close to its fair value.

Under the current Foreign Exchange Notices issued by BNM, non-residents are free to repatriate divestment proceeds, profits, dividends, or any income arising from investments in Malaysia, **provided that** such repatriation is made in foreign currency and the conversion of Ringgit into foreign currency is undertaken in accordance with the Foreign Exchange Notices issued by BNM. In the event BNM introduces any restrictions in the future, there can be no assurance that the Malaysian government will or will not re-impose these or other forms of capital controls in the future. If the Malaysian government re-imposes or introduces foreign exchange controls, investors may not be able to repatriate the proceeds of the sale of Notes and coupon and principal paid on the Notes from Malaysia for a specified period of time or may only be able to do so after paying a tax or levy.

The insolvency laws of Malaysia and other local insolvency laws may differ from those of another jurisdiction with which investors in Notes are familiar with.

As the Guarantor is incorporated under the laws of Malaysia, any insolvency proceedings relating to the Guarantor would likely involve Malaysian insolvency laws, the procedural and substantive provisions of which may differ from comparable provisions of the local insolvency laws of jurisdictions with which investors in the Notes are familiar with.

Certain foreign judgments may not be enforceable against the Guarantor in Malaysia.

Foreign judgments obtained in the superior courts of reciprocating countries as listed in the First Schedule of the Reciprocal Enforcement of Judgments Act 1958 (the "**REJA**") (other than a judgment of such a court given on appeal from a court which is not a superior court) in respect of any sum payable by the Guarantor will only be recognised and enforced in Malaysia by applying to register the said foreign judgment with the Malaysian courts. The process of registration for a foreign judgment dispenses the need to re-litigate or re-examine the issues in dispute, as long as:—

- the enforcement of the foreign judgment would not be contrary to public policy in Malaysia;
- the foreign judgment was not given or obtained by fraud;

- the foreign judgment was by a court of competent jurisdiction in such jurisdiction and was not obtained in proceedings in which the foreign judgment debtor being the defendant in the original court did not receive notice of those proceedings in sufficient time to enable it to defend the proceedings and did not appear;

- the foreign judgment has not been wholly satisfied and is enforceable by execution in the original court;

- the foreign judgment is final and conclusive between the parties thereto;

- the foreign judgment is for a monetary judgment;

- the monetary sum payable under the judgment (if any) is not directly or indirectly for the payment, satisfaction or enforcement of any penal or revenue laws or sanctions imposed by the authorities of such jurisdiction;

- the foreign judgment is not preceded by a final and conclusive judgment by a court having jurisdiction in that matter; and

- the rights under the foreign judgment are vested in the person by whom the application for registration was made.

The judgment creditor under a judgment to which the REJA applies, may apply to the High Court at any time in accordance with the provisions of the REJA within six years after the date of the judgment or, where there have been proceedings by way of appeal against the judgment, after the date of the last judgment given in those proceedings, to have the judgment registered. A person who has obtained a judgment against the Guarantor in a court which is not listed in the First Schedule of the REJA will have to rely entirely on the principles of common law to enforce the judgment, that is, by instituting a fresh suit in Malaysia based either on the judgment or on the original cause of action.

RISKS RELATING TO THE NOTES ISSUED UNDER THE PROGRAMME

The Notes may not be a suitable investment for all investors.

An investment in the Notes involves certain risks including market risk, interest rate risk, foreign exchange risk, credit risk and liquidity risk. Each potential investor in any Notes must determine the suitability of that investment in light of its experience, objectives, financial position and other relevant circumstances. In particular, each potential investor should:

(i) have sufficient knowledge and experience to make a meaningful evaluation of the relevant Notes, the merits and risks of investing in the relevant Notes and the information contained or incorporated by reference in this Offering Circular, any applicable supplement to this Offering Circular or any Pricing Supplement;

(ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the relevant Notes and the impact such investment will have on its overall investment portfolio;

(iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the relevant Notes, including where principal, interest or distribution is payable in one or more currencies, or where the currency for principal, interest or distribution payments is different from the potential investor's currency;

(iv) understand thoroughly the terms of the relevant Notes and be familiar with the behaviour of any relevant indices and financial markets; and

(v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Some Notes may be complex financial instruments and such instruments may be purchased as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to the purchaser's overall portfolios. A potential investor should not invest in Notes which are complex financial instruments unless it has the expertise (either alone or with the help of a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of such Notes and the impact this investment will have on the potential investor's overall investment portfolio.

Additionally, the investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) the Notes are legal investments for it, (2) the Notes can be used as collateral for various types of borrowing, and (3) other restrictions apply to its purchase of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of the Notes under any applicable risk-based capital or similar rules.

Modification and waivers may be made in respect of the Conditions, the Trust Deed, the Agency Agreement by the Trustee or less than all of the holders of the Notes, and decisions may be made on behalf of all holders of the Notes that may be adverse to the interests of individual holders of the Notes.

The Trust Deed contains provisions for convening meetings of Noteholders of a series to consider matters affecting their interests, including modification by Extraordinary Resolution of the Notes of such Series (including the Terms and Conditions of the Notes insofar as the same may apply to such Notes) or any of the provisions of the Trust Deed. These provisions permit defined majorities to bind all Noteholders of the relevant Series whether present or not and whether they voted for or against such Extraordinary Resolution and on all relevant Couponholders, except that any Extraordinary Resolution proposed, *inter alia*, (a) to amend the dates of maturity or redemption of the Notes or any date for payment of interest or Interest Amounts on the Notes, (b) to reduce or cancel the principal amount of, or any premium payable on redemption of, the Notes, (c) to reduce the rate or rates of interest in respect of the Notes or to vary the method or basis of calculating the rate or rates of interest or the basis for calculating any Interest Amount in respect of the Notes, (d) to vary any method of, or basis for, calculating the Redemption Amount or the Early Redemption Amount including the method of calculating the Amortised Face Amount, (e) to vary the currency or currencies of payment or denomination of the Notes, (f) to take any steps that as specified hereon may only be taken following approval by an Extraordinary Resolution to which the special quorum provisions apply, (g) to modify the provisions concerning the quorum required at any meeting of Noteholders or the majority required to pass the Extraordinary Resolution or sign a resolution in writing or (h) to modify or cancel the Guarantee, will only be binding if passed at a meeting of the Noteholders of the relevant Series (or at any adjournment thereof) at which a special quorum (provided for in the Trust Deed) is present.

The Terms and Conditions of the Notes also provide that the Trustee may (but is not obliged to) agree, without the consent of the Noteholders or Couponholders, to (i) any modification of any of the provisions of the Trust Deed which in the opinion of the Trustee is of a formal, minor or technical nature, is made to correct a manifest error or to comply with any mandatory provision of law or is required by Euroclear and/or Clearstream, CDP and/or any other clearing system in or through which the Notes may be held, and (ii) any other modification (except as mentioned in the Trust Deed) which is in the opinion of the Trustee not materially prejudicial to the interests of the Noteholders, and (iii) any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Trust Deed, the Agency Agreement or the Terms and Conditions of the Notes which is in the opinion of the Trustee not materially prejudicial to the interests of the Noteholders. Any such modification, authorisation or waiver shall be binding on the Noteholders and the Couponholders and, unless the Trustee otherwise agrees, such modification, waiver or authorisation shall be notified by the relevant Issuer to the Noteholders as soon as practicable.

The Terms and Conditions of the Notes may be amended, modified, or varied in relation to any Series of Notes by the terms of the relevant Pricing Supplement in relation to such Series.

Singapore taxation.

The Notes to be issued from time to time under the Programme, during the period from the date of this Offering Circular to 31 December 2023 are, pursuant to the Income Tax Act 1947 of Singapore (the "**ITA**") and the MAS Circular FDD Cir 11/2018 entitled "*Extension of Tax Concessions for Promoting the Debt Market*" on 31 May 2018, intended to be "*qualifying debt securities*" for the purposes of the ITA, subject to the fulfilment of certain conditions more particularly described in the section "*Taxation—Singapore Taxation*". However, there is no assurance that the Notes will continue to enjoy the tax concessions in connection therewith should the relevant tax laws or MAS circulars be amended or revoked at any time.

A change in the law which governs the Notes may adversely affect Noteholders.

The Terms and Conditions of the Notes will be governed by English law or Singapore law (as specified in the applicable Pricing Supplement). No assurance can be given as to the impact of any possible judicial decision or change to English law or Singapore law or administrative practice after the date of issue of the relevant Tranche of Notes.

The Guarantee provided by the Guarantor will be subject to certain limitations on enforcement and may be limited by applicable laws or subject to certain defences that may limit its validity and enforceability.

The Guarantee given by the Guarantor will provide holders of Notes with a direct claim against the Guarantor in respect of the Issuers' obligations under the Notes. Enforcement of the Guarantee would be subject to certain generally available defences. Local laws and defences may vary and may include those that relate to corporate benefit (*ultra vires*), fraudulent conveyance or transfer (*action pauliana*) and corporate purpose. They may also include regulations or defences which affect the rights of creditors generally.

If a court were to find the Guarantee given by the Guarantor, or a portion thereof, void or unenforceable as a result of such local laws or defence, or to the extent that agreed limitations on guarantees apply, holders would cease to have any claim in respect of the Guarantor and would be creditors solely of the Issuers and, if payment had already been made under the Guarantee, the court could require that the recipient return the payment to the Guarantor.

Performance of contractual obligations.

The ability of the relevant Issuer to make payments in respect of the Notes may depend upon the due performance by the other parties to the transaction documents of the obligations thereunder including the performance by the Issuing and Paying Agent, Transfer Agent, the relevant Registrar and/or the Calculation Agent of their respective obligations. Whilst the non-performance of any relevant parties will not relieve the relevant Issuer of its obligations to make payments in respect of the Notes, the relevant Issuer may not, in such circumstances, be able to fulfil its obligations to the Noteholders and the Couponholders.

The Notes may be represented by Global Notes or Global Certificates and holders of a beneficial interest in a Global Note or Global Certificate must rely on the procedures of the relevant Clearing System(s).

Notes issued under the Programme may be represented by one or more Global Notes or Global Certificates. Such Global Notes will be deposited with a common depositary for Euroclear and Clearstream or CDP (each of Euroclear, Clearstream and CDP, a "**Clearing System**"). Except in the circumstances described in the relevant Global Note or Global Certificate, investors will not be entitled to receive definitive Notes or Certificates. The relevant Clearing System(s) will maintain records of the beneficial interests in the Global Notes or Global Certificates. While the Notes are represented by one or more Global Notes or Global Certificates, investors will be able to trade their beneficial interests only through the Clearing Systems.

While the Notes are represented by one or more Global Notes or Global Certificates, the relevant Issuer or, as the case may be, the Guarantor, will discharge its payment obligations under the Notes by making payments to or to the order of the relevant Clearing System for distribution to their account holders.

A holder of a beneficial interest in a Global Note or Global Certificate must rely on the procedures of the relevant Clearing System(s) to receive payments under the relevant Notes. Neither the relevant Issuer nor the Guarantor has any responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Notes or Global Certificates (as the case may be).

Holders of beneficial interests in the Global Notes or Global Certificates will not have a direct right to vote in respect of the relevant Notes. Instead, such holders will be permitted to act only to the extent that they are enabled by the relevant Clearing System(s) to appoint appropriate proxies. Similarly, holders of beneficial interests in the Global Notes or Global Certificates will not have a direct right under the respective Global Notes or Global Certificates to take enforcement action against the relevant Issuer or the Guarantor in the event of a default under the relevant Notes but will have to rely upon their rights under the Trust Deed.

Noteholders should be aware that definitive Notes and Certificates which have a denomination that is not an integral multiple of the minimum Denomination Amount may be illiquid and difficult to trade.

In relation to any issue of Notes which have a denomination consisting of a minimum Denomination Amount (as defined in the Terms and Conditions of the Notes) plus a higher integral multiple of another smaller amount, it is possible that the Notes may be traded in amounts in excess of the minimum Denomination Amount that are not integral multiples of such minimum Denomination Amount. In such a case a Noteholder who, as a result of trading such amounts, holds a principal amount of less than the minimum Denomination Amount will not receive a definitive Note or Certificate in respect of such holding (should definitive Notes or Certificates be printed) and would need to purchase a principal amount of Notes such that it holds an amount equal to one or more Denomination Amounts. If definitive Notes or Certificates are issued, holders should be aware that definitive Notes or Certificates which have a denomination that is not an integral multiple of the minimum Denomination Amount may be illiquid and difficult to trade. Definitive Notes will in no circumstances be issued to any person holding Notes in an amount lower than the minimum denomination and such Notes will be cancelled and holders will have no rights against the relevant Issuer (including rights to receive principal or interest or to vote or attend meetings of Noteholders) in respect of such Notes.

The relevant Issuer may be unable to pay interest on, or redeem, the Notes.

On certain dates, including the occurrence of any early redemption event specified in the relevant Pricing Supplement or otherwise and at maturity of the Notes, the relevant Issuer or, if the Guarantee is called, the Guarantor may, and at maturity, will, be required to pay interest or, as the case may be, distribution on, or redeem, all of the Notes. If such an event were to occur, the relevant Issuer or, as the case may be, the Guarantor may not have sufficient cash on hand (whether due to a serious decline in net operating cash flows or otherwise) and may not be able to arrange financing to make such payment or redeem the Notes in time, or on acceptable terms, or at all. The ability to make interest or distribution payments or redeem the Notes in such event may also be limited by the terms of other debt instruments. Failure to pay interest or distribution on the Notes or to repay, repurchase or redeem tendered Notes by the relevant Issuer or, as the case may be, the Guarantor would constitute an event of default under the Notes, which may also constitute a default under the terms of other indebtedness of the Group.

The Trustee may request that the Noteholders provide an indemnity and/or security and/or prefunding to its satisfaction.

In certain circumstances, including, without limitation, the giving of notice to the relevant Issuer and the Guarantor pursuant to Condition 10 of the Terms and Conditions of the Notes and the taking of steps and/or actions and/or instituting proceedings pursuant to Condition 11 of the Terms and Conditions of the Notes, the Trustee may, at its sole discretion, request the Noteholders to provide an indemnity and/or security, and/or prefunding to its satisfaction before it takes steps and/or actions and/or institutes proceedings on behalf of Noteholders. The Trustee shall not be obliged to take any such steps and/or actions and/or institute any such proceedings if not first indemnified and/or secured and/or prefunded to its satisfaction.

Negotiating and agreeing to any indemnity and/or security and/or prefunding can be a lengthy process and may impact on when such steps and/or actions and/or such proceedings can be instituted. The Trustee may not be able to take steps and/or actions and/or institute proceedings notwithstanding the provision of an indemnity and/or security and/or prefunding to it, in breach of the terms of the Trust Deed constituting the Notes and in such circumstances, or where there is uncertainty or dispute as to the applicable laws or regulations, to the extent permitted by the agreements and the applicable law, it will be for the Noteholders to take such steps and/or actions and/or institute such proceedings directly.

RISKS RELATING TO THE STRUCTURE OF A PARTICULAR ISSUE OF NOTES

A wide range of Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for potential investors. Set out below is a description of certain such features:

Notes subject to optional redemption by the relevant Issuer may have a lower market value than Notes that cannot be redeemed.

Subject to the Terms and Conditions of the Notes, the relevant Issuer may have the option to redeem outstanding Notes at any time or upon the occurrence of certain events, including changes in tax laws or regulations or accounting standards.

An optional redemption feature is likely to limit the market value of Notes. During any period when the relevant Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

The relevant Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

Floating Rate Notes referencing or linked to benchmarks have been subject to political and regulatory scrutiny which may adversely affect the value of such Notes.

Reference rates and indices, including interest rate benchmarks (such as EURIBOR and HIBOR), which are used to determine the amounts payable under financial instruments or the value of such financial instruments ("**Benchmarks**"), have, in recent years, been the subject of political and regulatory scrutiny as to how they are created and operated. This has resulted, particularly in the United Kingdom, in regulatory reform and changes to existing Benchmarks, with further changes anticipated. This could increase the costs and risks of administering or otherwise participating in the setting of a Benchmark and complying with any such regulations or requirements.

Regulation (EU) No. 2016/1011 (the "**EU Benchmarks Regulation**") applies, subject to certain transitional provisions, to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark within the EU Benchmarks Regulation as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the "**UK Benchmarks Regulation**"), to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark, within the UK. The EU Benchmarks Regulation or the UK Benchmarks Regulation, as applicable, could have a material impact on any Notes linked to a benchmark rate or index, in particular, if the methodology or other terms of the benchmark are changed in order to comply with the terms of the EU Benchmarks Regulation or UK Benchmarks Regulation and such changes could, among other things, have the effect of reducing or increasing the rate or level, or affecting the volatility of the published rate or level of the relevant benchmark.

More broadly, any of the international, national or other proposals for reform, or the general increased regulatory scrutiny of benchmarks, could increase the costs and risks of administering or otherwise participating in the setting of a benchmark and complying with any such regulations or requirements.

On 30 August 2019, the MAS announced that it has established a steering committee, the Steering Committee for SOR Transition to SORA (the "**SC-STS**"), to oversee an industry-wide interest rate benchmark transition from the Swap Offer Rate to the Singapore Overnight Rate Average ("**SORA**"). On 5 August 2020, MAS announced several initiatives to support the adoption of SORA, including prescribing SORA as a financial benchmark under the SFA. The initiatives aim to catalyse greater activity in SORA markets, safeguard the benchmark's integrity and enhance market confidence in SORA. On 27 October 2020, the SC-STS announced industry timelines to support a coordinated shift away from the use of SOR in financial products, and to concurrently accelerate usage of SORA. SOR is expected to be discontinued by end-June 2023, the issuance of SOR-linked loans and securities that mature after end-2021 ceased during 2021, with financial institutions and their customers ceasing usage of SOR in new derivative contracts (except for specified purposes relating to the risk management and transition of legacy SOR positions to SORA) as well. Similarly, the Singapore Interbank Offer Rates ("**SIBOR**") is expected to be discontinued by end-2024, and financial institutions and their customers ceased usage of SIBOR in new contracts during 2021. In addition, the MAS expanded the mandate of the SC-STS to enable it to oversee the interest rate benchmark transition from SIBOR to SORA.

The potential elimination of any benchmark, or changes in the manner of administration of any benchmark, could require an adjustment to the terms and conditions, or result in other consequences, in respect of any Notes linked to such benchmark. Such factors may have (without limitation) the following effects on certain benchmarks: (i) discouraging market participants from continuing to administer or contribute to a benchmark; (ii) triggering changes in the rules or methodologies used in the benchmark; and/or (iii) leading to the disappearance of the benchmark. Any of the above changes or any other consequential changes as a result of international or national reforms or other initiatives or investigations, could have a material adverse effect on the value of and return on any Notes linked to, referencing, or otherwise dependent (in whole or in part) upon, a benchmark. The potential elimination of any benchmark, or changes in the manner of administration of any benchmark, could require or result in an adjustment to the interest calculation provisions of the Conditions, or result in adverse consequences to holders of any Notes linked to such benchmark (including Floating Rate Notes whose interest rates are linked to any such benchmark that is subject to reform). Furthermore, even prior to the implementation of any changes, uncertainty as to the nature of alternative rates and as to potential changes to such benchmark may adversely affect such benchmark during the term of the relevant Notes, the return on the relevant Notes and the trading market for securities (including the Notes) based on the same benchmark.

The Conditions of the Notes provide for certain fallback arrangements in the event that a published benchmark (including any page on which such benchmark may be published (or any other successor service)) becomes unavailable. In certain circumstances the ultimate fallback of interest for a particular Interest Period may result in the rate of interest for the last preceding Interest Period being used. This may result in the effective application of a fixed rate for Floating Rate Notes based on the rate which was last observed on the Relevant Screen Page. In addition, due to the uncertainty concerning the availability of successor rates and alternative rates and the involvement of an Independent Investment Bank (as defined in the Conditions) in certain circumstances, the relevant fallback provisions may not operate as intended at the relevant time.

Any such consequences could have a material adverse effect on the value of and return on any Notes referencing or linked to such Benchmark.

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the Benchmarks regulation or any other international reforms in making any investment decision with respect to any Notes linked to, or referencing, a Benchmark.

Inverse Floating Rate Notes are typically more volatile than conventional floating rate debt.

Inverse Floating Rate Notes have an interest rate equal to a fixed rate minus a rate based upon a reference rate. The market values of such Notes typically are more volatile than market values of other conventional floating rate debt securities based on the same reference rate (and with otherwise comparable terms). Inverse Floating Rate Notes are more volatile because an increase in the reference rate not only decreases the interest rate of the Notes but may also reflect an increase in prevailing interest rates, which further adversely affects the market value of these Notes.

Notes carrying an interest rate which may be converted from fixed to floating interest rates and vice-versa, may have lower market values than other Notes.

Fixed/Floating Rate Notes may bear interest at a rate that the relevant Issuer may elect to convert from a fixed rate to a floating rate, or from a floating rate to a fixed rate. The relevant Issuer's ability to convert the interest rate will affect the secondary market and the market value of such Notes since the relevant Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the relevant Issuer converts from a fixed rate to a floating rate, the spread on the Fixed/Floating Rate Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. If the relevant Issuer converts from a floating rate to a fixed rate, the fixed rate may be lower than then prevailing rates on its Notes.

The market price of variable rate Notes with a multiplier or other leverage factor may be volatile.

Notes with variable interest rates can be volatile securities. If they are structured to include multipliers or other leverage factors, or caps or floors, or any combination of those features or other similar related features, their market values may be even more volatile than those for securities that do not include such features.

The market prices of Notes issued at a substantial discount or premium tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities.

The market values of Notes issued at a substantial discount or premium to their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities.

Generally, the longer the remaining term of the Notes, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

RISKS RELATING TO THE MARKET GENERALLY

Set out below is a brief description of certain market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk:

Notes issued under the Programme have no current active trading market and may trade at a discount to their initial offering price and/or with limited liquidity.

Notes issued under the Programme will be new securities which may not be widely distributed and for which there is currently no active trading market (unless in the case of any particular Tranche, such Tranche is to be consolidated with and form a single series with a Tranche of Notes which is already issued). If the Notes are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and the financial condition of the relevant Issuer and/or the Guarantor. If the Notes are trading at a discount, investors may not be able to receive a favourable price for their Notes, and in some circumstances investors may not be able to sell their Notes at all or at their fair market value. Although an application may be made for the Notes issued under the Programme to be admitted to listing on the SGX-ST or any other stock exchange, there is no assurance that such application will be accepted, that any particular Tranche of Notes will be so admitted or that an active trading market will develop. In addition, the market for investment grade and crossover grade debt has been subject to disruptions that have caused volatility in prices of securities similar to the Notes issued under the Programme. Accordingly, there is no assurance as to the development or liquidity of any trading market, or that disruptions will not occur, for any particular Tranche of Notes.

Exchange rate risks and exchange controls may result in investors receiving less interest or principal than expected.

The relevant Issuer will pay principal and interest on the Notes in the currency specified in the relevant Pricing Supplement (the "**Specified Currency**"). This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (1) the Investor's Currency equivalent yield on the Notes, (2) the Investor's Currency equivalent value of the principal payable on the Notes and (3) the Investor's Currency equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

Changes in market interest rates may adversely affect the value of Fixed Rate Notes.

Investment in Fixed Rate Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of Fixed Rate Notes.

The Programme has not been rated and any credit ratings assigned to the Notes may not reflect all risks.

The Programme has not been rated and Notes issued under the Programme may be rated or unrated. Where an issue of Notes is rated, one or more credit rating agencies may assign credit ratings to an issue of Notes. The credit ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above and other factors that may affect the value of the Notes. A credit rating is a statement of opinion and not a recommendation to buy, sell or hold securities and may be subject to suspension, revision or withdrawal by the assigning rating agency at any time.

Interest rate risk.

Noteholders may suffer unforeseen losses due to fluctuations in interest rates. Generally, a rise in interest rates may cause a fall in the price of the Notes, resulting in a capital loss for the Noteholders. However, the Noteholders may reinvest the interest payments at higher prevailing interest rates. Conversely, when interest rates fall, the price of the Notes may rise. The Noteholders may enjoy a capital gain but interest payments received may be reinvested at lower prevailing interest rates.

Inflation risk.

Noteholders may suffer erosion on the return of their investments due to inflation. Noteholders would have an anticipated rate of return based on expected inflation rates on the purchase of the Notes. An unexpected increase in inflation could reduce the actual returns.

Legal investment considerations may restrict certain investments.

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (a) Notes are legal investments for it, (b) Notes can be used as collateral for various types of borrowing and (c) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

TERMS AND CONDITIONS OF THE NOTES

The following is the text of the terms and conditions which, save for the words in italics and subject to completion and amendment and as supplemented or varied in accordance with the provisions of the relevant Pricing Supplement, will be endorsed on the Notes in definitive form issued in exchange for the Global Note(s) or the Global Certificate(s) representing each Series. Either (i) the full text of these terms and conditions together with the relevant provisions of the Pricing Supplement or (ii) these terms and conditions as so completed, amended, supplemented or varied (and subject to simplification by the deletion of non-applicable provisions) shall be endorsed on such Notes. Those definitions will be endorsed on such Bearer Notes or on the Certificates relating to such Registered Notes. References in these terms and conditions to "Notes" are to the Notes of one Series only, not to all Notes that may be issued under the Programme, details of the relevant Series being shown on the face of the relevant Notes and in the relevant Pricing Supplement.

The Notes are issued by Progressive View Pte. Ltd. ("**IOI SG**") or any other subsidiary of the Guarantor specified in the applicable Pricing Supplement as being the issuer of the Notes (each, in relation to Notes issued by it, the "**Issuer**") pursuant to the Trust Deed (as defined below). The Notes are guaranteed by IOI Properties Group Berhad (the "**Guarantor**").

The Notes are constituted by a trust deed dated 8 November 2019 (as amended or supplemented as at the date of issue of the Notes (the "**Issue Date**") and from time to time) made between (1) IOI SG, (2) the Guarantor and (3) HSBC Institutional Trust Services (Singapore) Limited (the "**Trustee**", which expression shall wherever the context so admits include such company and all other persons for the time being the trustee or trustees of the Trust Deed), as trustee for the Noteholders (as defined below), as supplemented by the Singapore Supplemental Trust Deed (as amended and supplemented as at the Issue Date) dated 8 November 2019 between the same parties (together, the "**Trust Deed**").

These terms and conditions (the "**Conditions**") include summaries of, and are subject to, the detailed provisions of the Trust Deed, which includes the form of the Bearer Notes, Certificates, Coupons and Talons referred to below. The Issuer and the Guarantor have entered into an agency agreement dated 8 November 2019 made between (1) IOI SG, (2) the Guarantor, (3) The Hongkong and Shanghai Banking Corporation Limited, as issuing and paying agent (in such capacity, the "**Issuing and Paying Agent**"), as registrar in respect of Notes cleared through Euroclear or Clearstream, Luxembourg (the "**Non-CDP Registrar**"), as transfer agent in respect of Notes cleared through Euroclear (as defined below) or Clearstream, Luxembourg (as defined below) (the "**Non-CDP Transfer Agent**"), and (where appointed as contemplated therein) as calculation agent (in such capacity, the "**Calculation Agent**"), (4) The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch, as CDP paying agent in respect of Notes cleared through CDP (the "**CDP Paying Agent**" and, together with the Issuing and Paying Agent and any other paying agents that may be appointed, the "**Paying Agents**"), as registrar in respect of Notes cleared through CDP (the "**CDP Registrar**", and together with the Non-CDP Registrar, the "**Registrars**"), as transfer agent in respect of Notes cleared through CDP (the **"CDP Transfer Agent**" and together with the Non-CDP Transfer Agent and together any other transfer agents that may be appointed, the "**Transfer Agents**"), and (where appointed as contemplated therein) as calculation agent (in such capacity, the "**Calculation Agent**") (5) the Trustee, as trustee in relation to the Notes (as amended or supplemented prior to or as at the Issue Date, the "**Agency Agreement**"). The Noteholders and the holders (the "**Couponholders**") of the coupons (the "**Coupons**") appertaining to the interest-bearing Notes in bearer form and, where applicable in the case of such Notes, talons for further Coupons (the "**Talons**") are bound by and are deemed to have notice of all of the provisions of these Conditions, all the provisions of the Trust Deed and the applicable Pricing Supplement, and are deemed to have notice of those provisions applicable to them of the Agency Agreement. The Trustee acts for the benefit of the Noteholders and the Couponholders in accordance with the provisions of the Trust Deed.

The Trust Deed and the Agency Agreement each contain provisions enabling additional issuers to accede as issuer of Notes under the Programme.

Copies of the Trust Deed and the Agency Agreement are available for inspection by Noteholders at all reasonable times during normal business hours (being between 9:00 a.m. and 3:00 p.m.) at the principal office of the Trustee for the time being and at the specified office of the Issuing and Paying Agent for the time being following prior written request and proof of holding and identity satisfactory to the Trustee, or as the case may be, the Issuing and Paying Agent.

1 Form, Denomination and Title

(a) Form and Denomination

(i) The Notes of the Series of which this Note forms part (in these Conditions, the "**Notes**") are issued in bearer form ("**Bearer Notes**") or in registered form ("**Registered Notes**"), in each case in the Denomination Amount shown thereon or on the Certificates.

(ii) This Note is a Fixed Rate Note, a Floating Rate Note, a Variable Rate Note, a Hybrid Note, a Zero Coupon Note, a combination of any of the foregoing or any other type of Note (depending upon the Interest Basis shown on its face).

(iii) Bearer Notes are serially numbered and issued with Coupons (and, where appropriate, a Talon) attached, save in the case of Zero Coupon Notes in which case references to interest (other than in relation to default interest referred to in Condition 7(i)), Coupons and Talons in these Conditions are not applicable.

(iv) Registered Notes are represented by registered certificates ("**Certificates**") and, save as provided in Condition 2(c), each Certificate shall represent the entire holding of Registered Notes by the same holder.

(b) Title

(i) Title to the Bearer Notes and the Coupons and Talons appertaining thereto shall pass by delivery. Title to the Registered Notes shall pass by registration in the register that the Issuer shall procure to be kept by the Registrar in accordance with the provisions of the Agency Agreement (the "**Register**").

(ii) Except as ordered by a court of competent jurisdiction or as required by law, the holder of any Note, Coupon or Talon shall be deemed to be and shall be treated as the absolute owner of such Note, Coupon or Talon, as the case may be, for the purpose of receiving payment thereof or on account thereof and for all other purposes, whether or not such Note, Coupon or Talon shall be overdue and notwithstanding any notice of ownership, theft, loss or forgery thereof or any writing thereon made by anyone, and no person shall be liable for so treating the holder.

(iii) For so long as any of the Notes is represented by a Global Note (as defined below) or, as the case may be, a Global Certificate (as defined below) and such Global Note or Global Certificate is held by a common depositary for Euroclear Bank SA/NV ("**Euroclear**") and/or Clearstream Banking S.A. ("**Clearstream, Luxembourg**") and/or The Central Depository (Pte) Limited ("**CDP**"), each person who is for the time being shown in the records of Euroclear, Clearstream, Luxembourg and/or CDP as the holder of a particular principal amount of such Notes (in which regard any certificate or other document issued by Euroclear, Clearstream, Luxembourg and/or CDP as to the principal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, the Guarantor, the Issuing and Paying Agent, the CDP Paying Agent, the other Paying Agents, the Calculation Agent, the Registrars, the Transfer Agents and all other agents of the Issuer and the Trustee as the holder of such principal amount of Notes other than with

respect to the payment of principal, premium, interest, distribution, redemption, purchase and/or any other amounts in respect of the Notes, for which purpose the bearer of the Global Note or, as the case may be, the person whose name is shown on the Register shall be treated by the Issuer, the Guarantor, the Issuing and Paying Agent, the CDP Paying Agent, the other Paying Agents, the Calculation Agent, the Registrars, the Transfer Agents, all other agents of the Issuer and the Trustee as the holder of such Notes in accordance with and subject to the terms of the Global Note or, as the case may be, the Global Certificate (and the expressions "**Noteholder**" and "**holder of Notes**" and related expressions shall be construed accordingly). Notes which are represented by the Global Note or, as the case may be, the Global Certificate will be transferable only in accordance with the rules and procedures for the time being of Euroclear, Clearstream, Luxembourg, CDP and/or any other relevant clearing system. For so long as any of the Notes is represented by a Global Note or a Global Certificate and such Global Note or, as the case may be, Global Certificate is held by CDP, the record date for purposes of determining entitlements to any payment of principal, interest and any other amounts in respect of the Note shall, unless otherwise specified by the Issuer, be the date falling five (5) business days prior to the relevant payment date (or such other date as may be prescribed by CDP).

(iv) In these Conditions, "**Global Note**" means the relevant Temporary Global Note representing each Series or the relevant Permanent Global Note representing each Series, "**Global Certificate**" means the relevant Global Certificate representing each Series that is registered in the name of, or in the name of a nominee of, (1) a common depositary for Euroclear and/or Clearstream, Luxembourg, (2) CDP and/or (3) any other clearing system, "**Noteholder**" means the bearer of any Bearer Note or the person in whose name a Registered Note is registered (as the case may be) and "**holder**" (in relation to a Note, Coupon or Talon) means the bearer of any Bearer Note, Coupon or Talon or the person in whose name a Registered Note is registered (as the case may be), "**Series**" means (A) (in relation to Notes other than Variable Rate Notes) a Tranche, together with any further Tranche or Tranches, which are (aa) expressed to be consolidated and forming a single series and (bb) identical in all respects (including as to listing) except for their respective issue dates, issue prices and/or dates of the first payment of interest and (B) (in relation to Variable Rate Notes) Notes which are identical in all respects (including as to listing) except for their respective issue prices and rates of interest and "**Tranche**" means Notes which are identical in all respects (including as to listing).

(v) Words and expressions defined in the Trust Deed or used in the applicable Pricing Supplement (as defined in the Trust Deed) shall have the same meanings where used in these Conditions unless the context otherwise requires or unless otherwise stated and provided that, in the event of inconsistency between the Trust Deed and the applicable Pricing Supplement, the applicable Pricing Supplement will prevail.

2 No Exchange of Notes, Transfers of Registered Notes and Delivery of New Certificates

(a) No Exchange of Notes: Registered Notes may not be exchanged for Bearer Notes. Bearer Notes of one Denomination Amount may not be exchanged for Bearer Notes of another Denomination Amount. Bearer Notes may not be exchanged for Registered Notes.

(b) Transfer of Registered Notes: Subject to Conditions 2(e) and 2(f) and the relevant provisions of the Agency Agreement, one or more Registered Notes may be transferred upon the surrender (at the specified office of the Registrar or any Transfer Agent) of the Certificate(s) representing such Registered Notes to be transferred, together with the form of transfer endorsed on such Certificate(s) duly completed and executed and any other evidence as the Registrar or such Transfer Agent may require to prove the title of the transferor and the authority of the individuals that have executed the form of transfer. In the case of a transfer of part only of a holding of Registered Notes represented by one Certificate, a new Certificate shall be issued

to the transferee in respect of the part transferred and a further new Certificate in respect of the balance of the holding not transferred shall be issued to the transferor. All transfers of Notes and entries on the Register will be made subject to, and will be made in accordance with, the detailed regulations concerning transfers of Notes, the initial form of which is scheduled to the Agency Agreement. The regulations may be changed by the Issuer, with the prior written approval of the Registrar and the Trustee, and by the Registrar with the prior written approval of the Trustee. A copy of the current regulations will be made available by the Registrar to any Noteholder upon request and satisfactory proof of holding. No transfer of title to a Registered Note will be valid unless and until entered on the Register.

(c) **Exercise of Options or Partial Redemption in Respect of Registered Notes:** In the case of an exercise of the Issuer's or Noteholders' option in respect of, or a partial redemption of, a holding of Registered Notes, represented by a single Certificate, a new Certificate shall be issued to the holder to reflect the exercise of such option or in respect of the balance of the holding not redeemed. In the case of a partial exercise of an option resulting in Registered Notes of the same holding having different terms, separate Certificates shall be issued in respect of those Notes of that holding that have the same terms. New Certificates shall only be issued against surrender of the existing Certificates to the Registrar or any other Transfer Agent. In the case of a transfer of Registered Notes to a person who is already a holder of Registered Notes, a new Certificate representing the enlarged holding shall only be issued against surrender of the Certificate representing the existing holding.

(d) **Delivery of New Certificates:** Each new Certificate to be issued upon transfer of any Registered Note pursuant to Conditions 2(b) or 2(c) shall be available for delivery within seven business days of receipt of a duly completed form of transfer or Exercise Notice (as defined in Condition 6(c)) and surrender of the Certificate for exchange. Delivery of the new Certificate(s) shall be made at the specified office of the Registrar or such other Transfer Agent (as the case may be) to whom delivery or surrender of such form of transfer, Exercise Notice or Certificate shall have been made or, at the option of the holder making such delivery or surrender as aforesaid and as specified in the relevant form of transfer, Exercise Notice or otherwise in writing, be mailed by uninsured post at the risk of the holder entitled to the new Certificate to such address as may be so specified, unless such holder requests otherwise and pays in advance to the Registrar or the relevant Transfer Agent (as the case may be) the costs of such other method of delivery and/or such insurance as it may specify. In this Condition 2(d), "**business day**" means a day (other than a Saturday, Sunday or a public holiday) on which banks are generally open for business in the place of the specified office of the Registrar or the other relevant Transfer Agent (as the case may be).

Except in the limited circumstances described in the Global Certificate, owners of interests in the Registered Notes will not be entitled to receive physical delivery of Certificates.

(e) **Transfers Free of Charge:** Transfers of Notes and Certificates on registration, transfer, exercise of an option or partial redemption shall be effected without charge by or on behalf of the Issuer, the Registrar or the Transfer Agents, but upon (i) payment by the relevant Noteholder of any tax, duties or other governmental charges that may be imposed in relation to it (or the giving of such indemnity and/or security and/or prefunding as the Registrar or the relevant Transfer Agent may require); (ii) the Registrar or the relevant Transfer Agent (as the case may be) being satisfied in its absolute discretion with the documents of title or identity of the person making the application; and (iii) the Registrar or the relevant Transfer Agent (as the case may be) being satisfied in its absolute discretion that the regulations concerning transfer of Registered Notes have been complied with.

(f) **Closed Periods:** No Noteholder may require the transfer of a Registered Note to be registered (i) during the period of 15 days prior to any date on which Notes may be called for redemption by the Issuer at its option pursuant to Condition 6(b), (ii) after any such Note has been called for redemption or (iii) during the period of seven days ending on (and including) any Record Date (as defined in Condition 7(b)(ii)).

3 Status and Guarantee

(a) **Status:** The Notes and Coupons of all Series constitute (subject to Condition 4(a)) direct, unconditional, unsubordinated and unsecured obligations of the Issuer and shall at all times rank *pari passu*, without any preference or priority among themselves, and *pari passu* with all other present and future unsecured obligations (other than subordinated obligations and priorities created by law) of the Issuer.

(b) **Guarantee:** The payment of all sums expressed to be payable by the Issuer under the Trust Deed, the Notes and the Coupons are unconditionally and irrevocably guaranteed by the Guarantor. The obligations of the Guarantor under the Guarantee (as defined in the Trust Deed) are contained in the Trust Deed. The payment obligations of the Guarantor under the Guarantee constitute (subject to Condition 4(a)) direct, unconditional, unsubordinated and unsecured obligations of the Guarantor and shall rank *pari passu* with all other present and future unsecured obligations (other than subordinated obligations and priorities created by law) of the Guarantor.

4 Covenants

(a) **Negative Pledge:** So long as any Note or Coupon remains outstanding (as defined in the Trust Deed), neither the Issuer nor the Guarantor will, and each of the Issuer and the Guarantor will ensure that none of their respective Principal Subsidiaries (as defined below) will, create or have outstanding, any mortgage, charge, lien, pledge or other security interest ("**Security Interest**") upon the whole or any part of its present or future undertaking, assets or revenues (including any uncalled capital) to secure any Relevant Indebtedness or to secure any guarantee or indemnity in respect of any Relevant Indebtedness, in any case without at the same time or prior thereto according to the Notes and the Coupons (i) the same security as is created or subsisting to secure any such Relevant Indebtedness, guarantee or indemnity or (ii) such other security as either (A) the Trustee shall in its absolute discretion deem not materially less beneficial to the interest of the Noteholders or (B)) shall be approved by an Extraordinary Resolution (as defined in the Trust Deed) of the Noteholders.

In these Conditions:

"**Group**" means the Guarantor and its Subsidiaries.

"**Principal Subsidiary**" means at any time a Subsidiary of the Guarantor:

(i) whose assets or revenue or profit after tax, as the case may be, represent (or, in the case of a Subsidiary acquired after the end of the financial period to which the then latest audited consolidated accounts of the Group relate, are equal to) not less than five per cent. of the consolidated total assets or consolidated revenue or consolidated profit after tax, as the case may be, of the Group, as calculated by reference to the then latest audited accounts of such Subsidiary and the then latest audited consolidated accounts of the Group, provided that in the case of a Subsidiary of the Guarantor acquired after the end of the financial period to which the then latest audited consolidated accounts of the Group relate, the reference to the then latest audited consolidated accounts of the Group for the purposes of the calculation above shall, until consolidated accounts for the financial period in which the acquisition is made have been prepared and audited as aforesaid, be deemed to be a reference to such first-mentioned accounts as if such Subsidiary had been shown in such accounts by reference to its then latest relevant audited consolidated accounts, adjusted as deemed appropriate by the Guarantor;

(ii) to which is transferred the whole or substantially the whole of the undertaking and assets of a Subsidiary of the Guarantor which immediately prior to such transfer is a Principal Subsidiary, provided that: (a) the transferor Subsidiary shall upon such transfer forthwith cease to be a Principal Subsidiary and the transferee Subsidiary shall become a Principal Subsidiary and (b) on or after the date on which the first published audited consolidated accounts of the Group, prepared as of a date later than such transfer, are issued, whether such transferor Subsidiary or such transferee Subsidiary is or is not a Principal Subsidiary shall be determined by virtue of the provisions of subparagraph (i) or (iii) of this definition by reference to such audited consolidated accounts prepared after the date of such transfer; or

(iii) to which is transferred an undertaking or assets which, taken together with the undertaking or assets of the transferee Subsidiary, makes up not less than five per cent. of the consolidated total assets of the Group or generated (or, in the case of the transferee Subsidiary being acquired after the end of the financial period to which the then latest audited consolidated accounts of the Group relate, generate revenue or profit after tax equal to) not less than five per cent. of the consolidated revenue or the consolidated profit after tax, as the case may be, of the Group, in each case calculated as referred to in subparagraph (i) above, provided that: (a) the transferor Subsidiary (if a Principal Subsidiary) shall upon such transfer forthwith cease to be a Principal Subsidiary unless immediately following such transfer its undertaking and assets makes up not less than five per cent. of the consolidated total assets of the Group or generate (or, in the case aforesaid, generate revenue or profit after tax equal to) not less than five per cent. of the consolidated revenue or the consolidated profit after tax, as the case may be, of the Group, in each case as calculated as referred to in subparagraph (i) above, and (b) on or after the date on which the first published audited consolidated accounts of the Group, prepared as of a date later than such transfer, are issued, whether such transferor Subsidiary or such transferee Subsidiary is or is not a Principal Subsidiary shall be determined by virtue of the provisions of subparagraph (i) of this definition by reference to such audited consolidated accounts prepared after the date of such transfer.

"**Relevant Indebtedness**" means any indebtedness which is in the form of, or represented or evidenced by, bonds, notes, debentures, loan stock or other securities which for the time being are, or are intended to be or capable of being, quoted, listed or dealt in or traded on any stock exchange or over-the-counter or other securities market other than any bonds, notes, debentures, loan stock or other securities denominated in Malaysian Ringgit and less than 50 per cent. of the aggregate principal amount of which are initially distributed outside Malaysia; and

"**Subsidiary**" of any person means any entity:

(i) which is controlled, directly or indirectly, by that person; or

(ii) more than 50 per cent., of the issued share capital or other ownership interest of which are beneficially owned, directly or indirectly, by that person; or

(iii) whose financial statements at any time are required by law or in accordance with generally accepted accounting principles to be fully consolidated with those of that person,

and for these purposes, any company, corporation, trust, fund or other entity (whether or not a body corporate) shall be treated as being controlled by any person if such person is able to direct its affairs and/or to control the composition of its board of directors or equivalent body.

(b) Limitation on Corporate Restructuring:

The Issuer and the Guarantor shall not (and the Issuer shall procure that each Principal Subsidiary shall not) take steps to wind-up or dissolve itself, and the Issuer and/or the Guarantor shall not enter into or undertake any amalgamation, demerger, merger, consolidation, corporation reconstruction, reorganisation or restructuring (a "**Corporate Restructuring**") unless the Issuer and/or the Guarantor remain and continue as the surviving entity(ies) after such Corporate Restructuring is being effected and implemented.

(c) Financial Covenants:

(i) So long as any of the Notes remain outstanding (as defined in the Trust Deed), each of the Issuer and the Guarantor will ensure that the Debt to Equity Ratio of the Group shall not be more than 1.5 times.

(ii) The covenants in Condition 4(c)(i) shall be calculated in accordance with accounting principles generally accepted in, and pursuant to the relevant laws of, Malaysia and tested by reference to the annual audited consolidated financial statements of the Group to be delivered to the Trustee in accordance with the provisions of the Trust Deed, commencing from the first financial year ended immediately following the Issue Date.

In these Conditions:

"**Debt to Equity Ratio**" means, at any relevant point of time, the ratio of the total borrowings of the Group to the aggregate of the shareholders' funds of the Group, including, if any, preference and/or hybrid equity, shareholder advances and retained earnings/losses.

5 (I) Interest on Fixed Rate Notes

(a) Interest Rate and Accrual: Each Fixed Rate Note bears interest on its Calculation Amount (as defined in Condition 5(II)(d)) from the Interest Commencement Date (as defined in Condition 5(II)(d)) in respect thereof and as shown on the face of such Note at the rate per annum (expressed as a percentage) equal to the Interest Rate shown on the face of such Note payable in arrear on each interest payment date (each an "**Interest Payment Date**") or Interest Payment Dates shown on the face of such Note in each year and on the Maturity Date shown on the face of such Note if that date does not fall on an Interest Payment Date.

The first payment of interest will be made on the Interest Payment Date next following the Interest Commencement Date (and if the Interest Commencement Date is not an Interest Payment Date, will amount to the Initial Broken Amount shown on the face of such Note), unless the Maturity Date falls before the date on which the first payment of interest would otherwise be due. If the Maturity Date is not an Interest Payment Date, interest from the preceding Interest Payment Date (or from the Interest Commencement Date, as the case may be) to the Maturity Date will amount to the Final Broken Amount shown on the face of the Note.

Interest will cease to accrue on each Fixed Rate Note from the due date for redemption thereof unless, upon due presentation of that Fixed Rate Note if it is a Bearer Note or, in the case of a Registered Note, the Certificate representing that Fixed Rate Note and subject to the provisions of the Trust Deed, payment of principal is improperly withheld or refused, in which event interest at such rate will continue to accrue (as well after as before judgment) at the rate and in the manner provided in this Condition 5(I) to the Relevant Date (as defined in Condition 8).

(b) **Calculations:** In the case of a Fixed Rate Note, interest in respect of a period of less than one year will be calculated on the Day Count Fraction specified hereon. The amount of interest payable per Calculation Amount in respect of any Note shall be calculated by multiplying the product of the Interest Rate and the Calculation Amount, by the Day Count Fraction shown on the Note.

(II) Interest on Floating Rate Notes or Variable Rate Notes

(a) **Interest Payment Dates:** Each Floating Rate Note or Variable Rate Note bears interest on its Calculation Amount from the Interest Commencement Date in respect thereof and as shown on the face of such Note, and such interest will be payable in arrear on each interest payment date (each an "**Interest Payment Date**"). Such Interest Payment Date(s) is/are either shown hereon as Specified Interest Payment Date(s) or, if no Specified Interest Payment Date(s) is/are shown hereon, Interest Payment Date shall mean each date which (save as mentioned in these Conditions) falls the number of months specified as the Interest Period on the face of the Note (the "**Specified Number of Months**") after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date (and which corresponds numerically with such preceding Interest Payment Date or the Interest Commencement Date, as the case may be) provided that the Agreed Yield (as defined in Condition 5(II)(c)) in respect of any Variable Rate Note for any Interest Period relating to that Variable Rate Note shall be payable on the first day of that Interest Period.

If any Interest Payment Date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a business day (as defined below), then if the Business Day Convention specified is (1) the Floating Rate Business Day Convention, such date shall be postponed to the next day which is a business day unless it would thereby fall into the next calendar month, in which event (i) such date shall be brought forward to the immediately preceding business day and (ii) each subsequent such date shall be the last business day of the month in which such date would have fallen had it not been subject to adjustment, (2) the Following Business Day Convention, such date shall be postponed to the next day that is a business day, (3) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a business day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding business day or (4) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding business day.

The period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date is herein called an "**Interest Period**".

Interest will cease to accrue on each Floating Rate Note or Variable Rate Note from the due date for redemption thereof unless, upon due presentation of that Floating Rate Note if it is a Bearer Note or, in the case of a Registered Note, the Certificate representing that Floating Rate Note and subject to the provisions of the Trust Deed, payment of the principal is improperly withheld or refused, in which event interest will continue to accrue (as well after as before judgment) at the rate and in the manner provided in this Condition 5(II) to the Relevant Date.

(b) Rate of Interest for Floating Rate Notes: The Rate of Interest in respect of Floating Rate Notes for each Interest Period shall be determined in the manner specified hereon and the provisions below relating to either ISDA Determination or Screen Rate Determination shall apply, depending upon which is specified hereon.

(i) ISDA Determination for Floating Rate Notes

Where ISDA Determination is specified hereon as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period shall be determined by the Calculation Agent as a rate equal to the relevant ISDA Rate. For the purposes of this sub-paragraph (i), "**ISDA Rate**" for an Interest Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under a Swap Transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

(A) the Floating Rate Option is as specified hereon;

(B) the Designated Maturity is a period specified hereon; and

(C) the relevant Reset Date is the first day of that Interest Period unless otherwise specified hereon.

For the purposes of this sub-paragraph (i), "**Floating Rate**", "**Calculation Agent**", "**Floating Rate Option**", "**Designated Maturity**", "**Reset Date**" and "**Swap Transaction**" have the meanings given to those terms in the ISDA Definitions.

(ii) Screen Rate Determination for Floating Rate Notes where the Reference Rate is not specified as being SIBOR or SOR

(A) Where Screen Rate Determination is specified hereon as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will, subject as provided below, be either:

(I) the offered quotation; or

(II) the arithmetic mean of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page as at either 11.00 a.m. (London time in the case of LIBOR or Brussels time in the case of EURIBOR or Hong Kong time in the case of HIBOR) or if, at or around that time it is notified that the fixing will be published at 2.30 p.m. (Hong Kong time), then as of 2.30 p.m. (in the case of CNH HIBOR) on the Interest Determination Date in question as determined by the Calculation Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Calculation Agent for the purpose of determining the arithmetic mean of such offered quotations.

If the Reference Rate from time to time in respect of Floating Rate Notes is specified hereon as being other than LIBOR, EURIBOR, HIBOR or CNH HIBOR, the Rate of Interest in respect of such Notes will be determined as provided hereon.

(B) If the Relevant Screen Page is not available or if, sub-paragraph (A)(I) above applies and no such offered quotation appears on the Relevant Screen Page or if sub-paragraph (A)(II) above applies and fewer than three such offered quotations appear on the Relevant Screen Page in each case as at the time specified above, subject as provided below, the Calculation Agent shall promptly inform the Issuer and the Issuer shall use its best endeavours to appoint an Independent Investment Bank and procure such Independent Investment Bank to request, if the Reference Rate is LIBOR, the principal London office of each of the Reference Banks or, if the Reference Rate is EURIBOR, the principal Euro-zone office of each of the Reference Banks or, if the Reference Rate is HIBOR or CNH HIBOR, the principal Hong Kong office of each of the Reference Banks, to provide the Independent Investment Bank and the Calculation Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time), or if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time), or if the Reference Rate is HIBOR, at approximately 11.00 a.m. (Hong Kong time) or, if the Reference Rate is CNH HIBOR, at approximately 11.15 a.m. (Hong Kong time) or if, at or around that time it is notified that the fixing will be published at 2.30 p.m. (Hong Kong time), then as of 2.30 p.m. on the Interest Determination Date in question. If two or more of the Reference Banks provide the Independent Investment Bank and the Calculation Agent with such offered quotations, the Rate of Interest for such Interest Period shall be the arithmetic mean of such offered quotations as determined by the Calculation Agent; and

(C) If sub-paragraph (B) above applies and the Calculation Agent has received quotations from fewer than two Reference Banks, subject as provided below, (i) the Rate of Interest shall be the arithmetic mean of the rates per annum (expressed as a percentage) as communicated at the request of the Independent Investment Bank to the Independent Investment Bank and the Calculation Agent by the Reference Banks or any two or more of them, at which such banks were offered, if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time) or, if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time), or if the Reference Rate is HIBOR, at approximately 11.00 a.m. (Hong Kong time) or, if the Reference Rate is CNH HIBOR, at approximately 11.15 a.m. (Hong Kong time) or if, at or around that time it is notified that the fixing will be published at 2.30 p.m. (Hong Kong time), then as of 2.30 p.m. on the relevant Interest Determination Date, deposits in the Relevant Currency for a period equal to that which would have been used for the Reference Rate by leading banks in, if the Reference Rate is LIBOR, the London inter-bank market or, if the Reference Rate is EURIBOR, the Euro-zone inter-bank market or, if the Reference Rate is HIBOR or CNH HIBOR, the Hong Kong inter-bank market, as the case may be, or, (ii) if fewer than two of the Reference Banks provide the Independent Investment Bank and the Calculation Agent with such offered rates referred to in (i) above, the offered rate for deposits in the Relevant Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean of the offered rates for deposits in the Relevant Currency for a period equal to that which would have been used for the Reference Rate, at which, if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time) or, if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time), or if the Reference Rate is HIBOR, at approximately 11.00 a.m. (Hong Kong time) or, if the Reference Rate is CNH HIBOR, at approximately 11.15 a.m. (Hong Kong time) or if, at or around that time it is notified that the fixing will be published at 2.30 p.m. (Hong Kong time), then as of 2.30 p.m., on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Independent Investment Bank suitable for such purpose) informs the Independent Investment Bank and the

Calculation Agent it is quoting to leading banks in, if the Reference Rate is LIBOR, the London inter-bank market or, if the Reference Rate is EURIBOR, the Euro-zone inter-bank market or, if the Reference Rate is HIBOR or CNH HIBOR, the Hong Kong inter-bank market, as the case may be, *provided that*, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph (ii), the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin or Maximum Rate of Interest or Minimum Rate of Interest is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to the relevant Interest Period, in place of the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to that last preceding Interest Period).

(iii) Screen Rate Determination for Floating Rate Notes where the Reference Rate is specified as being SIBOR or SOR

(A) Each Floating Rate Note where the Reference Rate is specified as being SIBOR (in which case such Note will be a SIBOR Note) or SOR (in which case such Note will be a Swap Rate Note) bears interest at a floating rate determined by reference to a Benchmark as specified hereon or in any case such other Benchmark as specified hereon;

(B) The Rate of Interest payable from time to time in respect of each Floating Rate Note under this Condition 5(II)(b)(iii) will be determined by the Calculation Agent on the basis of the following provisions:

(I) in the case of Floating Rate Notes which are SIBOR Notes:

(aa) the Calculation Agent will, at or about the Relevant Time on the relevant Interest Determination Date in respect of each Interest Period, determine the Rate of Interest for such Interest Period which shall be the offered rate for deposits in Singapore dollars for a period equal to the duration of such Interest Period which appears on the Reuters Screen ABSIRFIX1 Page under the caption "ABS SIBOR FIX—SIBOR AND SWAP OFFER RATES—RATES AT 11.00 A.M. SINGAPORE TIME" and the column headed "SGD SIBOR" (or such other replacement page thereof or such other Relevant Screen Page);

(bb) if no such rate appears on the Reuters Screen ABSIRFIX1 Page (or such other replacement page thereof or, if no rate appears, on such other Relevant Screen Page) or if Reuters Screen ABSIRFIX1 page (or such other replacement page thereof or such other Relevant Screen Page) is unavailable for any reason, the Calculation Agent will promptly inform the Issuer and the Issuer shall use its best endeavours to appoint an Independent Investment Bank and procure such Independent Investment Bank to request the principal Singapore offices of each of the Reference Banks to provide the Independent Investment Bank and the Calculation Agent with the rate at which deposits in Singapore dollars are offered by it at approximately the Relevant Time on the Interest Determination Date to prime banks in the Singapore inter-bank market for a period equivalent to the duration of such Interest Period commencing on such Interest Payment Date in an amount comparable to the aggregate nominal amount of the relevant Floating Rate Notes. The Rate of Interest for such Interest Period shall be the arithmetic mean (rounded up, if necessary, to the nearest four decimal places) of such offered quotations, as determined by the Calculation Agent;

(cc) if on any Interest Determination Date two but not all the Reference Banks provide the Calculation Agent with such quotations, the Rate of Interest for the relevant Interest Period shall be determined in accordance with sub-paragraph (bb) above on the basis of the quotations of those Reference Banks providing such quotations; and

(dd) if on any Interest Determination Date one only or none of the Reference Banks provides the Calculation Agent with such quotations, the Rate of Interest for the relevant Interest Period shall be the rate per annum which the Calculation Agent determines to be the arithmetic mean (rounded up, if necessary, to the nearest four decimal places) of the rates quoted by the Reference Banks or those of them (being at least two in number) to the Calculation Agent at or about the Relevant Time on such Interest Determination Date as being their cost (including the cost occasioned by or attributable to complying with reserves, liquidity, deposit or other requirements imposed on them by any relevant authority or authorities) of funding, for the relevant Interest Period, an amount equal to the aggregate nominal amount of the relevant Floating Rate Notes for such Interest Period by whatever means they determine to be most appropriate or if on such Interest Determination Date one only or none of the Reference Banks provides the Calculation Agent with such quotation, the rate per annum which the Calculation Agent determines to be arithmetic mean (rounded up, if necessary, to the nearest four decimal places) of the prime lending rates for Singapore dollars quoted by the Reference Banks at or about the Relevant Time on such Interest Determination Date;

(II) in the case of Floating Rate Notes which are Swap Rate Notes:

(aa) the Calculation Agent will, at or about the Relevant Time on the relevant Interest Determination Date in respect of each Interest Period, determine the Rate of Interest for such Interest Period as being the rate which appears on the Reuters Screen ABSFIX1 Page under the caption "SGD SOR rates as of 11:00 hrs London Time" under the column headed "SGD SOR" (or such replacement page thereof for the purpose of displaying the swap rates of leading reference banks) at or about the Relevant Time on such Interest Determination Date and for a period equal to the duration of such Interest Period;

(bb) if on any Interest Determination Date no such rate is quoted on Reuters Screen ABSFIX1 Page (or such other replacement page as aforesaid) or Reuters Screen ABSFIX1 Page (or such other replacement page as aforesaid) is unavailable for any reason, such Calculation Agent will determine the Rate of Interest for such Interest Period as being the rate (or, if there is more than one rate which is published, the arithmetic mean of those rates (rounded up, if necessary, to the nearest four decimal places)) for a period equal to the duration of such Interest Period published by a recognised industry body where such rate is widely used (after taking into account the industry practice at that time), or by such other relevant authority as such Calculation Agent may select; and

(cc) if on any Interest Determination Date such Calculation Agent is otherwise unable to determine the Rate of Interest under paragraphs (bb) and (cc) above, the Rate of Interest shall be determined by such Calculation Agent to be the rate per annum equal to the arithmetic mean

(rounded up, if necessary, to four decimal places) of the rates quoted by the Reference Banks or those of them (being at least two in number) to such Calculation Agent at or about 11.00 a.m. (Singapore time) on the first business day following such Interest Determination Date as being their cost (including the cost occasioned by or attributable to complying with reserves, liquidity, deposit or other requirements imposed on them by any relevant authority or authorities) of funding, for the relevant Interest Period, an amount equal to the aggregate principal amount of the relevant Floating Rate Notes for such Interest Period by whatever means they determine to be most appropriate, or if on such day one only or none of the Reference Banks provides such Calculation Agent with such quotation, the Rate of Interest for the relevant Interest Period shall be the rate per annum equal to the arithmetic mean (rounded up, if necessary, to four decimal places) of the prime lending rates for Singapore dollars quoted by the Reference Banks at or about 11.00 a.m. (Singapore time) on such Interest Determination Date.

(iv) On the last day of each Interest Period, the Issuer will pay interest on each Floating Rate Note to which such Interest Period relates at the Rate of Interest for such Interest Period.

(v) If the Reference Rate from time to time in respect of Floating Rate Notes is specified in the applicable Pricing Supplement as being other than LIBOR, EURIBOR, HIBOR, CNH HIBOR, SIBOR or SOR, the Interest Rate in respect of such Notes will be determined as provided in the applicable Pricing Supplement.

(vi) For the avoidance of doubt, in the event that the Rate of Interest in relation to any Interest Period is less than zero, the Rate of Interest in relation to such Interest Period shall be equal to zero.

For the purposes of this Condition 5(II)(b), "**Independent Investment Bank**" means an independent financial institution of international repute or an independent financial adviser with appropriate expertise (which shall not be the Calculation Agent) appointed by (and at the expense of) the Issuer for the purposes of this Condition 5(II)(b) and notified in writing by the Issuer to the Calculation Agent and the Trustee.

(c) Rate of Interest—Variable Rate Notes:

(i) Each Variable Rate Note bears interest at a variable rate determined in accordance with the provisions of this paragraph (c). The interest payable in respect of a Variable Rate Note on the first day of an Interest Period relating to that Variable Rate Note is referred to in these Conditions as the "**Agreed Yield**" and the rate of interest payable in respect of a Variable Rate Note on the last day of an Interest Period relating to that Variable Rate Note is referred to in this Condition 5(II)(c) as the "**Rate of Interest**".

(ii) The Agreed Yield or, as the case may be, the Rate of Interest payable from time to time in respect of each Variable Rate Note for each Interest Period shall, subject as referred to in paragraph (c)(iv) below, be determined as follows:

(1) not earlier than 9.00 a.m. (Singapore time) on the ninth business day nor later than 3.00 p.m. (Singapore time) on the third business day prior to the commencement of each Interest Period, the Issuer and the Relevant Dealer (as defined below) shall endeavour to agree on the following:

(A) whether interest in respect of such Variable Rate Note is to be paid on the first day or the last day of such Interest Period;

(B) if interest in respect of such Variable Rate Note is agreed between the Issuer and the Relevant Dealer to be paid on the first day of such Interest Period, an Agreed Yield in respect of such Variable Rate Note for such Interest Period (and, in the event of the Issuer and the Relevant Dealer so agreeing on such Agreed Yield, the Interest Amount (as defined below) for such Variable Rate Note for such Interest Period shall be zero); and

(C) if interest in respect of such Variable Rate Note is agreed between the Issuer and the Relevant Dealer to be paid on the last day of such Interest Period, a Rate of Interest in respect of such Variable Rate Note for such Interest Period (an "**Agreed Rate**") and, in the event of the Issuer and the Relevant Dealer so agreeing on an Agreed Rate, such Agreed Rate shall be the Rate of Interest for such Variable Rate Note for such Interest Period; and

(2) if the Issuer and the Relevant Dealer shall not have agreed either an Agreed Yield or an Agreed Rate in respect of such Variable Rate Note for such Interest Period by 3.00 p.m. (Singapore time) on the third business day prior to the commencement of such Interest Period, or if there shall be no Relevant Dealer during the period for agreement referred to in (1) above, the Rate of Interest for such Variable Rate Note for such Interest Period shall automatically be the rate per annum equal to the Fall Back Rate (as defined below) for such Interest Period.

(iii) The Issuer has undertaken to the Issuing and Paying Agent and the Calculation Agent pursuant to the Agency Agreement that it will as soon as possible after the Agreed Yield or, as the case may be, the Agreed Rate in respect of any Variable Rate Note is determined but not later than 10.30 a.m. (Singapore time) on the next following business day:

(1) notify the Guarantor, the Issuing and Paying Agent and the Calculation Agent of the Agreed Yield or, as the case may be, the Agreed Rate for such Variable Rate Note for such Interest Period; and

(2) cause such Agreed Yield or, as the case may be, Agreed Rate for such Variable Rate Note to be notified by the Issuing and Paying Agent to the relevant Noteholder at its request.

(iv) For the purposes of sub-paragraph (ii) above, the Rate of Interest for each Interest Period for which there is neither an Agreed Yield nor Agreed Rate in respect of any Variable Rate Note or no Relevant Dealer in respect of the Variable Rate Note(s) shall be the rate (the "**Fall Back Rate**") determined by reference to a Benchmark as stated on the face of such Variable Rate Note(s), being (in the case of Variable Rate Notes which are denominated in Singapore dollars) SIBOR (in which case such Variable Rate Note(s) will be SIBOR Note(s)) or Swap Rate (in which case such Variable Rate Note(s) will be Swap Rate Note(s)) or (in any other case or in the case of Variable Rate Notes which are denominated in a currency other than Singapore dollars) such other Benchmark as is set out on the face of such Variable Rate Note(s).

Such rate may be adjusted by adding or subtracting the Spread (if any) stated on the face of such Variable Rate Note. The "**Spread**" is the percentage rate per annum specified on the face of such Variable Rate Note as being applicable to the rate of interest for such Variable Rate Note. The rate of interest so calculated shall be subject to Condition 5(V)(a).

The Fall Back Rate payable from time to time in respect of each Variable Rate Note will be determined by the Calculation Agent in accordance with the provisions of Condition 5(II)(b) (*mutatis mutandis*) and references therein to "**Rate of Interest**" shall mean "**Fall Back Rate**".

(v) If interest is payable in respect of a Variable Rate Note on the first day of an Interest Period relating to such Variable Rate Note, the Issuer will pay the Agreed Yield applicable to such Variable Rate Note for such Interest Period on the first day of such Interest Period. If interest is payable in respect of a Variable Rate Note on the last day of an Interest Period relating to such Variable Rate Note, the Issuer will pay the Interest Amount (as defined below) for such Variable Rate Note for such Interest Period on the last day of such Interest Period.

(vi) For the avoidance of doubt, in the event that the Rate of Interest in relation to any Interest Period is less than zero, the Rate of Interest in relation to such Interest Period shall be equal to zero.

(d) Definitions: As used in these Conditions:

"**Benchmark**" means the rate specified as such in the applicable Pricing Supplement;

"**business day**" means:

(i) (in the case of Notes denominated in Singapore dollars) a day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks and foreign exchange markets are open for business in Hong Kong, London or Singapore;

(ii) in the case of Notes denominated in Euro, a day which is a TARGET Business Day;

(iii) in the case of Notes denominated in Renminbi, (A) if cleared though Euroclear and Clearstream Luxembourg, a day (other than a Saturday or Sunday or gazetted public holiday) on which commercial banks and foreign exchange markets settle payments in London or such other location outside the PRC as may have been agreed between the Issuer and the Issuing and Paying Agent prior to the issue of the Notes and specified in the applicable Pricing Supplement and (B) if cleared through CDP, a day other than a Saturday or Sunday or gazetted public holiday) on which banks and foreign exchange markets are open for business in Singapore or such other location outside the PRC as may have been agreed between the Issuer and the Issuing and Paying Agent prior to the issue of the Notes and specified in the applicable Pricing Supplement; and

(iv) in the case of Notes denominated in a currency other than Singapore dollars, Euro and Renminbi, a day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks and foreign exchange markets are open for business in the principal financial centre for that currency;

"**Calculation Amount**" means the amount specified as such on the face of any Note, or if no such amount is so specified, the Denomination Amount of such Note as shown on the face thereof;

"**Day Count Fraction**" means, in respect of the calculation of an amount of interest on any Note for any period of time (from and including the first day of such period to but excluding the last) (whether or not constituting an Interest Period, the "**Calculation Period**"):

(i) if "**Actual/Actual**" or "**Actual/Actual—ISDA**" is specified in the applicable Pricing Supplement, the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (A) the actual

number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);

(ii) if "**Actual/365 (Fixed)**" is specified in the applicable Pricing Supplement, the actual number of days in the Calculation Period divided by 365;

(iii) if "**Actual/360**" is specified in the applicable Pricing Supplement, the actual number of days in the Calculation Period divided by 360;

(iv) if "**30/360**", "**360/360**" or "**Bond Basis**" is specified in the applicable Pricing Supplement, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"$\mathbf{Y_1}$" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"$\mathbf{Y_2}$" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"$\mathbf{M_1}$" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"$\mathbf{M_2}$" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"$\mathbf{D_1}$" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D1 will be 30; and

"$\mathbf{D_2}$" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D1 is greater than 29, in which case D2 will be 30;

(v) if "**30E/360**" or "**Eurobond Basis**" is specified in the applicable Pricing Supplement, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

Where:

"$\mathbf{Y_1}$" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"$\mathbf{Y_2}$" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**M_1**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**M_2**" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**D_1**" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D1 will be 30; and

"**D_2**" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D2 will be 30;

(vi) if "**30E/360 (ISDA)**" is specified in the applicable Pricing Supplement, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[350 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

Where:

"**Y_1**" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"**Y_2**" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**M_1**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**M_2**" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**D_1**" is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D1 will be 30; and

"**D_2**" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D2 will be 30;

(vii) if "**Actual/Actual—ICMA**" is specified in the applicable Pricing Supplement,

(A) if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in the Calculation Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Periods normally ending in any year; and

(B) if the Calculation Period is longer than one Determination Period, the sum of:

(x) the number of days in such Calculation Period falling in the Determination Period in which it begins divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year; and

(y) the number of days in such Calculation Period falling in the next Determination Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year,

where:

"**Determination Date**" means the date(s) specified as such in the applicable Pricing Supplement or, if none is so specified, the Interest Payment Date(s); and

"**Determination Period**" means the period from and including a Determination Date in any year to but excluding the next Determination Date; and

"**Euro**" means the lawful currency of member states of the European Union that adopt the single currency introduced in accordance with the Treaty establishing the European Community, as amended from time to time;

"**Euro-zone**" means the region comprised of member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community, as amended;

"**Interest Commencement Date**" means the Issue Date or such other date as may be specified as the Interest Commencement Date on the face of such Note;

"**Interest Determination Date**" means, in respect of any Interest Period, that number of business days prior thereto as is set out in the applicable Pricing Supplement or on the face of the relevant Note or, if none is so specified, (i) the first day of such Interest Period if the Specified Currency is Sterling or Hong Kong dollars or Renminbi other than where the Specified Currency is Renminbi and the Reference Rate is CNH HIBOR or (ii) the day falling two business days in London for the Specified Currency prior to the first day of such Interest Accrual Period if the Specified Currency is neither Sterling nor euro nor Hong Kong dollars nor Singapore dollars nor Renminbi or (iii) the day falling two TARGET business days prior to the first day of such Interest Accrual Period if the Specified Currency is euro or (iv) the day falling two business days in Hong Kong prior to the first day of such Interest Accrual Period if the Specified Currency is Renminbi and the Reference Rate is CNH HIBOR;

"**ISDA Definitions**" means the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc. (as the same may be updated, amended or supplemented from time to time), unless otherwise specified hereon;

"**PRC**" means the People's Republic of China excluding Hong Kong Special Administrative Region, Macau Special Administrative Region and Taiwan;

"**Rate of Interest**" means the rate of interest payable from time to time in respect of this Note and that is either specified or calculated in accordance with the provisions hereon;

"**Reference Banks**" means the institutions specified in the applicable Pricing Supplement or, if none, three major banks selected by the Issuer in the interbank market that is most closely connected with the Benchmark;

"**Reference Rate**" means the rate specified as such hereon;

"**Relevant Currency**" means the currency specified as such hereon or, if none is specified, the currency in which the Notes are denominated;

"**Relevant Dealer**" means, in respect of any Variable Rate Note, the Dealer party to the Dealer Agreement referred to in the Agency Agreement with whom the Issuer has concluded or is negotiating an agreement for the issue of such Variable Rate Note pursuant to the Dealer Agreement;

"**Relevant Financial Centre**" means, in the case of interest to be determined on an Interest Determination Date with respect to any Floating Rate Note or Variable Rate Note, the financial centre with which the relevant Benchmark is most closely connected or, if none is so connected, Singapore;

"**Relevant Screen Page**" means such page, section, caption, column or other part of a particular information service (including, but not limited to, the Bloomberg agency and Reuters) as may be specified hereon for the purpose of providing the Benchmark, or such other page, section, caption, column or other part as may replace it on that information service or on such other information service, in each case as may be nominated by the person or organisation providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Benchmark;

"**Relevant Time**" means, with respect to any Interest Determination Date, the local time in the Relevant Financial Centre at which it is customary to determine bid and offered rates in respect of deposits in the Relevant Currency in the inter-bank market in the Relevant Financial Centre;

"**Renminbi**" means the lawful currency for the time being of the PRC;

"**Singapore dollars**" means the lawful currency for the time being of the Republic of Singapore; and

"**TARGET System**" means the Trans-European Automated Real-Time Gross Settlement Express Transfer (known as TARGET2) System which was launched on 19 November 2007 or any successor thereto.

(III) Interest on Hybrid Notes

(a) Interest Rate and Accrual: Each Hybrid Note bears interest on its Calculation Amount from the Interest Commencement Date in respect thereof and as shown on the face of such Note.

(b) Fixed Rate Period:

(i) In respect of the Fixed Rate Period shown on the face of such Note, each Hybrid Note bears interest on its Calculation Amount from the first day of the Fixed Rate Period at the rate per annum (expressed as a percentage) equal to the Interest Rate shown on the face of such Note payable in arrear on each Interest Payment Date or Interest Payment Dates shown on the face of the Note in each year and on the last day of the Fixed Rate Period if that date does not fall on an Interest Payment Date.

(ii) The first payment of interest will be made on the Interest Payment Date next following the first day of the Fixed Rate Period (and if the first day of the Fixed Rate Period is not an Interest Payment Date, will amount to the Initial Broken Amount shown on the face of such Note), unless the last day of the Fixed Rate Period falls before the date on which the first payment of interest would otherwise be due. If the last day of the Fixed Rate Period is not an Interest Payment Date, interest from the preceding Interest Payment Date (or from the first day of the Fixed Rate Period, as the case may be) to the last day of the Fixed Rate Period will amount to the Final Broken Amount shown on the face of the Note.

(iii) Where the due date of redemption of any Hybrid Note falls within the Fixed Rate Period, interest will cease to accrue on the Note from the due date for redemption thereof unless, upon due presentation and subject to the provisions of the Trust Deed, payment of principal is improperly withheld or refused, in which event interest at such rate will continue to accrue (as well after as before judgment) at the rate and in the manner provided in this Condition 5(III) to the Relevant Date.

(iv) In the case of a Hybrid Note, interest in respect of a period of less than one year will be calculated on the Day Count Fraction specified hereon during the Fixed Rate Period.

(c) Floating Rate Period:

(i) In respect of the Floating Rate Period shown on the face of such Note, each Hybrid Note bears interest on its Calculation Amount from the first day of the Floating Rate Period, and such interest will be payable in arrear on each interest payment date ("**Interest Payment Date**"). Such Interest Payment Date(s) is/are either shown hereon as Specified Interest Payment Date(s) or, if no Specified Interest Payment Date(s) is/are shown hereon, Interest Payment Date shall mean each date which (save as mentioned in these Conditions) falls the number of months specified as the Interest Period on the face of the Note (the "**Specified Number of Months**") after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the first day of the Floating Rate Period (and which corresponds numerically with such preceding Interest Payment Date or the first day of the Floating Rate Period, as the case may be). If any Interest Payment Date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a business day, then if the Business Day Convention specified is (1) the Floating Rate Business Day Convention, such date shall be postponed to the next day which is a business day unless it would thereby fall into the next calendar month, in which event (i) such date shall be brought forward to the immediately preceding business day and (ii) each subsequent such date shall be the last business day of the month in which such date would have fallen had it not been subject to adjustment, (2) the Following Business Day Convention, such date shall be postponed to the next day that is a business day, (3) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a business day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding business day or (4) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding business day.

(ii) In this Condition 5(III), the period beginning on (and including) the first day of the Floating Rate Period and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date is herein called an "**Interest Period**".

(iii) Where the due date of redemption of any Hybrid Note falls within the Floating Rate Period, interest will cease to accrue on the Note from the due date for redemption thereof unless, upon due presentation and subject to the provisions of the Trust Deed, payment of principal is improperly withheld or refused, in which event interest will continue to accrue (as well after as before judgment) at the rate and in the manner provided in this Condition 5(III) to the Relevant Date.

(iv) The provisions of Condition 5(II)(b) shall apply to each Hybrid Note during the Floating Rate Period as though references therein to Floating Rate Notes are references to Hybrid Notes.

(IV) Zero Coupon Notes

Where a Note the Interest Basis of which is specified to be Zero Coupon is repayable prior to the Maturity Date and is not paid when due, the amount due and payable prior to the Maturity Date shall be the Early Redemption Amount of such Note (determined in accordance with Condition 6(f)). As from the Maturity Date, the rate of interest for any overdue principal of such a Note shall be a rate per annum (expressed as a percentage) equal to the Amortisation Yield (as defined in Condition 6(f)).

(V) Calculations

(a) Margin, Maximum/Minimum Rates of Interest and Rounding:

(i) If any Margin is specified hereon (either (A) generally, or (B) in relation to one or more Interest Periods), an adjustment shall be made to all Rates of Interest, in the case of (A), or the Rates of Interest for the specified Interest Periods, in the case of (B), calculated in accordance with Condition 5(II) above by adding (if a positive number) or subtracting (if a negative number) the absolute value of such Margin, subject always to Condition 5(V)(a)(ii) below.

(ii) If any Maximum Rate of Interest or Minimum Rate of Interest is specified hereon, then any Rate of Interest shall be subject to such maximum or minimum, as the case may be.

(iii) For the purposes of any calculations required pursuant to these Conditions (unless otherwise specified), (A) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with halves being rounded up), (B) all figures shall be rounded to seven significant figures (with halves being rounded up) and (C) all currency amounts that fall due and payable shall be rounded to the nearest unit of such currency (with halves being rounded up), save in the case of yen, which shall be rounded down to the nearest yen. For these purposes, "**unit**" means the lowest amount of such currency that is available as legal tender in the country or countries of such currency.

(b) Determination of Rate of Interest and Calculation of Interest Amounts: The Calculation Agent will, as soon as practicable after the Relevant Time on each Interest Determination Date, determine the Rate of Interest and calculate the amount of interest payable (the "**Interest Amounts**") in respect of each Calculation Amount of the relevant Floating Rate Notes, Variable Rate Notes or (where applicable) Hybrid Notes for the relevant Interest Period. The amount of interest payable per Calculation Amount in respect of any Floating Rate Note, Variable Rate Note or (where applicable) Hybrid Note shall be calculated by multiplying the product of the Rate of Interest and the Calculation Amount, by the Day Count Fraction shown on the Note. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Calculation Agent shall (in the absence of manifest error) be final and binding upon all parties.

(c) Notification: The Calculation Agent will cause the Rate of Interest and the Interest Amounts for each Interest Period and the relevant Interest Payment Date to be notified to the Issuing and Paying Agent, the Trustee, the Issuer and the Guarantor as soon as possible after their determination but in no event later than the fourth business day thereafter. In the case of Floating Rate Notes, if so required by the Issuer, the Calculation Agent will also cause the Rate of Interest and the Interest Amounts for each Interest Period and the relevant Interest Payment Date to be notified to Noteholders in accordance with Condition 16 as soon as possible after their determination. The Interest Amounts and the Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period by reason of any

Interest Payment Date not being a business day. If the Floating Rate Notes, Variable Rate Notes or, as the case may be, Hybrid Notes become due and payable under Condition 10, the Rate of Interest and Interest Amounts payable in respect of the Floating Rate Notes or, as the case may be, Variable Rate Notes or, as the case may be, Hybrid Notes shall nevertheless continue to be calculated as previously in accordance with this Condition but no publication of the Rate of Interest and Interest Amounts need to be made unless the Trustee requires otherwise.

(d) Determination or Calculation: If the Calculation Agent does not at any material time determine or calculate the Rate of Interest for an Interest Period or any Interest Amount, the Issuer shall appoint another agent to do so and such determination or calculation shall be deemed to have been made by the Calculation Agent. In doing so, such additional agent appointed by the Issuer shall apply the provisions of this Condition 5, with any necessary consequential amendments, to the extent that, in its opinion, it can do so, and in all other respects, it shall do so in such manner as it shall deem fair and reasonable in all the circumstances.

(e) Calculation Agent and Reference Banks: The Issuer will procure that, so long as any Floating Rate Note, Variable Rate Note or Hybrid Note remains outstanding, there shall at all times be three Reference Banks (or such other number as may be required) and, so long as any Floating Rate Note, Variable Rate Note, Hybrid Note or Zero Coupon Note remains outstanding, there shall at all times be a Calculation Agent. If any Reference Bank (acting through its relevant office) is unable or unwilling to continue to act as a Reference Bank or the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Rate of Interest for any Interest Period or to calculate the Interest Amounts, the Issuer will appoint another bank with an office in the Relevant Financial Centre to act as such in its place. The Calculation Agent may not resign from its duties without a successor having been appointed as aforesaid.

(VI) Benchmark discontinuation

(a) Independent Adviser: If a Benchmark Event occurs in relation to an Original Reference Rate when any Rate of Interest (or any component part thereof) remains to be determined by reference to such Original Reference Rate the Issuer shall use its reasonable endeavours to appoint an Independent Adviser, as soon as reasonably practicable, to determine a Successor Rate, failing which an Alternative Rate (in accordance with Condition 5(VI)(b)) and, in either case, an Adjustment Spread and any Benchmark Amendments (in accordance with Condition 5(VI)(d)).

If (i) the Issuer is unable to appoint an Independent Adviser; or (ii) the Independent Adviser appointed by it fails to determine a Successor Rate or, failing which, an Alternative Rate in accordance with this Condition 5(VI)(a) prior to the relevant Interest Determination Date, the Rate of Interest applicable to the next succeeding Interest Period shall be equal to the Rate of Interest last determined in relation to the Notes in respect of the immediately preceding Interest Period. If there has not been a first Interest Payment Date, the Rate of Interest shall be the initial Rate of Interest. Where a different Margin or Maximum or Minimum Rate of Interest is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin or Maximum or Minimum Rate of Interest relating to the relevant Interest Period shall be substituted in place of the Margin or Maximum or Minimum Rate of Interest relating to that last preceding Interest Period. For the avoidance of doubt, this paragraph shall apply to the relevant next succeeding Interest Period only and any subsequent Interest Periods are subject to the subsequent operation of, and to adjustment as provided in, the first paragraph of this Condition 5(VI)(a).

(b) **Successor Rate or Alternative Rate:** If the Independent Adviser, determines that:

(i) there is a Successor Rate, then such Successor Rate and the applicable Adjustment Spread shall subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part thereof) for all future payments of interest on the Notes (subject to the operation of this Condition 5(VI)); or

(ii) there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate and the applicable Adjustment Spread shall subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part thereof) for all future payments of interest on the Notes (subject to the operation of this Condition 5(VI)).

(c) **Adjustment Spread:** The Adjustment Spread (or the formula or methodology for determining the Adjustment Spread) shall be applied to the Successor Rate or the Alternative Rate (as the case may be). If the Independent Adviser is unable to determine the quantum of, or a formula or methodology for determining, such Adjustment Spread, then the Successor Rate or Alternative Reference Rate (as applicable) will apply without an Adjustment Spread.

(d) **Benchmark Amendments:** If any Successor Rate or Alternative Rate and, in either case, the applicable Adjustment Spread is determined in accordance with this Condition 5(VI) and the Independent Adviser, determines (i) that amendments to these Conditions and/or the Trust Deed are necessary to ensure the proper operation of such Successor Rate or Alternative Rate and/or (in either case) the applicable Adjustment Spread (such amendments, the "**Benchmark Amendments**") and (ii) the terms of the Benchmark Amendments, then the Issuer shall, subject to giving notice thereof in accordance with Condition 5(VI)(e), without any requirement for the consent or approval of Noteholders, vary these Conditions and/or the Trust Deed to give effect to such Benchmark Amendments with effect from the date specified in such notice.

At the request of the Issuer, but subject to receipt by the Trustee of a certificate signed by two Authorised Signatories of the Issuer pursuant to Condition 5(VI)(e), the Trustee shall (at the expense of the Issuer), without any requirement for the consent or approval of the Noteholders, be obliged to concur with the Issuer in effecting any Benchmark Amendments (including, *inter alia*, by the execution of a deed supplemental to or amending the Trust Deed), provided that the Trustee shall not be obliged so to concur if in the opinion of the Trustee doing so would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend the protective provisions afforded to the Trustee in these Conditions or the Trust Deed (including, for the avoidance of doubt, any supplemental trust deed) in any way.

In connection with any such variation in accordance with this Condition 5(VI)(d), the Issuer shall comply with the rules of any stock exchange on which the Notes are for the time being listed or admitted to trading.

(e) **Notices, etc.:** Any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments determined under this Condition 5(VI) will be notified promptly by the Issuer to the Trustee, the Calculation Agent, the Paying Agents and, in accordance with Condition 16, the Noteholders. Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any.

No later than notifying the Trustee of the same, the Issuer shall deliver to the Trustee a certificate signed by two Authorised Signatories of the Issuer:

(i) confirming (1) that a Benchmark Event has occurred, (2) the Successor Rate or, as the case may be, the Alternative Rate, (3) the applicable Adjustment Spread and (4) the specific terms of the Benchmark Amendments (if any), in each case as determined in accordance with the provisions of this Condition 5(VI); and

(ii) certifying that the Benchmark Amendments (if any) are necessary to ensure the proper operation of such Successor Rate or Alternative Rate and (in either case) the applicable Adjustment Spread.

Each of the Trustee, the Calculation Agent and the Paying Agents shall be entitled to rely on such certificate (without liability to any person) as sufficient evidence thereof. The Successor Rate or Alternative Rate and the Adjustment Spread and the Benchmark Amendments (if any) specified in such certificate will (in the absence of manifest error or bad faith in the determination of the Successor Rate or Alternative Rate and the Adjustment Spread and the Benchmark Amendments (if any) and without prejudice to the Trustee's or the Calculation Agent's or the Paying Agents' ability to rely on such certificate as aforesaid) be binding on the Issuer, the Guarantor, the Trustee, the Calculation Agent, the Paying Agents and the Noteholders.

(f) **Survival of Original Reference Rate:** Without prejudice to the obligations of the Issuer under Condition 5(VI)(a), (b), (c) and (d), the Original Reference Rate and the fallback provisions provided for in Condition 5(II)(b) will continue to apply unless and until a Benchmark Event has occurred.

(g) **Definitions:** As used in this Condition 5(VI):

"**Adjustment Spread**" means either (a) a spread (which may be positive, negative or zero) or (b) a formula or methodology for calculating a spread, in each case to be applied to the Successor Rate or the Alternative Rate (as the case may be) and is the spread, formula or methodology which:

(i) in the case of a Successor Rate, is formally recommended in relation to the replacement of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body; or (if no such recommendation has been made, or in the case of an Alternative Rate);

(ii) the Independent Adviser determines, is customarily applied to the relevant Successor Rate or the Alternative Rate (as the case may be) in international debt capital markets transactions to produce an industry-accepted replacement rate for the Original Reference Rate; or (if the Independent Adviser determines that no such spread is customarily applied);

(iii) the Independent Adviser determines is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Original Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be);

"**Alternative Rate**" means an alternative benchmark or screen rate which the Independent Adviser determines in accordance with Condition 5(VI)(b) is customarily applied in international debt capital markets transactions for the purposes of determining rates of interest (or the relevant component part thereof) in the same Specified Currency as the Notes;

"**Benchmark Amendments**" has the meaning given to it in Condition 5(VI)(d);

"**Benchmark Event**" means:

(i) the Original Reference Rate ceasing to be published for a period of at least five business days or ceasing to exist; or

(ii) a public statement by the administrator of the Original Reference Rate that it has ceased or that it will cease publishing the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate); or

(iii) a public statement by the supervisor of the administrator of the Original Reference Rate, that the Original Reference Rate has been or will be permanently or indefinitely discontinued; or

(iv) a public statement by the supervisor of the administrator of the Original Reference Rate as a consequence of which the Original Reference Rate will be prohibited from being used either generally, or in respect of the Notes; or

(v) it has become unlawful for any Paying Agent, the Calculation Agent, the Issuer or any other party to calculate any payments due to be made to any Noteholder using the Original Reference Rate,

provided that in the case of sub-paragraphs (ii), (iii) and (iv), the Benchmark Event shall occur on the date of the cessation of publication of the Original Reference Rate, the discontinuation of the Original Reference Rate, or the prohibition of use of the Original Reference Rate, as the case may be, and not the date of the relevant public statement;

"**Independent Adviser**" means an independent financial institution of international repute or an independent financial adviser with appropriate expertise appointed by the Issuer under Condition 5(VI)(a);

"**Original Reference Rate**" means the originally-specified benchmark or screen rate (as applicable) used to determine the Rate of Interest (or any component part thereof) on the Notes;

"**Relevant Nominating Body**" means, in respect of a benchmark or screen rate (as applicable):

(i) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable); or

(ii) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (a) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, (b) any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable), (c) a group of the aforementioned central banks or other supervisory authorities or (d) the Financial Stability Board or any part thereof; and

"**Successor Rate**" means a successor to or replacement of the Original Reference Rate which is formally recommended by any Relevant Nominating Body.

6 Redemption and Purchase

(a) Final Redemption: Unless previously redeemed or purchased and cancelled as provided below, this Note will be redeemed at its Redemption Amount shown on its face ("**Redemption Amount**") on the Maturity Date (if this Note is shown on its face to be a Fixed Rate Note, Hybrid Note (during the Fixed Rate Period) or Zero Coupon Note) or on the Interest Payment Date falling in the Redemption Month shown on its face (if this Note is shown on its face to be a Floating Rate Note, Variable Rate Note or Hybrid Note (during the Floating Rate Period)).

(b) Redemption at the Option of the Issuer: If so provided hereon, the Issuer may, on giving not less than 30 nor more than 60 days' irrevocable notice to the Noteholders (or such other notice period as may be specified hereon) and in writing to the Trustee and the Issuing and Paying Agent, redeem all or, if so provided, some of the Notes at their Redemption Amount or integral multiples thereof and on the date or dates so provided. Any such redemption of Notes shall be at their Redemption Amount, together with interest accrued (but excluding) to the date fixed for redemption.

All Notes in respect of which any such notice is given shall be redeemed on the date specified in such notice in accordance with this Condition.

In the case of a partial redemption of the Notes, the notice to Noteholders shall also contain the certificate numbers of the Bearer Notes or, in the case of Registered Notes, shall specify the principal amount of Registered Notes drawn and the holder(s) of such Registered Notes, to be redeemed, which shall have been drawn by or on behalf of the Issuer in such place and in such manner as may be agreed between the Issuer and the Trustee, subject to compliance with any applicable laws. So long as the Notes are listed on any Stock Exchange, the Issuer shall comply with the rules of such Stock Exchange in relation to the publication of any redemption of such Notes.

(c) Redemption at the Option of Noteholders: If so provided hereon, the Issuer shall, at the option of the holder of any Note, upon the holder of such Note giving not less than 30 nor more than 60 days' notice to the Issuer (or such other notice period as may be specified hereon) redeem such Note on the date or dates so provided at its Redemption Amount, together with interest accrued (but excluding) to the date fixed for redemption.

To exercise such option, the holder must deposit (in the case of Bearer Notes) such Note (together with all unmatured Coupons and unexchanged Talons) with the Issuing and Paying Agent or any other Paying Agent at its specified office or (in the case of Registered Notes) the Certificate representing such Note(s) with the Registrar or any other Transfer Agent at its specified office, together in any such case with a duly completed option exercise notice (an "**Exercise Notice**") in the form obtainable from any Paying Agent, the Registrar, any other Transfer Agent or the Issuer (as applicable) within the Noteholders' Redemption Option Period shown on the face hereof. Any Note or Certificate so deposited may not be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer.

(d) Redemption for Taxation Reasons: The Notes may be redeemed at the option of the Issuer in whole, but not in part, on any Interest Payment Date or, if so specified hereon, at any time on giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable) and in writing to the Trustee and the Issuing and Paying Agent, at their Redemption Amount or (in the case of Zero Coupon Notes) Early Redemption Amount (as defined in Condition 6(f) below) (together with interest accrued to (but excluding) the date fixed for redemption), if

(i) the Issuer (or, if the Guarantee was called, the Guarantor) has or will become obliged to pay additional amounts as provided or referred to in Condition 8, or increase the payment of such additional amounts, as a result of any change in, or amendment to, the laws (or any regulations, rulings or other administrative pronouncements promulgated

thereunder) of the jurisdiction of incorporation of the Issuer or the Guarantor, as the case may be, or in each case any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, rulings or other administrative pronouncements, which change or amendment is made public on or after the Issue Date or any other date specified in the Pricing Supplement, and

(ii) such obligations cannot be avoided by the Issuer or, as the case may be, the Guarantor taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer or, as the case may be, the Guarantor would be obliged to pay such additional amounts were a payment in respect of the Notes then due.

Prior to the publication of any notice of redemption pursuant to this Condition 6(d), the Issuer (or the Guarantor, as the case may be) shall deliver or procure that there is delivered to the Issuing and Paying Agent and the Trustee a certificate in English signed by a duly Authorised Signatory of the Issuer or the Guarantor, as the case may be, stating that the obligation referred to in (i) above of this Condition 6(d) cannot be avoided by the Issuer (or the Guarantor, as the case may be) taking reasonable measures available to it, and an opinion of independent tax or legal advisers of recognised standing to the effect that the Issuer or, as the case may be, the Guarantor has or is likely to become obliged to pay such additional amounts as a result of such change or amendment.

The Trustee shall be entitled (but shall not be obliged) to accept and rely on any such certificate and opinion as sufficient evidence of the satisfaction of the condition precedent set out in sub-paragraphs (i) and (ii) of this Condition 6(d) above without further enquiry and without liability to any Noteholder, Couponholder or any other person, in which event it shall be conclusive and binding on Noteholders and Couponholders.

(e) **Purchases:** The Issuer, the Guarantor or any of their respective subsidiaries may at any time purchase Notes at any price (provided that they are purchased together with all unmatured Coupons and unexchanged Talons relating to them) in the open market or otherwise, provided that in any such case such purchase or purchases is in compliance with all relevant laws, regulations and directives.

Notes purchased by the Issuer, the Guarantor or any of the respective subsidiaries may be surrendered by the purchaser through the Issuer to the Issuing and Paying Agent and, in the case of Registered Notes, the Registrar for cancellation or may at the option of the Issuer, the Guarantor or any of their respective subsidiaries be held or resold. The Notes so purchased, while held by or on behalf of the Issuer, the Guarantor or any of their respective subsidiaries, shall not entitle the holder to vote at any meetings of the Noteholders and shall not be deemed to be outstanding for certain purposes, including without limitation for the purposes of calculating any quorum at meetings of the Noteholders and for the purposes of Conditions 10, 11 and 12.

For the purposes of these Conditions, "**directive**" includes any present or future directive, regulation, request, requirement, rule or credit restraint programme of any relevant agency, authority, central bank department, government, legislative, minister, ministry, official public or statutory corporation, self-regulating organisation, or stock exchange.

(f) Early Redemption of Zero Coupon Notes:

(i) The Early Redemption Amount payable in respect of any Zero Coupon Note, the Early Redemption Amount of which is not linked to a formula, upon redemption of such Note pursuant to Condition 6(d) or upon it becoming due and payable as provided in Condition 10, shall be the "**Amortised Face Amount**" (calculated as provided below) of such Note unless otherwise specified hereon.

(ii) Subject to the provisions of sub-paragraph (iii) below of this Condition 6(f), the Amortised Face Amount of any such Note shall be the scheduled Redemption Amount of such Note on the Maturity Date discounted at a rate per annum (expressed as a percentage) equal to the Amortisation Yield (which, if none is shown hereon, shall be such rate as would produce an Amortised Face Amount equal to the issue price of the Notes if they were discounted back to their issue price on the Issue Date) compounded annually.

(iii) If the Early Redemption Amount payable in respect of any such Note upon its redemption pursuant to Condition 6(d) or upon it becoming due and payable as provided in Condition 10 is not paid when due, the Early Redemption Amount due and payable in respect of such Note shall be the Amortised Face Amount of such Note as defined in sub-paragraph (ii) above, except that such sub-paragraph shall have effect as though the date on which the Note becomes due and payable were the Relevant Date. The calculation of the Amortised Face Amount in accordance with this sub-paragraph will continue to be made (as well after as before judgment) until the Relevant Date, unless the Relevant Date falls on or after the Maturity Date, in which case the amount due and payable shall be the scheduled Redemption Amount of such Note on the Maturity Date together with any interest which may accrue in accordance with Condition 5(IV).

(iv) Where such calculation is to be made for a period of less than one year, it shall be made on the basis of the Day Count Fraction shown hereon.

(g) Cancellation: All Notes purchased by or on behalf of the Issuer, the Guarantor or any of the respective subsidiaries may be surrendered for cancellation, in the case of Bearer Notes, by surrendering each such Note together with all unmatured Coupons and all unexchanged Talons to the Issuing and Paying Agent at its specified office and, in the case of Registered Notes, by surrendering the Certificate representing such Notes to the Registrar and, in each case, if so surrendered, shall, together with all Notes redeemed by the Issuer, be cancelled forthwith (together with all unmatured Coupons and unexchanged Talons attached thereto or surrendered therewith). Any Notes or Certificates so surrendered for cancellation may not be reissued or resold and the obligations of the Issuer and the Guarantor in respect of any such Notes shall be discharged.

7 Payments

(a) Principal and Interest in respect of Bearer Notes: Payments of principal and interest (which shall include the Redemption Amount and the Early Redemption Amount) in respect of Bearer Notes will, subject as mentioned below, be made against presentation and surrender of the relevant Notes or Coupons, as the case may be:

(i) in the case of a currency other than Renminbi, at the specified office of any Paying Agent by transfer to an account maintained by the holder in that currency with a Bank; and

(ii) in the case of Renminbi, by transfer to a Renminbi account maintained by or on behalf of a Noteholder with a bank in Singapore, Hong Kong or such other location outside the PRC as specified in the applicable Pricing Supplement.

In these Conditions, "**Bank**" means a bank in the principal financial centre for such currency or, in the case of euro, in a city in which banks have access to the TARGET System.

(b) Principal and Interest in respect of Registered Notes:

(i) Payments of principal in respect of Registered Notes will, subject as mentioned below, be made against presentation and surrender of the relevant Certificates at the specified office of any of the Transfer Agents or of the Registrar and in the manner provided in Condition 7(b)(ii).

(ii) Interest on Registered Notes shall be paid to the person shown on the Register at the close of business on the fifteenth day before the due date for payment thereof or in the case of Renminbi or otherwise specified, on the fifth day before the due date for payment thereof (the "**Record Date**"). Payments of interest on each Registered Note shall be made:

(1) In the case of a currency other than Renminbi, by transfer to an account maintained by the holder in that currency with a Bank; and

(2) in the case of Renminbi, by transfer to the registered account of the Noteholder. For the purposes of this Condition 7(b)(ii)(2), "**registered account**" means the Renminbi account maintained by or on behalf of the Noteholder in Singapore, Hong Kong or such other location outside the PRC as specified in the applicable Pricing Supplement, details of which appear on the Register at the close of business on the fifth business day before the due date for payment.

(c) Payments in the United States: Notwithstanding the foregoing, if any Bearer Notes are denominated in U.S. dollars, payments in respect thereof may be made at the specified office of any Paying Agent in New York City in the same manner as aforesaid if (i) the Issuer shall have appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment of the amounts on the Notes in the manner provided above when due, (ii) payment in full of such amounts at all such offices is illegal or effectively precluded by exchange controls or other similar restrictions on payment or receipt of such amounts and (iii) such payment is then permitted by United States law, without involving, in the opinion of the Issuer, any adverse tax consequence to the Issuer.

(d) Payments subject to Law, etc.: All payments are subject in all cases to (i) any applicable fiscal or other laws, regulations and directives in the place of payment, but without prejudice to the provisions of Condition 8 and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**") or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of Condition 8) any law implementing an intergovernmental approach thereto. No commission or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.

(e) Appointment of Agents: The Issuing and Paying Agent, the CDP Paying Agent, the other Paying Agents, the Calculation Agent, the Transfer Agents and the Registrar initially appointed by the Issuer and their specified offices are listed below. The Issuing and Paying Agent, the CDP Paying Agent, the other Paying Agents, the Registrar, the Transfer Agents and the Calculation Agent act solely as agents of the Issuer and the Guarantor and do not assume any obligation or relationship of agency or trust for or with any Noteholder or Couponholder. The Issuer and the Guarantor reserve the right at any time to vary or terminate the appointment of the Issuing and Paying Agent, the CDP Paying Agent, any other Paying Agent, the Calculation Agent, any Transfer Agent and the Registrar and to appoint additional or other Paying Agents,

Calculation Agent, Transfer Agents and Registrar, provided that they will at all times maintain (i) an Issuing and Paying Agent, (ii) a Calculation Agent, (iii) a Transfer Agent in relation to Registered Notes, (iv) a CDP Paying Agent in relation to Notes cleared through CDP, (v) a Registrar in relation to Registered Notes, (vi) a Paying Agent in Singapore, where the Notes may be presented or surrendered for payment or redemption, in the event that the Global Note(s) are exchanged for definitive Notes, for so long as the Notes are listed on the SGX-ST and the rules of the SGX-ST so require and (vii) such other agents as may be required by any other stock exchange on which the Notes may be listed in each case, as approved by the Trustee.

In addition, the Issuer and the Guarantor shall forthwith appoint a Paying Agent in New York City in respect of any Bearer Notes denominated in U.S. dollars in the circumstances described in paragraph (c) above.

Notice of any such change or any change of any specified office will promptly be given by the Issuer to the Noteholders in accordance with Condition 16.

(f) Unmatured Coupons and Unexchanged Talons:

(i) Upon the due date for redemption of Bearer Notes which comprise Fixed Rate Notes, such Notes and Hybrid Notes should be surrendered for payment together with all unmatured Coupons (if any) relating to such Notes (and, in the case of Hybrid Notes, relating to interest payable during the Fixed Rate Period), failing which an amount equal to the face value of each missing unmatured Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unmatured Coupon which the sum of principal so paid bears to the total principal due) will be deducted from the Redemption Amount due for payment. Any amount so deducted will be paid in the manner mentioned above against surrender of such missing Coupon within a period of five years from the Relevant Date for the payment of such principal (whether or not such Coupon has become void pursuant to Condition 9).

(ii) Subject to the provisions of the relevant Pricing Supplement upon the due date for redemption of any Bearer Note comprising a Floating Rate Note, Variable Rate Note or Hybrid Note, unmatured Coupons relating to such Note (and in the case of Hybrid Notes, relating to interest payable during the Floating Rate Period) (whether or not attached) shall become void and no payment shall be made in respect of them.

(iii) Upon the due date for redemption of any Bearer Note, any unexchanged Talon relating to such Note (whether or not attached) shall become void and no Coupon shall be delivered in respect of such Talon.

(iv) Where any Bearer Note comprising a Floating Rate Note, Variable Rate Note or Hybrid Note is presented for redemption without all unmatured Coupons, and where any Bearer Note is presented for redemption without any unexchanged Talon relating to it (and, in the case of Hybrid Notes, relating to interest payable during the Floating Rate Period), redemption shall be made only against the provision of such indemnity as the Issuer may require.

(v) If the due date for redemption or repayment of any Note is not a due date for payment of interest, interest accrued from the preceding due date for payment of interest or the Interest Commencement Date, as the case may be, shall only be payable against presentation (and surrender if appropriate) of the relevant Bearer Note or Certificate.

(g) **Talons:** On or after the Interest Payment Date for the final Coupon forming part of a Coupon sheet issued in respect of any Bearer Note, the Talon forming part of such Coupon sheet may be surrendered at the specified office of the Issuing and Paying Agent on any business day in exchange for a further Coupon sheet (and if necessary another Talon for a further Coupon sheet) (but excluding any Coupons that may have become void pursuant to Condition 9).

(h) **Non-business Days:** Subject as provided in the relevant Pricing Supplement or subject as otherwise provided in these Conditions, if any date for the payment in respect of any Note or Coupon is not a business day, the holder shall not be entitled to payment until the next following business day and shall not be entitled to any further interest or other payment in respect of any such delay.

(i) **Default Interest:** If on or after the due date for payment of any sum in respect of the Notes, payment of all or any part of such sum is not made against due presentation of the Notes (in the case of Bearer Notes) or the Certificates representing the Notes or, as the case may be, the Coupons, the Issuer shall pay interest on the amount so unpaid from such due date up to the day of actual receipt by the relevant Noteholders or, as the case may be, Couponholders (as well after as before judgment) at a rate per annum determined by the Issuing and Paying Agent to be equal to one per cent. per annum above (in the case of a Fixed Rate Note or a Hybrid Note during the Fixed Rate Period) the Interest Rate applicable to such Note or (in the case of a Floating Rate Note or a Hybrid Note during the Floating Rate Period) the Rate of Interest applicable to such Note or (in the case of a Variable Rate Note) the variable rate by which the Agreed Yield applicable to such Note is determined or, as the case may be, the Rate of Interest applicable to such Note, or in the case of a Zero Coupon Note, as provided for in the relevant Pricing Supplement. So long as the default continues then such rate shall be re-calculated on the same basis at intervals of such duration as the Issuing and Paying Agent may select, save that the amount of unpaid interest at the above rate accruing during the preceding such period shall be added to the amount in respect of which the Issuer is in default and itself bear interest accordingly. Interest at the rate(s) determined in accordance with this Condition 7(j) shall be calculated on the Day Count Fraction specified hereon and the actual number of days elapsed, shall accrue on a daily basis and shall be immediately due and payable by the Issuer.

8 Taxation

All payments in respect of the Notes and the Coupons by the Issuer or, as the case may be, the Guarantor shall be made free and clear of, and without deduction or withholding for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within the jurisdictions of incorporation of the Issuer or the Guarantor or, in any such case, any authority thereof or therein having power to tax, unless such withholding or deduction is required by law. In such event, the Issuer or, as the case may be, the Guarantor shall pay such additional amounts as will result in the receipt by the Noteholders and the Couponholders of such amounts as would have been received by them had no such deduction or withholding been required, except that no such additional amounts shall be payable in respect of any Note or Coupon presented (or in respect of which the Certificate representing it is presented) for payment:

(a) **Other connection:** by or on behalf of a holder who is subject to such taxes, duties, assessments or governmental charges by reason of his being connected with the jurisdiction of incorporation of the Issuer or the Guarantor, otherwise than by reason only of the holding of such Note or Coupon or the receipt of any sums due in respect of such Note or Coupon (including, without limitation, the holder being a resident of, or a permanent establishment in, the jurisdiction of incorporation of the Issuer or the Guarantor); or

(b) Presentation more than 30 days after the Relevant Date: more than 30 days after the Relevant Date except to the extent that the holder thereof would have been entitled to such additional amounts on presenting the same for payment on the last day of such period of 30 days.

As used in these Conditions, "**Relevant Date**" in respect of any Note or Coupon means the date on which payment in respect thereof first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date falling seven days after that on which notice is duly given to the Noteholders in accordance with Condition 16 that, upon further presentation of the Note (or relative Certificate) or Coupon being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon presentation, and references to "**principal**" shall be deemed to include any premium payable in respect of the Notes, all Redemption Amounts, Early Redemption Amounts and all other amounts in the nature of principal payable pursuant to Condition 6, "**interest**" shall be deemed to include all Interest Amounts and all other amounts payable pursuant to Condition 5 and any reference to "**principal**" and/or "**premium**" and/or "**Redemption Amounts**" and/or "**interest**" and/or "**Early Redemption Amounts**" shall be deemed to include any additional amounts which may be payable under these Conditions.

Neither the Trustee nor any Agent shall be responsible for paying any tax, duty, charges, withholding or other payment referred to in this Condition 8 or for determining whether such amounts are payable or the amount thereof, and none of them shall be responsible or liable for any failure by the Issuer, the Guarantor, any Noteholder or any third party to pay such tax, duty, charges, withholding or other payment in any jurisdiction or to provide any notice or information to the Trustee or any Agent that would permit, enable or facilitate the payment of any principal, premium (if any), interest or other amount under or in respect of the Notes without deduction or withholding for or on account of any tax, duty, charge, withholding or other payment imposed by or in any jurisdiction.

9 Prescription

Claims against the Issuer for payment in respect of the Notes and Coupons (which, for this purpose, shall not include Talons) shall be prescribed and become void unless made within 10 years (in the case of principal) or five years (in the case of interest) from the appropriate Relevant Date in respect of them.

10 Events of Default

If any of the following events (each an "**Event of Default**") shall have occurred and is continuing, the Trustee at its discretion may, and if so requested in writing by holders of at least 25 per cent. in aggregate principal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution shall (provided in any such case that the Trustee shall first have been indemnified and/or secured and/or prefunded to its satisfaction), give notice in writing to the Issuer and the Guarantor that the Notes are immediately repayable, whereupon the Redemption Amount of such Notes or (in the case of Zero Coupon Notes) the Early Redemption Amount of such Notes together with accrued interest to (but excluding) the date of payment shall become immediately due and payable:

(a) Non-payment: the Issuer or the Guarantor does not pay any principal or interest payable under any of the Notes and, in the case of interest, such default continues for a period of five business days after the due date;

(b) Breach of Other Obligations: the Issuer or the Guarantor does not perform or comply with any one or more of its obligations (other than the payment obligation of the Issuer or the Guarantor referred to in Condition 10(a)) under the Trust Deed or any of the Notes and, if that default is, in the opinion of the Trustee incapable of remedy or, if in the opinion of the Trustee capable of remedy, it is not remedied within 30 days after the date of the notice from the Trustee to the Issuer or, as the case may be, the Guarantor requiring the same to be remedied;

(c) Cross-default:

(i) any other present or future indebtedness of the Issuer, the Guarantor or any of their respective Principal Subsidiaries for or in respect of money borrowed or raised becomes due and payable prior to its stated maturity by reason of any actual default, event of default or the like (however described);

(ii) any such indebtedness is not paid when due or, as the case may be, within any originally applicable grace period; or

(iii) the Issuer, the Guarantor or any of their respective Principal Subsidiaries fails to pay when due any amount payable by it under any present or future guarantee for, or indemnity in respect of, any moneys borrowed or raised,

provided that the aggregate amount of the relevant indebtedness, guarantees and indemnities in respect of which one or more of the events mentioned above in this Condition 10(c) have occurred equals or exceeds U.S.$50,000,000 or its equivalent in any other currency;

(d) Enforcement Proceedings: a distress, attachment, execution or other legal process is levied or enforced on or against the whole or substantial part of the business or assets of the Issuer or the Guarantor or any of their respective Principal Subsidiaries and is not discharged or stayed within 30 days; or

(e) Security Enforced: any mortgage, charge, pledge, lien or other encumbrance, present or future, created or assumed by the Issuer or the Guarantor or any of their respective Principal Subsidiaries becomes enforceable and any step is taken to enforce it (including the taking of possession or the appointment of a receiver, manager or other similar person); or

(f) Insolvency: the Issuer or the Guarantor or any of their respective Principal Subsidiaries is (or is, or could be, deemed by law or a court to be) insolvent or bankrupt or unable to pay its debts, stops, suspends or threatens to stop or suspend payment of all or a material part of (or of a particular type of) its debts, proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of any of such debts or a moratorium is agreed or declared or comes into effect in respect of or affecting all or any part of (or of a particular type of) the debts of the Issuer, the Guarantor or any of their respective Principal Subsidiaries; or

(g) Winding-up: (i) an order or a petition is made for the winding-up or dissolution of the Issuer or the Guarantor or any of their respective Principal Subsidiaries, and the Issuer, the Guarantor or the Principal Subsidiaries (as the case may be) has not taken any action in good faith to set aside such petition within 30 days from the date of service of such winding-up petition or order, or (ii) an effective resolution is passed for the winding-up or dissolution of the Issuer, the Guarantor or any of their respective Principal Subsidiaries, or (iii) the Issuer or the Guarantor ceases or threatens to cease to carry on all or substantially all of its business or operations, except for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation (1) on terms approved by the Trustee or by an Extraordinary Resolution of the Noteholders, or (2) in the case of a Principal Subsidiary, whereby the undertaking and assets of the Principal Subsidiary are transferred to or otherwise vested in the Issuer or the Guarantor (as the case may be) or another of their respective Principal Subsidiaries; or

(h) Nationalisation: any step is taken by any person with a view to the seizure, compulsory acquisition, expropriation or nationalisation of all or a material part of the assets of the Issuer, the Guarantor or any of their respective Principal Subsidiaries; or

(i) **Ownership:** the Issuer ceases to be wholly-owned and controlled by the Guarantor; or

(j) **Authorisation and Consents:** any action, condition or thing (including the obtaining or effecting of any necessary consent, approval, authorisation, exemption, filing, licence, order, recording or registration) at any time required to be taken, fulfilled or done in order (i) to enable the Issuer and the Guarantor lawfully to enter into, exercise their respective rights and perform and comply with their respective obligations under the Notes and the Trust Deed, (ii) to ensure that those obligations are legally binding and enforceable and (iii) to make the Notes and the Trust Deed admissible in evidence in the courts of the jurisdiction of incorporation of the Issuer or the Guarantor, as the case may be, is not taken, fulfilled or done; or

(k) **Illegality:** it is or will become unlawful for the Issuer or the Guarantor to perform or comply with any one or more of its obligations under any of the Notes or the Trust Deed; or

(l) **Valid and Binding Obligations:** the Trust Deed or any of the Notes ceases for any reason (or is claimed by the Issuer or the Guarantor not) to be the legal and valid obligations of the Issuer or the Guarantor, binding upon it in accordance with its terms (subject to equitable principles and insolvency laws affecting creditors' rights generally); or

(m) **Analogous Events:** any event occurs that under the laws of any relevant jurisdiction has an analogous effect to any of the events referred to in any of the foregoing paragraphs; or

(n) **Guarantee:** the Guarantee is not (or is claimed by the Guarantor not to be) in full force and effect.

11 Enforcement of Rights

At any time after the Notes shall have become due and payable, the Trustee may, at its discretion and without further notice, take such steps and/or actions and/or institute such proceedings against the Issuer or the Guarantor as it may think fit to enforce repayment of the Notes, together with accrued interest and any other amounts payable under these Conditions, but it shall not be bound to take any such steps and/or actions and/or institute any such proceedings unless (a) it shall have been so directed by an Extraordinary.

Resolution of the Noteholders of such Notes or so requested in writing by Noteholders holding not less than 25 per cent. in principal amount of such Notes outstanding and (b) it shall have been indemnified and/or secured and/or pre-funded by the Noteholders to its satisfaction.

No Noteholder or Couponholder shall be entitled to proceed directly against the Issuer or the Guarantor unless the Trustee, having become bound to do so, fails or neglects to do so within a reasonable period and such failure or neglect shall be continuing.

12 Meeting of Noteholders and Modifications

(a) **Meeting of Noteholders and Modifications:** The Trust Deed contains provisions for convening meetings of Noteholders of a Series to consider any matter affecting their interests, including modification by Extraordinary Resolution of the Notes of such Series (including these Conditions insofar as the same may apply to such Notes) or any of the provisions of the Trust Deed.

The Trustee, the Issuer or the Guarantor at any time may, and the Trustee upon the request in writing by Noteholders holding not less than 10 per cent. of the principal amount of the Notes of any Series for the time being outstanding and after being indemnified and/or secured and/or pre-funded to its satisfaction against all costs and expenses shall, convene a meeting of the Noteholders of that Series.

An Extraordinary Resolution duly passed at any such meeting shall be binding on all the Noteholders of the relevant Series, whether present or not and whether they voted for or against such Extraordinary Resolution and on all relevant Couponholders, except that any Extraordinary Resolution proposed, *inter alia*, (a) to amend the dates of maturity or redemption of the Notes or any date for payment of interest or Interest Amounts on the Notes, (b) to reduce or cancel the principal amount of, or any premium payable on redemption of, the Notes, (c) to reduce the rate or rates of interest in respect of the Notes or to vary the method or basis of calculating the rate or rates of interest or the basis for calculating any Interest Amount in respect of the Notes, (d) to vary any method of, or basis for, calculating the Redemption Amount or the Early Redemption Amount including the method of calculating the Amortised Face Amount, (e) to vary the currency or currencies of payment or denomination of the Notes, (f) to take any steps that as specified hereon may only be taken following approval by an Extraordinary Resolution to which the special quorum provisions apply, (g) to modify the provisions concerning the quorum required at any meeting of Noteholders or the majority required to pass the Extraordinary Resolution or sign a resolution in writing or (h) to modify or cancel the Guarantee, will only be binding if passed at a meeting of the Noteholders of the relevant Series (or at any adjournment thereof) at which a special quorum (provided for in the Trust Deed) is present.

Notwithstanding the foregoing, no consent or approval of the Noteholders shall be required in the case of an application of a Successor Rate, an Alternative Rate, an Adjustment Spread or any rate determined in accordance with Condition 5(VI) as the case may be, and any related Benchmark Amendments or for any other variation of these Conditions, the Trust Deed and/or the Agency Agreement required to be made in the circumstances described in Condition 5(Vl).

The Trustee may (but is not obliged to) agree, without the consent of the Noteholders or Couponholders, to (i) any modification of any of the provisions of the Trust Deed which in the opinion of the Trustee is of a formal, minor or technical nature, is made to correct a manifest error or to comply with any mandatory provision of law or is required by Euroclear, Clearstream, Luxembourg, CDP and/or any other clearing system in which the Notes may be held, (ii) any other modification (except as mentioned in the Trust Deed) which is in the opinion of the Trustee not materially prejudicial to the interests of the Noteholders, and (iii) any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Trust Deed, the Agency Agreement or these Conditions which is in the opinion of the Trustee not materially prejudicial to the interests of the Noteholders. Any such modification, authorisation or waiver shall be binding on the Noteholders and the Couponholders and, unless the Trustee otherwise agrees, such modification, waiver or authorisation shall be notified by the Issuer to the Noteholders as soon as practicable.

These Conditions may be amended, modified, or varied in relation to any Series of Notes by the terms of the relevant Pricing Supplement in relation to such Series.

(b) **Substitution**: The Trust Deed contains provisions permitting (but not obliging) the Trustee to agree, subject to such amendment of the Trust Deed and such other conditions as the Trustee may require, but without the consent of the Noteholders or the Couponholders, to the substitution of the Issuer's successor in business or any Subsidiary of the Issuer or its successor in business or any Subsidiary of the Guarantor or its successor in business, as principal debtor under the Trust Deed and the Notes. In the case of such a substitution the Trustee may agree, without the consent of the Noteholders or the Couponholders, to a change of the law governing the Notes, the Coupons, the Talons and/or the Trust Deed provided that such change would not in the opinion of the Trustee be materially prejudicial to the interests of the Noteholders.

(c) **Entitlement of the Trustee:** In connection with the exercise of its functions and/or duties and/or the exercise of its rights, powers and/or discretions under the Trust Deed, the Agency Agreement and/or these Conditions (including but not limited to those in relation to any

proposed modification, waiver or authorisation), the Trustee shall have regard to the interests of the Noteholders as a class and shall not have regard to the consequences of such exercise for individual Noteholders or Couponholders and the Trustee shall not be entitled to require, nor shall any Noteholder or Couponholder be entitled to claim, from the Issuer or the Guarantor any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders or Couponholders.

13 Replacement of Notes, Certificates, Coupons and Talons

If a Note, Certificate, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed it may be replaced, subject to applicable laws, at the specified office of the Issuing and Paying Agent (in the case of Bearer Notes, Coupons or Talons) and of the Registrar (in the case of Certificates), or at the specified office of such other Paying Agent or Transfer Agent, as the case may be, as may from time to time be designated by the Issuer for the purpose and notice of whose designation is given to Noteholders in accordance with Condition 16, on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, undertaking, security and indemnity (which may provide, *inter alia*, that if the allegedly lost, stolen or destroyed Note, Certificate, Coupon or Talon is subsequently presented for payment, there will be paid to the Issuer on demand the amount payable by the Issuer in respect of such Note, Certificate, Coupon or Talon) and otherwise as the Issuer and/or the Guarantor or the relevant Agent(s) may require. Mutilated or defaced Notes, Certificates, Coupons or Talons must be surrendered before replacements will be issued.

14 Further Issues

The Issuer may from time to time without the consent of the Noteholders or Couponholders create and issue further securities having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest on them) and so that such further issue shall be consolidated and form a single series with an outstanding Series. References in these Conditions to the Notes include (unless the context requires otherwise) any other securities issued pursuant to this Condition and forming a single series with the Notes.

15 Indemnification of the Trustee

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility, including without limitation provisions relieving it from taking steps and/or actions and/or instituting proceedings to enforce its rights under the Trust Deed, the Agency Agreement, and/or these Conditions and/or in respect of the Notes or from taking other actions unless first indemnified and/or secured and/or prefunded to its satisfaction and entitling the Trustee to be paid or reimbursed for its fees, costs, charges and expenses properly incurred and any indemnity payments and liabilities incurred by it in priority to the claims of Noteholders. The Trustee is entitled to enter into business transactions with the Issuer, the Guarantor and/or any entity related (directly or indirectly) to the Issuer and/or the Guarantor without accounting for any profit.

None of the Trustee or any of the Agents shall be responsible for the performance by the Issuer or the Guarantor or any other person appointed by the Issuer or the Guarantor in relation to the Notes of the duties and obligations on their part expressed in respect of the same and, unless it has express written notice from the Issuer or the Guarantor to the contrary, the Trustee and each Agent shall be entitled to assume that the same are being duly performed. None of the Trustee or any Agent shall be liable to any Noteholder or Couponholder, the Issuer, the Guarantor or any other person for any action taken by the Trustee or such Agent in accordance with the instructions, directions, requests or resolutions of the Noteholders given by Noteholders holding the requisite principal amount of Registered Notes outstanding or passed at a meeting of the Noteholders convened and held in accordance with the Trust Deed or passed as otherwise provided in the Trust Deed.

The Trustee shall be entitled to rely on any direction, request or resolution of Noteholders given by holders of the requisite principal amount of Notes outstanding or passed at a meeting of Noteholders convened and held in accordance with the Trust Deed.

Whenever the Trustee is required or entitled by the terms of the Trust Deed, these Conditions or any other transaction document to exercise any right, discretion or power, take any action, make any decision or give any direction, the Trustee is entitled, prior to its exercising any such right, discretion or power, taking any such action, making any such decision, or giving any such direction or certification, to seek directions from the Noteholders by way of an Extraordinary Resolution or clarifications of any directions, and the Trustee is not responsible or liable to any person for any loss or liability incurred by the Issuer, the Guarantor, the Noteholders or any other person as a result of any delay in it exercising such discretion or power, taking such action, making such decision, or giving such direction or certification as a result of seeking such directions or clarification or in the event that no such direction or clarification is given to the Trustee by the Noteholders.

The Trustee shall not be under any obligation to monitor, or take any steps to ascertain, compliance with the provisions of the Trust Deed, the Agency Agreement or these Conditions or whether the Event of Default, a Potential Event of Default, a Relevant Event or any event which could lead to the occurrence of a Relevant Event, Event of Default or Potential Event of Default has occurred, and shall not be liable to the Noteholders or any other person for not doing so.

The Trustee may rely without liability to Noteholders, Couponholders, the Issuer, the Guarantor or any other person on any report, confirmation, opinion or certificate from or any advice of any legal advisers, accountants, financial advisers, financial institution or any other expert, whether or not addressed to it and whether their liability in relation thereto is limited (by its terms or by any engagement letter relating thereto entered into by the Trustee or any other person or in any other manner) by reference to a monetary cap, methodology or otherwise, and, in such event, such report, confirmation, opinion, certificate or advice shall be binding on the Noteholders and the Couponholders.

Each Noteholder shall be solely responsible for making and continuing to make its own independent appraisal and investigation into the financial condition, creditworthiness, condition, affairs, status and nature of each of the Issuer and the Guarantor and their respective Subsidiaries, and the Trustee shall not at any time have any responsibility for the same and each Noteholder shall not rely on the Trustee in respect thereof.

16 Notices

Notices to the holders of Registered Notes shall be valid if mailed to them at their respective addresses in the Register and deemed to have been given on the fourth weekday (being a day other than a Saturday or a Sunday) after the date of mailing. Notwithstanding the foregoing, notices to the holders of Notes will be valid if published in a daily newspaper of general circulation in Asia (or, if the holders of any Series of Notes can be identified, notices to such holders will also be valid if they are given to each of such holders). It is expected that such publication will be made in the *Asian Wall Street Journal*. Notices will, if published more than once or on different dates, be deemed to have been given on the date of the first publication in such newspaper as provided above.

Couponholders shall be deemed for all purposes to have notice of the contents of any notice to the holders of Bearer Notes in accordance with this Condition 16.

So long as the Notes are represented by a Global Note or a Global Certificate and such Global Note or Global Certificate is held in its entirety on behalf of Euroclear, Clearstream, Luxembourg and/or CDP, there may be substituted for such publication in such newspapers (a) the delivery of the relevant notice to Euroclear, Clearstream, Luxembourg and/or (subject to the agreement of CDP) CDP for communication by it to the Noteholders or (b) in the case of CDP, the recorded delivery of

the relevant notice to the persons shown in the latest record received from CDP as holding interests in such Global Note or Global Certificate, except that if the Notes are listed on any Stock Exchange and the rules of such Stock Exchange so require, notice will in any event be published in accordance with the rules of such Stock Exchange. Any such notice shall be deemed to have been given to the Noteholders on the day on which the said notice was given to Euroclear, Clearstream, Luxembourg and/or CDP or the date of despatch of such notice to the persons shows in the records maintained by CDP.

Notices to be given by any Noteholder pursuant hereto (including to the Issuer) shall be in writing and given by lodging the same with the Issuing and Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes) or such other Agent as may be specified in these Conditions. Whilst the Notes are represented by a Global Note or a Global Certificate, such notice may be given by any Noteholder to the Issuing and Paying Agent or, as the case may be, the Registrar or, as the case may be, such other Agent through Euroclear, Clearstream, Luxembourg and/or CDP in such manner as the Issuing and Paying Agent or, as the case may be, the Registrar or, as the case may be, such other Agent and Euroclear, Clearstream, Luxembourg and/or CDP may approve for this purpose.

Notwithstanding the other provisions of this Condition 16, in any case where the identities and addresses of all the Noteholders are known to the Issuer, notices to such holders may be given individually by recorded delivery mail to such addresses and will be deemed to have been given when received at such addresses.

17 Contracts (Rights of Third Parties) Act

[Without prejudice to the rights of the Noteholders as set out in Condition 11, no person shall have any right to enforce any term or condition of the Notes under the Contracts (Rights of Third Parties) Act 1999 of England.][1]

[Without prejudice to the rights of the Noteholders as set out in Condition 11, no person shall have any right to enforce any term or condition of the Notes under the Contracts (Rights of Third Parties) Act, Chapter 53B of Singapore.][2]

18 Governing Law and Jurisdiction

(a) Governing Law: The Trust Deed, the Notes, the Coupons, the Talons and the Guarantee and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, [English law][1] [Singapore law][2].

(b) Jurisdiction: The [Courts of England][1] [Courts of Singapore][2] are to have non-exclusive jurisdiction to settle any disputes that may arise out of or in connection with the Trust Deed, the Notes, Coupons, Talons or the Guarantee and accordingly any legal action or proceedings arising out of or in connection with the Trust Deed, the Notes, the Coupons, Talons or the Guarantee ("**Proceedings**") may be brought in such courts. Each of the Issuer and the Guarantor has in the Trust Deed irrevocably submitted to the jurisdiction of such courts.

(c) Service of Process: Each of the Issuer and the Guarantor that is not incorporated in [England][1] [Singapore][2] has in the Trust Deed irrevocably appointed an agent in [England][1] [Singapore][2] to receive, for it and on its behalf, service of process in any Proceedings in [England][1] [Singapore][2].

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1 Include for Notes governed by English law.

2 Include for Notes governed by Singapore law.

SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM

1 Initial Issue of Notes

Global Notes and Global Certificates may be delivered on or prior to the original issue date of the Tranche to a Common Depositary (as defined below) and CDP.

Upon the initial deposit of a Global Note with a common depositary for Euroclear and Clearstream (the "**Common Depositary**"), CDP, or registration of Registered Notes in the name of (i) any nominee for the Common Depositary and/or (ii) CDP, the relevant clearing system will credit each subscriber with a principal amount of Notes equal to the principal amount thereof for which it has subscribed and paid.

Notes that are initially deposited with the Common Depositary may also be credited to the accounts of subscribers with (if indicated in the relevant Pricing Supplement) other clearing systems through direct or indirect accounts with Euroclear and Clearstream held by such other clearing systems. Conversely, Notes that are initially deposited with any other clearing system may similarly be credited to the accounts of subscribers with Euroclear, Clearstream or other clearing systems.

2 Relationship of Accountholders with Clearing Systems

Save as provided in the following paragraph, each of the persons shown in the records of Euroclear, Clearstream, CDP or any other clearing system (each an "**Alternative Clearing System**") as the holder of a Note represented by a Global Note or a Global Certificate must look solely to Euroclear, Clearstream, CDP or such Alternative Clearing System (as the case may be) for his share of each payment made by the relevant Issuer or the Guarantor to the bearer of such Global Note or the holder of the underlying Registered Notes, as the case may be, and in relation to all other rights arising under the Global Notes or Global Certificates, subject to and in accordance with the respective rules and procedures of Euroclear, Clearstream, CDP or such Alternative Clearing System (as the case may be). Such persons shall have no claim directly against the relevant Issuer or the Guarantor in respect of payments due on the Notes for so long as the Notes are represented by such Global Note or Global Certificate and such obligations of the relevant Issuer and the Guarantor will be discharged by payment to the bearer of such Global Note or the holder of the underlying Registered Notes, as the case may be, in respect of each amount so paid.

3 Exchange

3.1 Temporary Global Notes

Each Temporary Global Note will be exchangeable, free of charge to the holder, on or after its Exchange Date:

(i) if the relevant Pricing Supplement indicates that such Global Note is issued in compliance with TEFRA C or in a transaction to which TEFRA is not applicable (as to which, see "*Overview of the Programme—Selling Restrictions*"), in whole, but not in part, for the Definitive Notes defined and described below; and

(ii) otherwise, in whole or in part upon certification as to non-U.S. beneficial ownership in the form set out in the Agency Agreement for interests in a Permanent Global Note or, if so provided in the relevant Pricing Supplement, for Definitive Notes.

3.2 Permanent Global Notes

Each Permanent Global Note will be exchangeable, free of charge to the holder, on or after its Exchange Date in whole but not, except as provided under paragraph 3.4 below, in part for Definitive Notes:

(i) if the Permanent Global Note is held on behalf of Euroclear or Clearstream or an Alternative Clearing System and any such clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or in fact does so; or

(ii) if the Permanent Global Note is cleared through the CDP System (as defined in "*Clearance and Settlement—CDP*") and (a) an Event of Default (as defined in the Terms and Conditions of the Notes) has occurred and is continuing, (b) CDP has closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise), (c) CDP has announced an intention to permanently cease business and no alternative clearing system is available or (d) CDP has notified the relevant Issuer that it is unable or unwilling to act as depository for the Notes and to continue performing its duties as set out in the depository agreement made between the relevant Issuer and CDP and no alternative clearing system is available.

In the event that a Global Note is exchanged for Definitive Notes, such Definitive Notes shall be issued in Specified Denomination(s) only. A Noteholder who holds a principal amount of less than the minimum Specified Denomination will not receive a definitive Note in respect of such holding and would need to purchase a principal amount of Notes such that it holds an amount equal to one or more Specified Denominations.

3.3 Global Certificates

If the Pricing Supplement states that the Notes are to be represented by a Global Certificate on issue, the following will apply in respect of transfers of Notes held in Euroclear or Clearstream, CDP or an Alternative Clearing System. These provisions will not prevent the trading of interests in the Notes within a clearing system whilst they are held on behalf of such clearing system but will limit the circumstances in which the Notes may be withdrawn from the relevant clearing system.

Transfers of the holding of Notes represented by any Global Certificate pursuant to Condition 2(b) may only be made:

(i) if the Global Certificate is cleared through Euroclear and/or Clearstream, if the relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so; or

(ii) if the Global Certificate is cleared through CDP and:

  (a) an Event of Default has occurred and is continuing; or

  (b) CDP has closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise); or

  (c) CDP has announced an intention to permanently cease business and no alternative clearing system is available; or

(d) CDP has notified the relevant Issuer that it is unable or unwilling to act as depository for the Notes and to continue performing its duties as set out in the depository agreement made between the relevant Issuer and CDP and no alternative clearing system is available,

provided that, in the case of the first transfer of part of a holding pursuant to paragraph 3.3(i) above, the Registered Holder has given the Registrar not less than 30 days' notice at its specified office of the Registered Holder's intention to effect such transfer.

3.4 Partial Exchange of Permanent Global Notes

For so long as a Permanent Global Note is held on behalf of a clearing system and the rules of that clearing system permit, such Permanent Global Note will be exchangeable in part on one or more occasions for Definitive Notes if so provided in, and in accordance with, the Conditions (which will be set out in the relevant Pricing Supplement) relating to Partly Paid Notes.

3.5 Delivery of Notes

On or after any due date for exchange the holder of a Global Note may surrender such Global Note or, in the case of a partial exchange, present it for endorsement to or to the order of the Issuing and Paying Agent. In exchange for any Global Note, or the part thereof to be exchanged, the relevant Issuer will (i) in the case of a Temporary Global Note exchangeable for a Permanent Global Note, deliver, or procure the delivery of, a Permanent Global Note in an aggregate principal amount equal to that of the whole or that part of a Temporary Global Note that is being exchanged or, in the case of a subsequent exchange, endorse, or procure the endorsement of, a Permanent Global Note to reflect such exchange or (ii) in the case of a Global Note exchangeable for Definitive Notes, deliver, or procure the delivery of, an equal aggregate principal amount of duly executed and authenticated Definitive Notes. In this Offering Circular, "**Definitive Notes**" means, in relation to any Global Notes, the definitive Bearer Notes for which such Global Note may be exchanged (if appropriate, having attached to them all Coupons and Receipts in respect of interest that have not already been paid on the Global Note and a Talon). Definitive Notes will be security printed in accordance with any applicable legal and stock exchange requirements in or substantially in the form set out in the Schedules to the Trust Deed. On exchange in full of each Permanent Global Note, the relevant Issuer will, if the holder so requests, procure that it is cancelled and returned to the holder together with the relevant Definitive Notes.

3.6 Exchange Date

"**Exchange Date**" means, in relation to a Temporary Global Note, the day falling after the expiry of 40 days after its issue date and, in relation to a Permanent Global Note, a day falling not less than 60 days, or in the case of failure to pay principal in respect of any Notes when due 30 days, after that on which the notice requiring exchange is given and on which banks are open for business in the city in which the specified office of the Issuing and Paying Agent is located and in the city in which the relevant clearing system is located.

4 Amendment to Conditions

The Temporary Global Notes, Permanent Global Notes and Global Certificates contain provisions that apply to the Notes that they represent, some of which modify the effect of the terms and conditions of the Notes set out in this Offering Circular. The following is a summary of certain of those provisions:

4.1 Payments

No payment falling due after the Exchange Date will be made on any Global Note unless exchange for an interest in a Permanent Global Note or for Definitive Notes is improperly withheld or refused. Payments on any Temporary Global Note issued in compliance with TEFRA D before the Exchange Date will only be made against presentation of certification as to non-U.S. beneficial ownership in the form set out in the Agency Agreement. All payments in respect of Notes represented by a Global Note will be made against presentation for endorsement and, if no further payment falls to be made in respect of the Notes, surrender of that Global Note to or to the order of the Issuing and Paying Agent or such other Paying Agent as shall have been notified to the Noteholders for such purpose. A record of each payment so made will be endorsed on each Global Note, which endorsement will be *prima facie* evidence that such payment has been made in respect of the Notes. All payments in respect of Notes represented by a Global Certificate held through CDP will be made to, or to the order of, the person whose name is entered on the Register at the close of business on the fifth business day before the due date for payment.

For the purpose of any payments made in respect of a Global Note, the relevant place of presentation (if applicable) shall be disregarded in the definition of "**business day**" set out in Condition 5(d) of the Terms and Conditions of the Notes.

All payments in respect of Notes represented by a Global Certificate (other than a Global Certificate held through CDP) will be made to, or to the order of, the person whose name is entered on the Register at the close of business on the record date which shall be the Clearing System Business Day immediately prior to the date for payment, where "**Clearing System Business Day**" means Monday to Friday inclusive except 25 December and 1 January.

4.2 Prescription

Claims against the relevant Issuer in respect of Notes that are represented by a Permanent Global Note will become void unless it is presented for payment within a period of 10 years (in the case of principal) and five years (in the case of interest) from the appropriate Relevant Date (as defined in Condition 8 of the Terms and Conditions of the Notes).

4.3 Meetings

The holder of a Permanent Global Note or of the Notes represented by a Global Certificate shall (unless such Permanent Global Note or Global Certificate represents only one Note) be treated as being two persons for the purposes of any quorum requirements of a meeting of Noteholders and, at any such meeting, the holder of a Permanent Global Note or of the Notes represented by a Global Certificate shall be treated as having one vote in respect of each integral currency unit of the Relevant Currency of the Notes. All holders of Registered Notes are entitled to one vote in respect of each integral currency unit of the Relevant Currency of the Notes comprising such Noteholder's holding, whether or not represented by a Global Certificate.

4.4 Cancellation

Cancellation of any Note represented by a Permanent Global Note that is required by the Conditions to be cancelled (other than upon its redemption) will be effected by reduction in the principal amount of the relevant Permanent Global Note or its presentation to or to the order of the Issuing and Paying Agent for endorsement in the relevant schedule of such Permanent Global Note or in the case of a Global Certificate, by reduction in the aggregate principal amount of the Certificates in the Register, whereupon the principal amount thereof shall be reduced for all purposes by the amount so cancelled and endorsed.

4.5 Purchase

Notes represented by a Permanent Global Note may only be purchased by the relevant Issuer, the Guarantor or any of their respective subsidiaries if they are purchased together with the rights to receive all future payments of interest and Instalment Amounts (if any) thereon.

4.6 Issuer's Option

Any option of the relevant Issuer provided for in the Terms and Conditions of the Notes while the relevant Notes are represented by a Permanent Global Note shall be exercised by the relevant Issuer giving notice to the Noteholders within the time limits set out in and containing the information required by the Conditions, except that the notice shall not be required to contain the serial numbers of Notes drawn in the case of a partial exercise of an option and accordingly no drawing of Notes shall be required. In the event of a partial redemption of Notes of any Series, Notes will be redeemed *pro rata* and the Calculation Amount of the Notes shall be determined in accordance with the standard procedures of Euroclear and Clearstream or CDP or any other clearing system (as the case may be) and the rights of accountholders with a clearing system in respect of the Notes will be governed by the standard procedures of such clearing system.

4.7 Noteholders' Options

Any option of the Noteholders provided for in the Terms and Conditions of the Notes while the relevant Notes are represented by a Permanent Global Note may be exercised by the holder of the Permanent Global Note giving notice to the Issuing and Paying Agent within the time limits relating to the deposit of Notes with a Paying Agent set out in the Terms and Conditions of the Notes substantially in the form of the notice available from any Paying Agent, except that the notice shall not be required to contain the serial numbers of the Notes in respect of which the option has been exercised and the option may be exercised in respect of the whole or any part of such Permanent Global Note, and stating the principal amount of Notes in respect of which the option is exercised and at the same time presenting the Permanent Global Note to the Issuing and Paying Agent, or to a Paying Agent acting on behalf of the Issuing and Paying Agent, for notation. Any option of the Noteholders provided for in the Terms and Conditions of the Notes while the relevant Notes are represented by a permanent Global Certificate may be exercised in respect of the whole or any part of the holding of Notes represented by such Global Certificate.

4.8 Trustee's Powers

In considering the interests of Noteholders while any Global Note is held on behalf of, or Registered Notes are registered in the name of any nominee for, a clearing system, the Trustee may have regard to any information provided to it by such clearing system or its operator as to the identity (either individually or by category) of its accountholders with entitlements to such Global Note or Registered Notes and may consider such interests as if such accountholders were the holders of the Notes represented by such Global Note or Global Certificate.

4.9 Notices

So long as any Notes are represented by a Global Note or a Global Certificate and such Global Note or Global Certificate is held on behalf of:

(i) Euroclear and/or Clearstream or any other clearing system (except as provided in (ii) and below of this paragraph 4.9), notices to the holders of Notes of that Series may be given by delivery of the relevant notice to that clearing system for communication by it to entitled accountholders in substitution for publication as required by the Terms and Conditions of the Notes or by delivery of the relevant notice to the holder of the Global Note or Global Certificate; or

(ii) CDP, subject to the agreement of CDP, notices to the holders of Notes of that Series may be given by delivery of the relevant notice to CDP for communication by it to entitled accountholders in substitution for publication as required by the Terms and Conditions of the Notes or by delivery of the relevant notice to the holder of the Global Note or Global Certificate.

USE OF PROCEEDS

The relevant Issuer intends to on-lend and/or pay and/or advance the net proceeds from each issue of the Notes under the Programme to the Guarantor and/or its subsidiaries. Such net proceeds are presently intended to be used for, including but not limited to, the capital expenditure, working capital requirements, refinancing of existing borrowings and/or general corporate purposes of the Group. If, in respect of any particular issue, there is a particular identified use of proceeds, this will be stated in the applicable Pricing Supplement.

CAPITALISATION AND INDEBTEDNESS

The table below sets forth the consolidated capitalisation and indebtedness of the Guarantor as at 30 June 2022.

	As at 30 June 2022
	(RM'000)
Cash and cash equivalents	2,351,084
Borrowings	
Current	13,485,923
Non-current	3,330,735
Total Borrowings	**16,816,658**
Equity	
Share capital	18,514,233
Reserves	145,885
Retained earnings	10,232,646
Reorganisation debit balance	(8,440,152)
Non-controlling interests	157,958
Total Equity	**20,610,570**
Total Capitalisation[(1)]	**37,427,228**

Note:

(1) Total capitalisation equals total borrowings plus total equity.

Subsequent to the financial year, the Group obtained approval for extensions of up to 12 to 18 months for the following short term borrowings SGD3.9 billion (RM12.1 billion):

(a) Boulevard Development Pte Ltd ("**BDPL**"), a wholly-owned subsidiary of the Guarantor of SGD1.3 billion (RM4.0 billion);

(b) Boulevard Midtown Pte Ltd ("**BMPL**"), a wholly-owned subsidiary of the Guarantor of SGD469.0 million (RM1.5 billion);

(c) Wealthy Link Pte Ltd ("**WLPL**"), a wholly-owned subsidiary of the Guarantor of SGD1.7 billion (RM5.3 billion); and

(d) Novel Vortex Ltd, a wholly-owned subsidiary of the Guarantor of SGD404.7 million (RM1.3 billion).

Subsequent to the financial year:

(a) the Group made partial repayments of SGD 77.1 million and SGD28.5 (approximately to RM245.3 million and RM90.9 million) to the term loan of SGD1.8 billion under BDPL and BMPL respectively;

(b) WLPL withdrew a total amount of SGD35.3 million (approximately RM112.2 million) from its Term Loan Facility B of SGD 578 million; and

(c) the Group recognised total foreign currency translation differences of RM175.3 million arising from the foreign currency borrowings.

Except as disclosed in this Offering Circular, there have been no material changes to the Guarantor's capitalisation since 30 June 2022.

DESCRIPTION OF PROGRESSIVE VIEW PTE. LTD.

GENERAL

Progressive View Pte. Ltd. is a private company incorporated on 2 June 2017 with limited liability under the laws of Singapore. The registered office of Progressive View Pte. Ltd. is located at 38 Beach Road, #34-11 South Beach Tower, Singapore 189767. Progressive View Pte. Ltd. is a wholly-owned subsidiary of the Guarantor.

BUSINESS ACTIVITY

The principal activity of Progressive View Pte. Ltd. is that of investment holding.

MANAGEMENT

As at the date of this Offering Circular, the directors of Progressive View Pte. Ltd. are as follows:

Name

Name	Business Address
Lee Yeow Seng	Level 29, IOI City Tower 2, Lebuh IRC, IOI Resort City, 62502 Putrajaya, Wilayah Persekutuan (Putrajaya), Malaysia
Voon Tin Yow	Level 29, IOI City Tower 2, Lebuh IRC, IOI Resort City, 62502 Putrajaya, Wilayah Persekutuan (Putrajaya), Malaysia
Lee Yean Pin (Li Yan Ping)	38 Beach Road, #34-11 South Beach Tower, Singapore 189767

CAPITALISATION

As at the date of this Offering Circular, the issued share capital of Progressive View Pte. Ltd. is 650,000 ordinary shares at an issue price of S$1.00 each and 100,000 redeemable preference shares ("**RPS**") at an issue price of S$1.00 each. The issued ordinary shares and RPS in the capital of Progressive View Pte. Ltd. are held by the Guarantor.

DESCRIPTION OF THE GROUP

OVERVIEW

The Group is one of the leading property developers in Malaysia with a proven track record spanning more than four decades in the property related industry. The Company was first converted into a public limited company on 4 June 2013, and was subsequently listed on the Main Market of Bursa Malaysia on 15 January 2014.

The Group has three principal business segments, being property development, property investment and hospitality and leisure.

The Group's property development operations are responsible for the successful development of comprehensive self-contained suburban developments along high-growth corridors in the Klang Valley, Southern Johor and Penang island in Malaysia. Emerging developments in Bangi, Sepang and Bahau, Negeri Sembilan are currently being developed to cater to rising demand in these prime locations.

The Group ventured into property development in Singapore in 2007 and has completed five projects in Singapore including high-end residential and integrated mixed developments. This includes the luxury condominium developments of Seascape and Cape Royale in Sentosa Cove and the award-winning South Beach project. The Group is currently developing a Grade A office development known as IOI Central Boulevard Towers in Central Boulevard, which is located within the Marina Bay financial and business district. In December 2021, the Group completed the acquisition of a parcel of leasehold land close to IOI Central Boulevard Towers measuring approximately 7,817.6 square metres at Marina View. Its proximity to development and amenities such as Marina One, One Raffles Quay, Asia Square, Singapore Conference Hall, Marina Bay Sands and Marina Centre as well as various cultural, recreational and entertainment offerings makes it a strategic site for mixed-use development.

In 2010, the Group expanded its property footprint into Xiamen, People's Republic of China (the "**PRC**") and completed its maiden project, IOI Park Bay, a mixed-use development in 2015. Since then, the Group has embarked on two other property developments in Xiamen, IOI Palm City and IOI Palm International Parkhouse. IOI Palm City is an integrated project comprising residences, a shopping mall, a hotel and offices. The residences and shopping mall portions of the project have been completed while construction of the hotel and offices are on-going and is anticipated to be completed in FY2023. IOI Mall Xiamen commenced operations in October 2021, while IOI Palm International Parkhouse, a mixed-use development in Xiang An comprising condominiums, town villas and commercial units was completed in FY2022.

As at 30 June 2022, the Group had approximately 9,000 acres of development landbank, with close to 9,000 acres in Malaysia, approximately 2 acres in Singapore and 1 acre in Xiamen, PRC.

The Group's property investment portfolio comprises mainly retail and office space, with an approximate total net lettable area ("**NLA**") of 6.7 million square feet ("**sq ft**") as at 30 June 2022. Its principal investment properties include shopping malls such as IOI City Mall, IOI Mall Puchong and IOI Mall Kulai in Malaysia, and IOI Mall Xiamen in the PRC, and offices such as IOI City Towers, One & Two IOI Square, Puchong Financial Corporate Centre and Conezion in Malaysia. IOI City Mall Phase 2 with an NLA of approximately 1.0 million sq ft commenced operations in August 2022. With this new addition, the Group believes IOI City Mall is positioned as one of the largest malls in Malaysia with a combined NLA of approximately 2.5 million sq ft (approximately 1.5 million sq ft for Phase 1 and one million sq ft for Phase 2).

The Group's hospitality and leisure business comprises the management of hotels in Malaysia and Singapore, the management of golf courses in Malaysia and the management of adventure parks in both IOI City Mall and IOI Mall Xiamen, as well as a skating rink in IOI City Mall. Hotels and golf courses managed by the Group include the five-star Le Meridien Putrajaya and Putrajaya Marriott hotels, the four-star Palm Garden (the first Tribute Portfolio hotel in Malaysia under the Marriott brand) and Four Points by Sheraton Puchong hotels, Palm Garden Golf Club and IOI Palm Villa Golf and Country Resort in Malaysia, as well as the five-star JW Marriott Hotel Singapore South Beach in Singapore (via a joint venture with City Developments Limited). In the near term, the Group anticipates the addition of new hotels to its current portfolio of hospitality assets, including Moxy Putrajaya in IOI Resort City, Malaysia and Sheraton Grand in Xiamen, PRC. Moxy Putrajaya is a millennial-focused 495-room hotel and the first Moxy hotel in Malaysia. Moxy is Marriott International Inc's innovative brand of stylish and affordable service and accommodation, targeted at the younger millennial market segment while Sheraton Grand is positioned as a five-star rated hotel. Both hotels will be managed by Marriott International Inc. In addition, plans are underway for a hotel to be developed on the Marina View land parcel. The inclusion of these three new hotels will increase the number of hotels owned by the Group to seven, offering a total of more than 2,000 keys.

An overview of the Group's key milestones is set out below:

1984 – 1999

- Ventured into property development
- Launched Taman Mayang in Petaling Jaya
- Launched Bandar Puchong Jaya, 930-acre township development in Puchong
- Launched Bandar Putra Kulai (6,500-acre) and Bandar IOI Segamat (495-acre) development in Johor IOI Mall in Bandar Puchong Jaya commenced operations
- Launched Bandar Puteri Puchong, 930-acre development in Puchong

2007 – 2009

- Successful tender of land with Ho Bee Investments for luxury condominium development in Singapore (Seascape and Cape Royale, at Sentosa Cove)
- Launched Taman Kempas Utama, 294-acre development in Johor
- Acquired land in Farrer Park, Singapore (Cityscape condominium)

2010 – 2014

- Launched 16 Sierra, 535-acre development in Puchong South
- First venture in Xiamen, PRC (IOI Park Bay)
- Joint venture with City Development Limited for integrated development in Singapore ("South Beach")
- Successful tender of land in Singapore (Trilinq condominium)
- Second venture in Xiamen, PRC (IOI Palm City)
- Following a demerger exercise from IOI Corporation Berhad, IOIPG was listed on Bursa Malaysia on 15 January 2014
- Opening of IOI City Mall, IOI Resort City

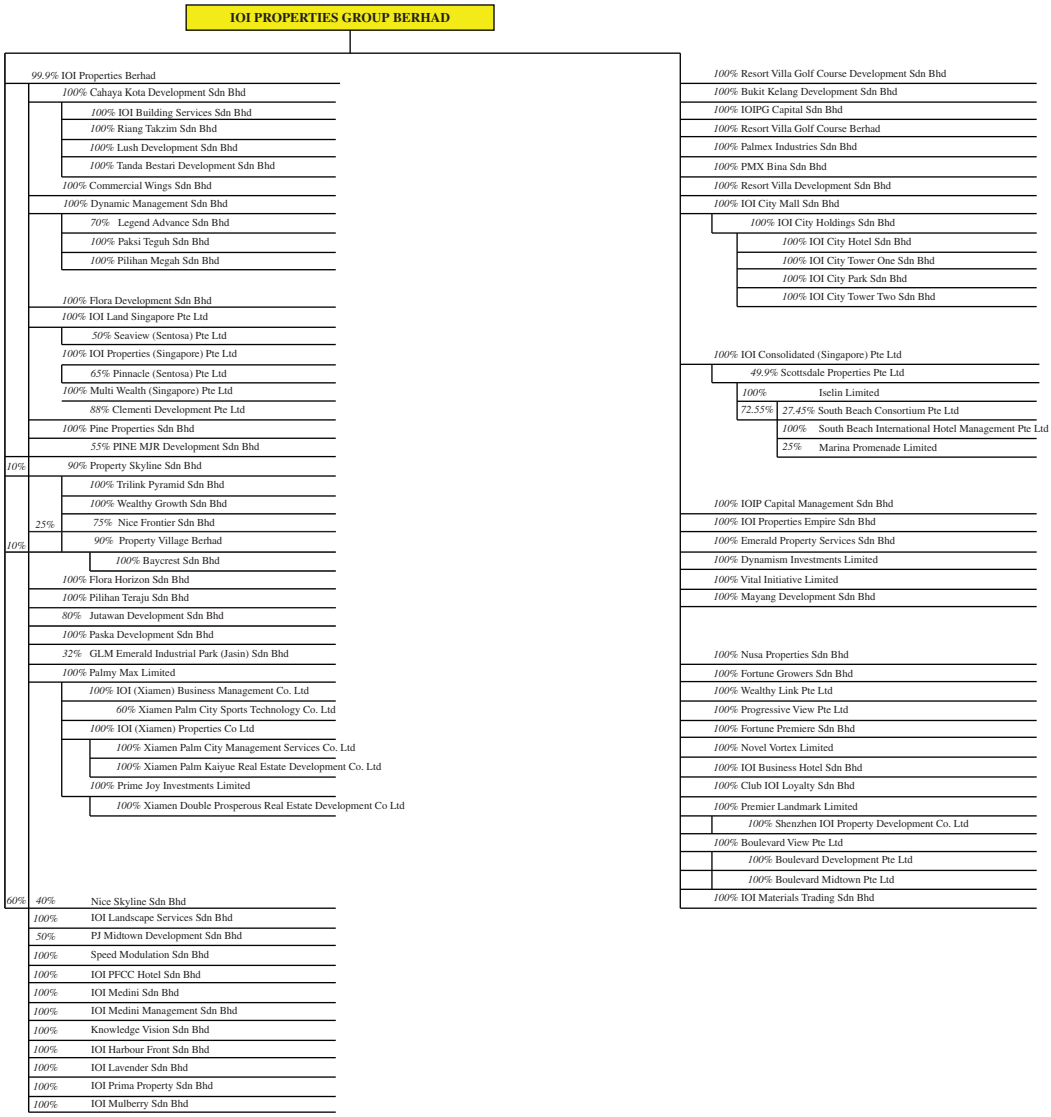
2015 – 2022

- Launched Bandar Puteri Bangi, 323-acre development in BangiSouth Beach Office Tower commenced operations
- Launched Warisan Puteri, 206-acre development in Sepang
- Acquired 400-acre land within IOI Resort City
- Launched Conezion, first integrated development within IOI Resort City
- Completion of IOI City Towers, IOI Resort City
- Acquired 323-acre land (Poh Ann estates) in Selangor
- Opening of 5-star Le Meridien Putrajaya hotel
- Third venture into Xiamen, PRC (Xiang An land)
- Successful tender of land for office development in Central Boulevard, Singapore
- Completion of South Beach Avenue (retail) and South Beach residences
- Opening of 5-star JW Marriott Hotel Singapore South Beach
- Joint development with MJR Investment Pte Ltd for luxury condominium development in IOI Resort City
- IOI City Mall Phase 2 and IOI Mall Xiamen commenced operations
- Successful tender and completion of acquisition of Marina View land for mixed development in Singapore

The following map shows the Group's presence across various geographical markets:



As at the date of this Offering Circular, the Group is structured as follows:



COMPETITIVE STRENGTHS

The Group believes that it benefits from the following competitive strengths:

Established property developer with proven track record, strong brand recognition and market reputation

The Group is one of the leading property developers in Malaysia with a visible market presence in Malaysia, Singapore and Xiamen, PRC. Over the years, it has established a reputation as an experienced and reliable property developer across the residential, retail, commercial and hospitality sectors. The Group is one of the top property developers with a track record spanning more than four decades in the property-related industry in Malaysia, and has successfully developed integrated developments along high-growth corridors in the Klang Valley, Southern Johor and Penang island in Malaysia. The Group's flagship project of Bandar Puchong Jaya is an integrated development which is also home to its first mall, IOI Mall Puchong. Emulating the success of Bandar Puchong Jaya, Bandar Puteri Puchong was launched several years later. These developments are synonymous with the rapid transformation of Puchong over the past two decades, and are now established developments with thriving commercial hubs complemented by amenities and transportation facilities. Since then, the Group has launched several other developments across Malaysia, including IOI Resort City, 16 Sierra, Bandar Puteri Bangi, Warisan Puteri in Sepang and

Bandar Putra Kulai, among others. The Group's experience in the property industry enables it to undertake large-scale integrated developments that other companies without such expertise may have difficulty undertaking. As at 30 June 2022, the Group had a stable development pipeline with a total active and inactive land bank of approximately 9,000 acres, of which active developments totalled close to 5,300 acres. The Group plans to continue to launch new developments including condominiums, service apartments, terrace houses, townhouses and commercial units within its integrated developments in Malaysia and developments in Singapore and Xiamen, PRC.

In Singapore, the Group has completed five projects including high-end residential and integrated mixed developments. The Group partnered with City Developments Limited for the award-winning South Beach project, an integrated development comprising residences, office and retail space and a hotel on a land area of about 376,000 sq ft, located at Beach Road, Singapore. The Group is currently undertaking construction of its first office development, IOI Central Boulevard Towers while plans are currently underway for the development of residential units at Marina View in Singapore which are anticipated to be launched in the near term.

The Group has built its "**IOI Properties**" brand through consistently delivering quality products on a timely basis. It strives to deliver excellence in its products and services, and has received many awards over the years, some of which are detailed in the table below.

Financial Year	**Awards**
FY2020	Top Ten Property Developer Award at The Edge Malaysia Property Excellence Awards 2019
	ASEAN Property Developer Awards 2019/2020 IOIPG—Best Developer The Cruise Residence in Bandar Puteri Puchong- Best Modern Living Development
	Top 5 Most Attractive Employer in Real Estate/Property category at the Graduates' Choice Award 2019
	Special Recognition for Land Use and Biodiversity at the Sustainable Business Awards Malaysia 2019
FY2021	Top 10 Property Developers Award at The Edge Property Excellence Awards 2020
	IOIPG—One of Malaysia's Most Attractive Graduate Employers to Work For in 2021 at Graduates' Choice Award (Top 3 in the Property Developer category)
	Special Award on Sustainable Development Goals (SDGs) at Malaysia Green Building Council Leadership in Sustainability Awards 2020
	iProperty Community CSR Award at the iProperty Development Excellence Awards ("iDEA") 2020

Financial Year	Awards
FY2022	Top Ten Developers in BCI Asia Awards 2020/2021
	Company of the Year Award for Excellence in Community & COVID-19 Support at the Sustainability & CSR Malaysia Awards 2021
	Top 10 Property Developers Award at The Edge Property Excellence Awards 2021
	IOIPG: StarProperty Awards 2022—Real Estate Developer —StarProperty All-Stars Award —StarProperty The Family-Friendly Award (Landed) Beyond Greater KL, Honours — StarProperty The Starter Home Award (Landed), Honours
	Most Preferred Graduate Employers at the Graduates' Choice Awards 2021 —IOIPG: Ranked #3 in the Property Developer category —IOI City Mall: Ranked #5 in the Shopping Malls category

Access to an extensive and strategically located landbank

The Group is able to leverage on its sizeable landbank of approximately 9,000 acres as at 30 June 2022 spread across Malaysia, Singapore and Xiamen, PRC.

Access to strategically located parcels of land allows the Group to undertake sustainable developments with thriving commercial hubs, good transportation infrastructure and close proximity to a range of amenities, which the Group foresees will have significant potential over both the short and long term. For example, the Group's established developments in Puchong are well connected to infrastructure networks and transportation facilities such as highways and light rapid transit ("**LRT**") services with access to amenities and conveniences in IOI Mall Puchong. A mass rapid transit ("**MRT**") station located within the 16 Sierra development which is expected to commence operations by 2023, is anticipated to benefit existing residences as well as future development projects. Similarly, the Bandar Putra Kulai development in Johor is strategically located with access to highways, and is both in close proximity to the Senai International Airport and within a 35km radius to Johor Bahru and the Woodlands checkpoint in Singapore. The development is also close to IOI Mall Kulai and IOI Palm Villa Golf & Country Resort as well as educational, recreational and medical facilities. In the PRC, the Group's developments are located in Xiamen, the largest city and a main commercial hub in the Fujian province, which boasts one of the busiest ports in the PRC. Xiamen is well connected to infrastructure networks and road, rail and air transportation, linking Xiamen to other major cities within the Fujian province, Guangzhou and Shenzhen. Xiamen's Gaoqi International Airport located on Xiamen island, is a main air hub in the eastern part of the PRC with flights to domestic and international destinations. Overall, Xiamen's ideal location makes it an attractive economic hub.

The Marina View land parcel is located within the Marina Bay area, which is Singapore's major financial and business district. Marina View is situated close to the Group's IOI Central Boulevard Towers office development and other developments and amenities such as Marina One, One Raffles Quay, Asia Square, Singapore Conference Hall, Marina Bay Sands and Marina Centre as well as various cultural, recreational and entertainment offerings. This area is well-supported by transportation networks, including MRT lines, which makes it a strategic site for a mixed-used development.

The Group is committed to unlocking the long-term value of its large landbank, by developing properties in strategic locations with good infrastructure networks and transportation facilities across the region. The choice location of its developments is expected to continue to drive demand for its properties, and enable it to deliver long-term value and returns to its customers and stakeholders.

Ability to cater to the changing needs of target buyers

The Group's experience and expertise in the property-related industry in Malaysia and overseas allow it to keep abreast of market trends in the property-related industry, and to better cater to the requirements of its target consumers by introducing new designs and lifestyle themes for its property developments.

In Malaysia, the Group's experience in integrated developments enables it to launch a range of products that cater to different market segments. It also recognised the need for homes at attractive price points, and made a strategic decision to build quality homes that are easily accessible and within range of various facilities and amenities. The Group remains sensitive to consumer feedback, and in response to the growing environmental awareness amongst consumers, adopts environmentally-friendly design plans and features in its property developments where feasible, to reduce carbon footprint and encourage efficient use of utilities and resources by harnessing natural lighting and ventilation.

In the property investment and hospitality and leisure business segments, the Group adapts to consumer spending patterns and market trends, in order to best position its shopping malls, hotels and golf courses as preferred venues of choice, as well as construct investment properties and hospitality assets which best complement its existing developments. For example, in IOI Resort City, which attracts a population base in the southern Klang Valley area, leisure and business clientele have convenient access to shopping, accommodation and other amenities such as IOI City Mall, four to five-star hotels and an award-winning golf course. To capitalise on the healthy occupancy and strong footfall in IOI City Mall, IOI City Mall Phase 2 has commenced business on 25 August 2022. The new mall has added about 1.0 million sq ft of NLA to the existing 1.5 million sq ft of NLA, which the Group believes positions IOI City Mall as one of the largest retail malls in Malaysia with a total NLA of approximately 2.5 million sq ft. Meanwhile, the construction of Moxy Putrajaya, the first Moxy hotel in Malaysia targeted at the younger millennial market segment is in progress. In Xiamen, PRC, the Group's first investment property in IOI Palm City comprises a retail mall, offices and a hotel, which complements its existing residential developments there. IOI Mall Xiamen commenced operations in October 2021. The lifestyle concept mall offers approximately 639,000 sq ft of NLA. Construction of the hotel and offices is in progress. The Sheraton Grand hotel will be positioned as a five-star 370-room hotel, while the offices will add about 371,000 sq ft to the Group's investment properties portfolio.

Diversified product portfolio and business

As an established property developer of integrated developments, the Group has the flexibility to offer different products for different market segments.

For instance, the Group has launched condominiums/service apartments in the Klang Valley such as Clio 2 Residences in IOI Resort City, Palmyra Residence in Bandar Puteri Bangi and Alanis in Warisan Puteri in Sepang, as well as single-storey and double-storey terrace houses in Johor such as Verana and Celeste, in Bandar Putra Kulai. These projects are located close to amenities and conveniences, and priced at an attractive price range. The availability of LRT services in its established development in Puchong enabled the Group to introduce transit-oriented developments such as Stellar Suites (office suites and retail shops) which are located just 50 metres from the Bandar Puteri LRT station. The Group also has successful development projects overseas such as the South Beach Residences luxury condominiums which have been fully sold. For the IOI Palm City project, the Group has launched condominiums and villas that have achieved healthy take-up rates. For both our IOI Palm City and IOI Palm International Parkhouse projects, we have developments comprising condominiums, town and link villas and shop units that can be launched in the future.

Additionally, the Group's diversified portfolio makes it more resilient to cyclical downturns in any one particular property sector. For example, in the property development sector, the Group's matured and established developments in Puchong, IOI Resort City and Johor are less susceptible to fluctuations in demand for residential properties, since they have already achieved a critical mass owing to their prime location and proximity to amenities, commercial hubs and established transportation infrastructure. In the

property investment and hospitality and leisure sectors, the Group's portfolio of properties provides it with a recurring income stream from diverse sources. The Group further expects contributions from these properties to grow, due to the increase in NLA from the addition of new investment properties and two new hotels to its portfolio. In addition, the Group's hospitality and leisure assets complement its integrated developments, and enhance the value of its residential and commercial properties within these integrated developments. Please refer to "*Description of the Group—Business Segments—Property Investment*" and "*Description of the Group—Business Segments—Hospitality and Leisure*" for more information on the Group's upcoming projects.

Size and scale of the Group

The Group is one the largest property developers in Malaysia in terms of landbank size, with multiple on-going development projects in Malaysia, Singapore and Xiamen, PRC.

As at 30 June 2022, the Group had cash and cash equivalents of RM2.4 billion and a net asset value per share of RM3.7. Due to its size and strong financial position, the Group is able to undertake large scale development projects. To date, it has demonstrated financial resilience and continued to deliver quality properties on a timely basis. Please refer to "*Description of the Group—Business Segments—Property Development*", "*Description of the Group—Business Segments—Property Investment*" and "*Description of the Group—Business Segments—Hospitality and Leisure*" below for more information on the Group's major ongoing and upcoming projects as at the date of this Offering Circular.

Experienced and dedicated management team

The Group's directors have experience in the property business. They are supported by an experienced management team with a good track record in the property business. Both the board and the management teams have the expertise, skills and knowledge to continue to grow and expand the Group's property business.

The Group's directors and key management team have a proven track record for strong leadership and consistent performance, combining entrepreneurial drive with financial and managerial prudence. The management's expertise and understanding of market trends in the countries in which the Group operates has enabled the Group to identify significant development opportunities in prime locations, thereby putting the Group in a good position to benefit from ensuing market growth.

BUSINESS STRATEGIES

The Group's vision of being a trusted brand is driven by efforts to sustain a consistent delivery of innovative and high-quality products and a high standard of services.

The Group is committed to delivering sustainable long-term returns with its portfolio of property developments and prime property assets. The Group's key business strategies focused on achieving sustainable growth and profitability are as follows:

Continue to pursue the Group's core expertise in integrated developments

The Group will continue developing its existing integrated developments in the Klang Valley such as Bandar Puteri Puchong, 16 Sierra, Bandar Puteri Bangi, Warisan Puteri in Sepang as well as Bandar Putra Kulai and Taman Lagenda Putra in Johor. These developments have already achieved critical mass and are more resilient to cyclical downturns in the property market due to their prime locations near amenities, commercial hubs and established transportation infrastructure. Properties within integrated developments with good connectivity have become more relevant especially in today's context with remote working options. Integrated developments also provide flexibility for the Group to offer a range of products to suit market demand.

In FY2022, the Group's revenue and segmental operating profit continued to be driven by the Group's property development division, with its development projects in Malaysia contributing about 72% and 64% to revenue and segmental operating profit respectively. The Group plans to continue to launch upcoming projects in its integrated developments such as, amongst others, Bandar Puteri Puchong, 16 Sierra, Bandar Puteri Bangi and Warisan Puteri in Sepang, all within the Klang Valley, and Bandar Putra Kulai and Taman Lagenda Putra in Johor. In addition, an MRT line in 16 Sierra expected to commence operations in 2023 is anticipated to enhance visibility of the Group's properties in the region. Please refer to "*Description of the Group—Business Segments—Property Development*" for further information on the Group's upcoming development projects.

The Group can also offer a range of products for different market segments, including transit-oriented developments that appeal to buyers looking for properties with good transportation facilities. For example, the Group's Stellar Suites is conveniently located 50 metres from Bandar Puteri LRT station in Puchong. Within the Klang Valley, Clio 2 Residences in IOI Resort City, Palmyra Residence in Bandar Puteri Bangi and Alanis in Warisan Puteri in Sepang, were launched at an attractive price range and located close to amenities and conveniences. Gems Residences in IOI Resort City offers homes suitable for multigenerational living with a wellness concept and assisted living features that cater for buyers in the ageing population group.

The Group believes that properties that meet market demand in terms of location, pricing and product type will continue to garner strong buyer interest. The Group believes that transit-oriented developments are expected to deliver long-term value to consumers who seek to live within easy reach of transportation facilities and amenities. The Group also recognises that quality homes at attractive price points, as well as products with a wellness concept and assisted living features, complemented by good locality and easy access to a range of amenities, are strong marketing points for its developments.

Based on its established track record and expertise in integrated developments, as well as its strategically located landbank across prime areas, the Group is better positioned to launch more property developments projects and undertake further improvements and expansions within its developments.

Continue to grow the Group's investment property and hospitality portfolio

The Group has successfully broadened its revenue base through recurring income generated from its malls, offices, hotels and golf courses. The Group will continue to expand its portfolios of investment properties and hospitality assets, to grow contributions from these segments. In FY2022, revenue contribution from the Group's property investment and hospitality and leisure segments increased by 27% and 35% to RM364.2 million and RM113.1 million, respectively, as compared to RM286.7 million and RM83.6 million, respectively, in FY2021. The Group expects more significant contributions from these segments in the future in view of ongoing projects in increasing the Group's NLA and hotel keys. As at 30 June 2022, its existing portfolio of investment properties includes 3.2 million sq ft of NLA for office and 3.5 million sq ft of NLA for retail. With the newly opened IOI City Mall Phase 2 in IOI Resort City, this has added about 1.0 million sq ft of NLA to the Group's retail space. Construction of new offices (i.e., IOI Central Boulevard Towers in Singapore and offices in IOI Palm City) is in progress. The completion of these investment properties is anticipated to contribute a total NLA of approximately 1.7 million sq ft office space. For the Group's hotel operations, the construction of Moxy Putrajaya in IOI Resort City, Malaysia and Sheraton Grand in IOI Palm City, Xiamen are in progress while plans are underway for a hotel to be developed on the Marina View land parcel. The addition of these three new hotels, will bring the total number of hotels owned by the Group to seven, and the total number of hotel keys to more than 2,000. Please refer to "*Description of the Group—Business Segments—Property Investment*" and "*Hospitality and Leisure*" for further information.

With an enlarged investment property and hospitality portfolio, this will position the Group to continue generating earnings and capital growth. The Group will also continue to identify new developments and/or existing properties in Malaysia, Singapore and the PRC for inclusion in its property investment and hospitality portfolio, depending on location and prospects.

Increase the Group's presence in Singapore and the PRC

Despite government property cooling measures in Xiamen, PRC, the Group's view is that increasing urbanisation and commercial development, growing population and rising household income in Xiamen will continue to fuel sustained demand for the Group's properties. Similarly, in Singapore, despite the property cooling measures, it is still generally viewed as a safe haven for property investment. As such, the Group anticipates that, with a recovery in economic and income growth in Singapore, demand for properties is expected to remain healthy. Similarly, in the commercial properties sector, the Group anticipates that rental rates are expected to remain healthy

The Group plans to increase its ventures and projects in Singapore and the PRC, and grow the "**IOI Properties**" brand abroad where opportunities arise, such as the recent acquisition of the Marina View land parcel which was completed in December 2021. The Group believes that expanding overseas will help position it to capitalise on regional growth opportunities.

Seek opportunities to acquire new land to grow the Group's landbank

The Group is committed to seeking opportunities to acquire new and strategically located land sites, either independently or, where opportunities arise through strategic alliances with suitable partners, across multiple geographies in order to grow its landbank. The Group seeks to acquire land located along strategic growth corridors with development and investment potential, which can then be harnessed and realised by the Group's developments in these areas.

Building up the Group's landbank will also better enable it to maintain a robust development pipeline, such that it is well-placed to capitalise on and expand its property development portfolio during favourable market conditions. The Group will therefore continue to explore opportunities to purchase appropriate land sites at commercially acceptable prices.

Diversify geographical risk and reduce over-dependence on one location

The Group has a successful track record of expanding its business into overseas markets so as to extend its geographical network and create a diversified portfolio. Since 2008, the Group has steadily grown its property development and investment business in Singapore and Xiamen, PRC, having completed to date several residential as well as mixed and integrated developments. As at the date of this Offering Circular, the Group is developing IOI Central Boulevard Towers, a Grade A office in Singapore, and a Sheraton Grand hotel and IOI Palm City offices which are part of IOI Palm City, a mixed and integrated development in Xiamen, PRC. In addition, the Group is in the midst of planning a mixed development at the newly acquired Marina View site in Singapore. The Group remains on the lookout for promising new property development and investment opportunities in these countries, and aims to enter into further ventures in both Singapore and the PRC, where opportunities arise. This is aligned with the Group's strategy to diversify its portfolio earnings geographically, so as to reduce over-dependence on any one particular location, and enhance its resilience against economic downturns in any one property market.

Develop products to meet changing market demands and customer preferences

To ensure that its developments remain attractive and relevant to key target consumers, the Group intends to continue developing quality products designed to provide long-term value. This includes incorporating environmentally-friendly design and features that promote a low carbon footprint and support eco-friendly practices and green lifestyles into its developments, where feasible. The Group's ongoing efforts in market research and analysis help it identify trends and potential development opportunities in the locations of the property markets in which it operates. The Group also remains sensitive towards changing consumer preferences and demands, both within and across its various target groups of consumers. The ability to meet changing market demands and customer preferences is key to the success of its business.

For its integrated developments in Malaysia, the Group is in a position to offer a range of products including transit-oriented developments that appeal to consumers seeking to purchase properties with access to good transportation facilities. It can also offer products that cater to those looking for properties located close to amenities, at attractive price points.

In Singapore, the Group's IOI Central Boulevard Towers is designed with two levels of ultra-large floor plate office space, which the Group anticipates will be attractive to major corporations which prefer buildings with open and efficient floor plates. IOI Central Boulevard Towers is positioned to be the workplace of choice for international corporations due to its locality in the Marina Bay financial and business district and with seamless and sheltered connections to MRT stations as well as to neighbouring developments.

BUSINESS SEGMENTS

The Group has three principal business segments, being property development, property investment and hospitality and leisure.

The table below sets forth the breakdown of the revenue generated from each of the Group's business segments for the time periods indicated:

	For the financial year ended 30 June					
	2020		**2021**		**2022**	
	RM'000	*% of total revenue*	*RM'000*	*% of total revenue*	*RM'000*	*% of total revenue*
Revenue from development properties						
—Ongoing Projects[(1)]	1,125,617	53	1,314,763	53	459,670	18
—Completed Projects[(2)]	512,836	24	794,822	32	1,642,245	63
Revenue from investment properties and car park	**320,796**	**15**	**286,690**	**11**	**364,247**	**14**
Revenue from hospitality and leisure	**150,070**	**7**	**83,565**	**3**	**113,094**	**4**
Management Fees	**5,007**	**1**	**6,519**	**1**	**6,999**	**1**
Other[(3)]	**2,020**	**—**	**2,252**	**—**	**4,077**	**—**
Total Revenue	**2,116,346**	**100**	**2,488,611**	**100**	**2,590,332**	**100**

(1) Ongoing projects comprise development projects that have been launched but not completed for the financial years ended 30 June 2020, 2021 and 2022 respectively.

(2) Completed projects comprise development projects that have been issued with the requisite certificate of compliance and completeness or occupation certificate (as the case may be) for the financial years ended 30 June 2020, 2021 and 2022 respectively.

(3) Comprises revenue generated mainly from landscaping services.

The Group's revenue for FY2022 was mainly driven by its property development segment with revenue contribution of RM2,101.9 million, followed by RM364.2 million from property investment, RM113.1 million from hospitality & leisure and RM11.1 million from other operations. In terms of revenue contribution in the property development segment in FY2022, it was largely from projects in the Klang Valley at 49%, the PRC at 28%, Johor at 21% and others (Penang and Negeri Sembilan) at 2%.

The table below sets forth the breakdown of the Group's revenue based on the geographical locations of its projects for the time periods indicated:

	For the financial year ended 30 June					
	2020		2021		2022	
	RM'000	*% of total revenue*	*RM'000*	*% of total revenue*	*RM'000*	*% of total revenue*
Malaysia	1,311,675	62	1,594,670	64	1,957,932	76
PRC	789,402	37	879,147	35	632,400	24
Singapore	15,269	1	14,794	1	—	—
Total Revenue	**2,116,346**	**100**	**2,488,611**	**100**	**2,590,332**	**100**

The following table sets out the breakdown of the Group's non-current assets by geographical locations of its projects for the time periods indicated.

	For the financial year ended 30 June		
	2020	2021	2022
	RM'000	*RM'000*	*RM'000*
Malaysia	10,126,241	10,565,928	11,031,844
PRC	937,502	1,191,464	1,369,268
Singapore	13,412,311	13,809,724	19,537,411
Total	**24,476,054**	**25,567,116**	**31,938,523**

Property Development

The Group is one of the top property developers with a track record spanning more than four decades in the property related industry in Malaysia, and has successfully developed integrated developments along high-growth corridors in the Klang Valley, Southern Johor and Penang island in Malaysia. Emerging developments in Bangi, Sepang and Bahau, Negeri Sembilan are currently being developed to cater to rising demand in these prime locations. The Group also ventured into property development in Singapore and Xiamen, PRC since 2007 and 2010 respectively with projects comprising mid to high end residences and integrated mixed-use developments. See "*Property Development—Singapore*" and "*Property Development—Xiamen, PRC*", below.

As at 30 June 2022, The Group had a combined development landbank of approximately 9,000 acres in Malaysia, Singapore and Xiamen, PRC.

Malaysia

The Group's key integrated developments in Malaysia are as follows:

Klang Valley

(a) *16 Sierra, South Puchong* ("**16 Sierra**")

16 Sierra is a 548-acre mixed development with 16 themed gardens situated in the southern part of Puchong and close to Putrajaya and Cyberjaya. The development is well connected to highways such as the South Klang Valley Expressway, which provides an alternative route to Lebuhraya Damansara Puchong, and Maju Expressway, which provides access to Kuala Lumpur and Petaling Jaya through an interchange in Seri Kembangan, located just five minutes away from 16 Sierra. Its close proximity to IOI City Mall, offers access to a wide range of dining and entertainment venues. Other amenities close to 16 Sierra include a hospital and educational institutions. The MRT station located within the development, which is expected to commence operations by 2023, is anticipated to benefit existing residences as well as future projects within the development. An upcoming neighbourhood mall, Sierra Fresco is anticipated to commence operations in Q4 2022. It consists of approximately 98,000 sq ft lettable space accommodating retail outlets, a supermarket, drive-thru outlets, urban farm and F&B outlets.

(b) *Bandar Puteri Puchong and Bandar Puchong Jaya, Puchong*

Bandar Puteri Puchong is located close to Putrajaya, Cyberjaya, Kuala Lumpur International Airport ("**KLIA**") and the established townships of Subang Jaya, Bandar Sunway and Seri Kembangan. The 930-acre development has an estimated population of more than 10,000 residents and is a thriving business hub comprising shop offices and office towers as well as social and recreational facilities. Bandar Puteri Puchong is also well connected to major destinations via an established network of highways.

Bandar Puchong Jaya is synonymous with the rapid growth and development of Puchong over the past two decades. The 930-acre development is complemented by easy accessibility, social and recreational facilities.

Prominent landmarks within these developments include IOI Mall Puchong, Puchong Financial Corporate Centre, IOI Business Park, IOI Boulevard, Puteri Mart, Four Points by Sheraton Puchong hotel and commercial hubs, lifestyle hotspots and educational institutions. The availability of four LRT stations within Bandar Puteri Puchong and Bandar Puchong Jaya has enhanced visibility of the developments, and improved accessibility and connectivity.

The official opening of Rio City Interchange at Bandar Puteri Puchong in May 2022 marked the completion of the infrastructure upgrading works and expansion of Lebuh Puteri at Bandar Puteri Puchong. This project undertaken by the Group was intended to improve traffic flow and connectivity of Bandar Puteri Puchong. Located at the intersection of Lebuh Puteri and Persiaran Puteri in front of IOI Galleria @ Puchong, the Rio City Interchange is connected to the heart of Bandar Puteri Puchong, four blocks of office towers at Puchong Financial Corporate Centre, IOI Rio (a smart next-gen mixed development) and a hotel, Four Points by Sheraton Puchong and is anticipated to benefit households and business owners.

Since 2016, upgrading and construction works on the interchange have been completed in two phases. The improved infrastructure is key to providing greater accessibility and connectivity, which enables Bandar Puteri Puchong to continue to thrive.

In the first phase, upgrading works to road infrastructure at Lebuh Puteri included the following:

- Construction of a flyover from Lebuhraya Damansara Puchong ("**LDP**") to Lebuh Puteri Puchong to improve connectivity towards Bandar Puteri Puchong; and

- Construction of a 35-metre covered pedestrian bridge and a covered walkway to improve accessibility for pedestrians travelling between Puchong Financial Corporate Centre and Perindustrian Puchong LRT station.

For the second phase, upgrading works at Lebuh Puteri included the following:

- Construction of a dedicated underpass for direct access into IOI Rio to ease road traffic at Lebuh Puteri.

- Construction of an additional underpass (80 metres) beneath Rio City Interchange to smoothen the flow of traffic within Bandar Puteri Puchong; and

- Other infrastructure upgrades including the construction of a pedestrian linked bridge from the commercial area of The Cube to IOI Rio, a pedestrian crossing with signal lights, upgrading of street lights to LED lights and new walkways.

(c) *IOI Resort City, Putrajaya*

IOI Resort City is one of the Group's major integrated mixed developments spanning close to 800 acres. IOI Resort City is strategically located in the southern Klang Valley, fronting the entrance to Putrajaya with good connectivity to major urban centres within a 30-minute radius via major highways. Residential developments within IOI Resort City are complemented by existing commercial and leisure developments which include IOI City Mall, five-star Le Méridien Putrajaya and Putrajaya Marriott hotels, four-star Palm Garden Hotel, Palm Garden golf course and IOI City Towers' 31-storey Grade A Green Building Index certified corporate office towers with approximately one million sq ft of NLA, as well as the newly opened IOI City Mall Phase 2 with approximately 1.0 million sq ft of retail space, which commenced operations in August 2022.

(d) *Bandar Puteri Bangi*

Bandar Puteri Bangi is master planned as a 345-acre freehold integrated mixed development. One of the major components in the development is Enigma Square, an integrated commercial and lifestyle hub designed to capitalise on the success of Kubica Square, the first commercial hub in the development. In addition to the commercial components within the development, existing residences and future projects will also enjoy the convenience offered by Lotus's hypermarket, a 10-acre Oasis parkland and public amenities such as the Bangi Komuter station. Bandar Puteri Bangi is strategically located in the border of Selangor and Negeri Sembilan, with access to other destinations in the Klang Valley via major highways such as North-South, North-South Expressway Central Link (the "**ELITE**") and Kajang-Seremban.

(e) *Warisan Puteri, Sepang*

Warisan Puteri Sepang is a 336-acre freehold development strategically located next to Bandar Baru Salak Tinggi and is well connected by major highways such as the Maju Expressway, Putrajaya-Cyberjaya Expressway and an interchange at the ELITE. A bypass flyover at Kampung Semarang-Simpang Empat provides accessibility to Putrajaya, Cyberjaya, and via Maju-Expressway to Kuala Lumpur. The development is master planned to be an integrated development incorporating residential, commercial and recreation components. It is in close proximity to KLIA, Express Rail Link Salak Tinggi station, KIP Mall and Xiamen University. Meanwhile, an e-commerce and logistics hub Cainiao Aeropolis Electronic World Trade Platform was launched in 2021 while the development of phase 2 of Xiamen University is still in progress. As business activities increase at the e-commerce and logistics hub and when phase 2 of the university is completed, these are anticipated to help to drive property sales in the development.

Johor

(a) *Bandar Putra Kulai*

Bandar Putra Kulai is a 5,680-acre mixed-development which is a recognisable landmark in the Senai-Kulai district of Johor. Bandar Putra Kulai is strategically located with access to the Skudai highway, Senai-Desaru highway and North-South expressway. The development is in close proximity to Senai International Airport and within a 35km radius to Johor Bahru and the Woodlands checkpoint in Singapore. Facilities and amenities close to the development include a recreational town park, IOI Mall Kulai, IOI Palm Villa Golf & Country Resort, schools and a hospital.

(b) *Bandar IOI Segamat*

Bandar IOI Segamat is a 607-acre mixed-development located about 7km from the town centre of the Segamat district in Johor. The development is located along Labis-Segamat main trunk road which connects to the North-South expressway. Bandar IOI Segamat also offers access to amenities and facilities such as a grocery store, medical facilities and educational institutions.

(c) *Taman Kempas Utama*

Taman Kempas Utama is a 294-acre mixed development within the Kempas-Tebrau corridor. The development is connected to major highways such as the North-South expressway, Pasir Gudang highway and Eastern Dispersal link ("**EDL**"), and in close proximity to Senai International Airport. The EDL is a highway that connects the end of the North—South Expressway Southern Route at Pandan to the Johor—Singapore Causeway in the city centre. This enables traffic flow to bypass the city centre and reduce congestion along Tebrau Highway, the existing main route to the causeway. The integrated development also offers access to amenities such as a townpark, a golf club (Starhill Golf and Country Club), educational facilities, shopping malls and a medical centre.

(d) *Taman Lagenda Putra*

Taman Lagenda Putra is a 225-acre integrated residential development in Kulai. The development is located about 1.5km from the Kulai toll plaza of the North South expressway and in close proximity to the Second Link expressway and Senai-Desaru expressway. Within a 15km radius are amenities such as IOI Mall Kulai, Lotus's hypermarket, Aeon Kulai shopping mall, Johor Gunung Pulai recreational forest and Senai International Airport.

(e) *Negeri Sembilan*

Bandar IOI is the first mixed development in Bahau, Negeri Sembilan. The master plan for the 283-acre development includes residences, retail shops and commercial hubs. The development fronts Jalan Mahsan, the main road connecting Bahau to Pahang. The Group completed the construction of a bypass connecting Mahsan to Rompin and upgraded Jalan Mahsan in 2017 to ease traffic congestion and enhance the connectivity of Bandar IOI and nearby towns such as Mahsan, Seri Jempol and Rompin. With the enhanced infrastructure and transport facilities, the property value of developments within Bandar IOI is anticipated to appreciate. Amenities and facilities within or close to the development include a town park, a hospital, educational institutions and Lotus's hypermarket.

Key Completed Projects

Details of the Group's key completed projects in Malaysia as at 30 June 2022 are set out in the table below:

Location/ Project name	Project Type	Approximate gross floor area (sq m)	Number of units	Launch date	Units sold (%)	Group's stake (%)	Year of completion
Bandar Puchong Jaya							
Skyz Residences (Block A, B, C, D and E)	Condominium	135,000	1,039	June 2014, November 2016, March 2017 and May 2018	79.2%	99.9%	2018 & 2019
Park Villa Condominium	Condominium	33,000	280	December 2013 and June 2016	99.2%	99.9%	2016
Bandar Puteri Puchong							
RIO City (Phase 1)	Shop Office	93,000	74	November 2020	60.8%	99.9%	2020
Pavilion Residences	Service Apartment	62,000	606	October 2015 and November 2016	92.9%	99.9%	2019
Pavilion Xchange	Shop Office	9,000	101	October 2015 and April 2018	63.35%	99.9%	2017
Stellar Suites	Small office versatile office	29,000	350	April 2019	32.3%	99.9%	2022
The Cruise Residence	Service Apartment	29,000	334	November 2019	69.0%	99.9%	2020
16 Sierra							
Avens	Terrace House	33,000	137	February 2017	93.4%	99.9%	2020
Dumalis	Superlink Terrace House	32,000	99	September 2015	100.0%	99.9%	2017
Dumalis 2	Superlink Terrace House	30,000	109	June 2016	100.0%	99.9%	2018
La Thea Residences	Condominium	49,000	526	July 2013 and September 2013	97.3%	99.9%	2016
Sierra 6B	Superlink Terrace House	28,000	104	May 2015	99.0%	99.9%	2018
N'Dira	Townhouse	76,000	336	May 2015	99.7%	99.9%	2018
Avens 2	Terrace House	38,000	159	March 2020	99.4%	99.9%	2022
Zentro Residences	Service Apartment	20,000	241	October 2017	60.2%	99.9%	2020
Bandar Puteri Bangi							
The Strata 1	Townhouse	61,000	310	September 2017	100.0%	99.9%	2020
The Terresse	Superlink Terrace House	26,000	112	January 2015	99.1%	99.9%	2016
The Terresse 2	Terrace House	27,000	118	May 2015	97.5%	99.9%	2017
Kubica Square	Shop Office	73,000	116	January 2015	87.9%	99.9%	2017
Komplek Kubica	Retail Shop	3,000	27	September 2015	85.2%	99.9%	2017
Almera Residences	Condominium	64,000	669	January 2015, May 2015, November 2015 and December 2015	87.0%	99.9%	2017
Palmyra Residences	Condominium	53,000	669	November 2016 and December 2016	71.3%	99.9%	2020

Location/ Project name	Project Type	Approximate gross floor area (sq m)	Number of units	Launch date	Units sold (%)	Group's stake (%)	Year of completion
Warisan Puteri Sepang							
Ayden	Townhouse	65,000	344	April 2018	99.4%	99.9%	2020
Evira	Terrace House	39,000	196	October 2015	100.0%	99.9%	2017
Avista	Terrace House	39,000	182	September 2016	100.0%	99.9%	2017
IOI Resort City							
Par 3	Condominium	29,000	207	May 2017	30.0%	99.9%	2020
	Condominium villa	3,000	18				
Conezion	Service Apartment	125,000	1,326	March 2016 and September 2016	78.1%	100.0%	2018
The Clio 2 (Tower A)	Service Apartment	14,000	152	June 2019	89.5%	100.0%	2021
The Clio 2 (Tower B)	Service Apartment	23,000	246	September 2019	27.6%	100.0%	2021
The Clio 2 (Tower C)	Service Apartment	14,000	152	October 2020	24.3%	100.0%	2021
Bandar Putra Kulai							
Venice	Terrace House	68,000	334	January 2019	92.2%	99.9%	2020
Viola	Terrace House	11,000	101	February 2019	81.2%	99.9%	2020
3A04 Clover 2	Semi-Detached House	35,000	130	April 2014	96.9%	99.9%	2016
3A02 D'Putra	Service Apartment	28,000	250	January 2014	66.8%	99.9%	2017
9E01 Verana	Terrace House	26,000	225	September 2015	99.6%	99.9%	2017
9E02 Verana 2	Terrace House	22,000	189	October 2015	96.3%	99.9%	2017
3E01 Celeste	Terrace House	24,000	121	September 2016	95.9%	99.9%	2018
3E02 Celeste 2	Terrace House	23,000	115	April 2017	76.5%	99.9%	2018
3F01 Alena 1	Terrace House	20,000	185	September 2018	83.2%	99.9%	2020
3F02 Alena 2	Terrace House	18,000	160	October 2018	86.9%	99.9%	2020
3A3C Aralia	Semi-Detached House & Bungalow	26,000	73	December 2019	72.6%	99.9%	2022
1A01 Cello	Terrace House	12,000	120	September 2020	99.2%	99.9%	2022
17B1 Lavenda 1	Terrace House	8,000	56	April 2018	98.2%	99.9%	2021
Taman Kempas Utama							
D'Summit (Orion Tower)	Service Apartment	53,000	849	March 2013	78.1%	99.9%	2017
D'Summit (Aries Tower)	Service Apartment	67,000	941	June 2013	79.0%	99.9%	2017
D'Summit (Celena Tower)	Service Apartment	53,000	517	July 2013 and October 2014	40.4%	99.9%	2017
2D2E Oleander	Cluster House	41,000	180	January 2014	98.3%	99.9%	2016
Victory	Shop Office	5,000	9	October 2018	33.3%	99.9%	2022

Location/ Project name	Project Type	Approximate gross floor area (sq m)	Number of units	Launch date	Units sold (%)	Group's stake (%)	Year of completion
Bandar Putra Segamat							
Lavenda 1	Terrace House	8,000	56	April 2018	98.2%	99.9%	2021
Tiara 4	Terrace House	8,000	101	January 2019	100.0%	99.9%	2021
P19A Alicia 1	Terrace House	5,000	42	September 2015	100.0%	99.9%	2017
P19A2 Alicia 2	Terrace House	8,000	68	September 2015	100.0%	99.9%	2017
Ph9C Tiara 3.	Terrace House	7,000	102	January 2016	100.0%	99.9%	2017
P19B1 Pesona 1. . . .	Terrace House	6,000	48	August 2016	100.0%	99.9%	2018
P19B2 Pesona 2. . . .	Terrace House	6,000	48	August 2016	100.0%	99.9%	2018
Bandar IOI, Bahau							
Chengal Project	Terrace House	39,000	151	August 2014 and August 2015	96.0%	79.9%	2016
Penang							
Desaria, Stramax . . .	Terrace House	24,000	83	February 2015	100.0%	100.0%	2018

Key Ongoing Projects

Details of the Group's key ongoing projects in Malaysia as at 30 June 2022 are set out in the table below:

Location/ Project name	Project Type	Approximate land area (sq m)	Approximate gross floor area (sq m)	Number of units	Launch date	Group's stake (%)	Expected year of completion
Bandar Puteri Bangi							
The Strata 2	Townhouse	27,000	58,000	294	September 2019	99.9%	2022
IOI Resort City							
The Gems (Phase 1)	Condominium	21,000	43,000	334	September 2020	54.9%	2022
The Gems (Phase 2)	Condominium	18,000	32,000	342	May 2021	54.9%	2023
Warisan Puteri Sepang							
Alanis (Block B and C)	Small Office, Home Office and Service Apartment	28,000	84,000	1,255	September 2019 and February 2020	99.9%	2022 & 2023
Arena Xchange shop office . . .	Shop Office	32,000	29,000	49	March 2022	99.9%	2022
Bandar Putra Kulai							
Cello 2 & 3	Terrace House	38,000	28,000	265	April 2021 and July 2021	99.9%	2023
10D Merpati Indah.	Apartment	8,000	11,000	121	July 2020	99.9%	2022
7E01 Marvela . . .	Terrace House	19,000	21,000	122	May 2021	99.9%	2023
20A Ruby	Terrace House	13,000	9,000	85	July 2020	99.9%	2022
17B2 Lavenda 2. .	Terrace House	9,000	7,000	50	August 2020	99.9%	2022
N20A Iberis	Terrace House	14,000	9,000	84	August 2021	99.9%	2022
P18A Jade	Semi-detached House	17,000	7,000	48	March 2022	99.9%	2024

Location/ Project name	Project Type	Approximate land area (sq m)	Approximate gross floor area (sq m)	Number of units	Launch date	Group's stake (%)	Expected year of completion
Taman Lagenda Putra							
3C01A Crystal . . .	Cluster House	18,000	16,000	76	December 2021	99.9%	2022

Significant Upcoming Projects

Details of the Group's significant upcoming projects in Malaysia as at 30 June 2022 are set out in the table below:

Location/ Project name	Project Type	Approximate land area (sq m)	Approximate gross floor area (sq m)	Expected number of units	Expected launch date	Group's stake (%)	Expected year of completion
Bandar Puteri Puchong							
RIO City (Phase 3)	Shop Office	6,000	71,000	634	April 2023	99.9%	2024
Bandar Puteri Bangi							
The Mansion	Cluster Semi-detached house & Semi-detached house & Bungalow	49,000	38,000	151	January 2023	99.9%	2025
16 Sierra							
Sierra 5-2 storey . .	Terrace House	39,000	25,000	121	December 2022	99.9%	2025
Sierra 5-3 storey . .	Town House	55,000	103,000	272	March 2023	99.9%	2025
Sierra 7-3 storey . .	Terrace House	99,000	137,000	327	May 2024	99.9%	2026
TOD 16 Sierra— Phase 1	Service Apartment	17,000	70,000	624	September 2023	99.9%	2027
Warisan Puteri Sepang							
Arena Residence Phase 1	Service Apartment	14,000	34,000	406	December 2022	99.9%	2025
Arena Residence Phase 2	Service Apartment	13,000	37,000	344	December 2023	99.9%	2026
Bandar Putra Kulai							
4E01	Terrace House	24,000	38,000	167	November 2022	99.9%	2024
1A02	Shop Office	5,000	10,000	32	August 2022	99.9%	2025
1B03 (Arcela). . . .	Semi-Detached House	18,000	22,000	130	August 2022	99.9%	2024
2B02 (Piccolo) . . .	Terrace House	24,000	24,000	146	September 2022	99.9%	2024
Taman Lagenda Putra							
3C01B (Crystal 2)	Cluster House	16,000	13,000	60	August 2022	99.9%	2024
Penang							
Ara View Residences	Condominium & Flat & Semi-detached House	28,000	35,000	266	December 2023 and December 2024	99.9%	2027

Singapore

The Group's completed projects in Singapore are as follows:

(a) *Seascape and Cape Royale, Sentosa Cove*

The Group partnered Ho Bee Investments Limited for two key condominium projects in the premium residential enclave of Sentosa Cove. Seascape comprises 151 exclusive waterfront homes within the enclave of Sentosa Cove. Completed in 2011, Seascape won the prestigious FIABCI-Singapore Property Awards in the Residential (Low Rise) category in 2012.

Cape Royale comprises 302 units of condominiums of up to 20 storeys in height, flanking the entrance of the marina leading into Sentosa Cove. Cape Royale offers panoramic views of the South China Sea and Tanjong golf course.

(b) *Cityscape @ Farrer Park*

The Group partnered with Kim Seng Heng Realty Pte Ltd and LBH Pte Ltd for the development of 250 units of condominium in District 8, in close proximity to Orchard Road and the central business district.

(c) *Trilinq at Jalan Lempeng*

Trilinq is a high-rise condominium project comprising 745 units of condominiums and 10 units of penthouse situated off Clementi Avenue 6 in Singapore. Trilinq features three residential towers of up to 36 storeys and is in close proximity to the Clementi MRT station, amenities and schools, and approximately 15 minutes' driving distance from the central business district and Orchard Road.

(d) *South Beach Residences*

South Beach is an integrated mixed-use development on Singapore's Beach Road and is a joint venture with City Developments Limited. The Group has a 49.9% interest in the joint venture.

The project encompasses the integration of two new towers with four historical buildings comprising a hotel, residences, office and retail space, on a land area of approximately 376,000 sq ft. South Beach was awarded the Building and Construction Authority Green Mark Platinum Awards for its residential and commercial components in 2012. In September 2019, South Beach was the sole Singapore winner for the Energy Efficient Building Awards (New and Existing Building category) in the ASEAN Energy Awards 2019. The ASEAN Energy Awards, launched by the ASEAN Centre for Energy in 2000 to recognise efforts in energy efficiency, renewable energy and energy management, represent the benchmark of excellence in the energy industry in Southeast Asia. The award is a testament to South Beach as a sustainable development and its various energy-efficient features. The development also received the Asia Pacific Property Awards five-stars in Best Mixed-Use Development (Singapore) in 2020 and SGBC-BCA Leadership in Sustainability Awards in Urban Renewal in 2021.

The 190-unit luxury apartments of South Beach Residences sit atop JW Marriott Singapore South Beach hotel. The residential units enjoy spectacular views of iconic Singapore landmarks, including Marina Bay Sands, Gardens by the Bay, Raffles Hotel, Singapore Flyer, Esplanade—Theatres on the Bay, National Gallery Singapore, The Padang, Singapore Indoor Stadium, as well as the New Downtown, Central Business District and Orchard Road areas.

The property is well connected to both Esplanade and City Hall MRT stations and Suntec City via an underground walkway. Due to the extensive network of arterial roads and expressways, Singapore's business hub comprising Raffles Place and the Marina Bay Financial Centre can be reached in 5 minutes, while Orchard Road and Changi Airport are under 15 minutes away.

Further details of the Group's completed projects in Singapore as at 30 June 2022 are set out in the table below:

Location/ Project name	Approximate gross floor area (sq m)	Number of units	Launch date	Units sold (%)	Group's stake (%)	Year of completion
Jalan Lempeng						
The Trilinq	75,000	755	March 2013, February 2016, August 2016, October 2016, March 2017 and July 2017	99.3%	87.9%	2017
Sentosa Cove						
Seascape	38,000	151	March 2010	47.0%	49.9%	2011
Cape Royale	65,000	302	*	*	64.9%	2013
Mergui Road						
Cityscape.	28,000	250	October 2010	100.0%	59.9%	2014
Beach Road						
South Beach Residences	32,000	190	September 2018	100%	49.9%	2016

* Subsequent to 30 June 2022, the development was launched in July 2022.

Significant Upcoming Projects

Details of the Group's significant upcoming projects in Singapore as at 30 June 2022 are set out below.

(a) *Marina View*

Marina View is located within the Marina Bay area, Singapore's major financial and business district. Marina Bay is the new downtown of Singapore and a vibrant central business district ("**CBD**") which is well supported by a comprehensive transport network. Marina Bay is envisioned by the Urban Redevelopment Authority as a work-live-play vibrant 24-hour CBD. The land is close to the Group's IOI Central Boulevard Towers and other developments such as Marina One, One Raffles Quay, Asia Square, Singapore Conference Hall, Marina Bay Sands and Marina Centre. There are five MRT stations within a short walking distance from Marina View, providing access to MRT lines, namely: Downtown, Shenton Way, Tanjong Pagar, Marina Bay and Prince Edward.

The proposed development of residential units at Marina View in Singapore is underway. The development plans are still preliminary as the relevant planning approvals are in the process of being obtained from the authorities.

Xiamen, PRC

Xiamen is the largest city and the main commercial hub in Fujian Province, and has one of the busiest ports in the PRC. Jimei District is one of six districts of Xiamen and has a rich history and vibrant culture. It hosts modern facilities such as universities, commercial centres, sport stadiums, office buildings and municipal government offices. Jimei District is connected to Xiamen island via three bridges (Xiamen, Jimei and Xinglin). The Xiamen North Railway Station is a key stop on the high-speed coastal route of the China Rail Network, linking Xiamen to other major cities within Fujian Province as well as Guangdong Province cities like Guangzhou and Shenzhen.

The Group's projects in Xiamen, i.e. IOI Park Bay and IOI Palm City, are about 15-minutes' drive to Xiamen Gaoqi International Airport at Xiamen island. The Xiamen Gaoqi International Airport is a main air hub in East China with flights to domestic and international destinations.

(a) *IOI Park Bay*

The Group completed its maiden property development project, IOI Park Bay in Jimei District, Xiamen in December 2015. IOI Park Bay has a land area of approximately 7.66 acres and is a mixed development comprising condominiums, town villas and small-office-home-office.

(b) *IOI Palm City*

IOI Palm City, located in Jimei District, has a land area of approximately 43.55 acres. It is an integrated development comprising residences, boutique offices, a shopping mall and a hotel with an estimated gross built-up area of approximately 7.0 million sq ft.

(c) *IOI Palm International Parkhouse*

The Group's third project on Xiang An land, measuring approximately 6.20 acres, is an ongoing mixed development. The project comprises condominiums, town villas and commercial units within the new Xiang An central business district in Xiamen which is proposed to be a new integrated eco-city. Key future developments in the vicinity include schools and a hospital while a new international airport is expected to be completed in 2025. The land is about 25km from the Xiamen Gaoqi International Airport and is connected to the Xiang An undersea tunnel, providing easy access to the island of Xiamen and other commercial hubs such as Wanda Plaza and Langham Place hotel. The land is also connected to other districts in the mainland of Xiamen via Shen Hai highway and Xiang An Avenue and is in close proximity to city subway lines.

Completed Projects

Details of the Group's completed projects in Xiamen, PRC as at 30 June 2022 are set out in the table below:

Location/Project name	Approximate gross floor area (sq m)	Number of units	Launch date	Units sold (%)	Group's stake (%)	Year of completion
IOI Park Bay						
Block 1 Duplex Condo. . .	19,000	150	January 2014	100.0%	99.9%	2015
Block 2 Condominium . . .	11,000	90	September 2013	100.0%	99.9%	2015
Block 3 Condominium . . .	36,000	360	September 2013	100.0%	99.9%	2015
Block 4 & 5 Town Villa. .	5,000	32	February 2014	100.0%	99.9%	2015
Block 6 small office home office (SOHO).	8,000	129	October 2015	100.0%	99.9%	2015
IOI Palm City (D3)						
Block 1 Condominium . . .	23,000	186	November 2015	100.0%	99.9%	2017
Block 2 Condominium . . .	21,000	174	May 2015	100.0%	99.9%	2017
Block 3 & 4 Condominium	7,000	50	May 2015	100.0%	99.9%	2017
Block 5 & 6 Condominium	10,000	73	November 2015	100.0%	99.9%	2017
Block 7 Super High Rise Condominium	27,000	86	May 2016, November 2016 and April 2018	100.0%	99.9%	2018

Location/Project name	Approximate gross floor area (sq m)	Number of units	Launch date	Units sold (%)	Group's stake (%)	Year of completion
IOI Palm City (D4 & D5)						
Condominium.	32,000	198	September 2018, April 2020	100.0%	99.9%	2021
Town Villa	39,000	197[(a)]	December 2018, June 2019, September 2019, August 2020, November 2020, December 2021, July 2022	74.6%	99.9%	2021
Link Villa	10,000	28	April 2020, November 2020, December 2021	78.6%	99.9%	2021
IOI Palm International Parkhouse						
Condominium.	46,000	510[(b)]	March 2020, December 2021, September 2023	30.4%	99.9%	2022
Town Villa	10,000	78[(c)]	July 2019, March 2023	19.2%	99.9%	2022
Shop & Retail	3,000	43[(d)]	July 2019, March 2020, December 2021, March 2023, September 2023	(d)	99.9%	2022

(a) Includes unlaunched 20 units of town villa

(b) Includes unlaunched 160 units of condominium

(c) Includes unlaunched 42 units of town villa

(d) Unlaunched 43 units of shop & retail

Property Investment

The Group's investment properties complement its property development business by generating positive returns and stable recurring income through its prime property investment interests.

As at 30 June 2022, the Group's existing property investment portfolio totalled approximately 6.7 million sq ft of NLA (comprising approximately 3.5 million sq ft for retail space and 3.2 million sq ft for office space).

Subsequently, with the opening of IOI City Mall Phase 2 in August 2022, total retail space has increased to approximately 4.6 million sq ft, thus increasing the Group's total NLA for its property investment portfolio to approximately 7.8 million sq ft.

The Group's investment properties are situated in strategic locations with growth potential and which the Group expects will continue to generate healthy occupancy rates and good rental yields.

The table below sets forth the breakdown of the value of the Group's investment properties by geographical location for the time periods indicated:

	For the financial year ended 30 June		
	2020	**2021**	**2022**
	RM'000	*RM'000*	*RM'000*
Malaysia	4,468,129	4,466,672	4,759,270
PRC	850,453	1,080,598	1,088,761
Singapore	9,016,121	9,348,275	9,930,391
Total	**14,334,703**	**14,895,545**	**15,778,422**

Malaysia

The Group's major investment properties in Malaysia are as follows:

(a) IOI City Mall in IOI Resort City, Putrajaya with a total NLA of approximately 1.5 million sq ft. IOI City Mall was awarded the FIABCI-Malaysia Property Award 2016 for the retail category. IOI City Mall Phase 2 with approximately 1.0 million sq ft of NLA commenced operations in August 2022. With the expansion, the Group believes that IOI City Mall is positioned as one of the largest retail malls in Malaysia with an NLA of approximately 2.5 million sq ft. With the addition of more than 300 retail outlets as part of Phase 2, the mall will have a total of over 700 retail outlets;

(b) IOI Mall Puchong with a total NLA of approximately 902,000 sq ft. IOI Mall Puchong's customer footfall has benefited from the availability of LRT services within the Puchong township;

(c) four blocks of 12-storey to 21-storey purpose-built office buildings in Puchong Financial Corporate Centre with total NLA of approximately 883,000 sq ft within the Puchong township;

(d) IOI Mall Kulai in Johor with a total NLA of approximately 264,000 sq ft;

(e) One IOI Square and Two IOI Square in IOI Resort City, Putrajaya with a total of two blocks of 12-storey purpose-built office towers with total NLA of approximately 434,000 sq ft;

(f) IOI City Tower 1 and Tower 2 in IOI Resort City, Putrajaya comprising two 31-storey office towers with total NLA of approximately 1.0 million sq ft;

(g) Conezion shop and office lots in IOI Resort City, Putrajaya with total NLA of approximately 925,000 sq ft; and

(h) Other retail properties with total NLA of approximately 245,000 sq ft (comprising Puteri Mart Puchong (NLA of approximately 48,000 sq ft), IOI Mart Kulai (NLA of approximately 96,000 sq ft) and Tesco @ Bangi (NLA of approximately 101,000 sq ft)).

Singapore

The Group's major investment properties in Singapore are as follows:

(a) *South Beach Tower and South Beach Avenue (49.9% joint venture with City Developments Limited)*

South Beach Tower is the office component of the South Beach development. The tower with over 500,000 sq ft of Grade A office space is close to Suntec Singapore Convention Centre, Raffles Hotel and the Marina Bay Sands integrated resort. South Beach Tower's tenants include international firms such as Lego, Facebook, Rabobank and Sanofi-Aventis. With the renewal of tenancies as well as new tenants namely, international firms such as HSBC and Analytic Partners Pte Ltd, South Beach Tower continues to enjoy healthy occupancy and revenue.

South Beach Avenue, the retail component of the development with approximately 30,000 sq ft of retail space offers convenient access to a spectrum of dining and service venues such as Lady M Singapore (cake boutique) and Black Cow (contemporary Japanese Shabu & Sukiyaki restaurant).

South Beach Tower and South Beach Avenue with occupancies of approximately 97% and 89% respectively as of 30 June 2022 are expected to continue to perform well due to their prime location and connection to an extensive MRT network, major roads and expressways linking to the CBD and airport.

(b) *IOI Central Boulevard Towers*

The Group is developing IOI Central Boulevard Towers, its first solo investment property project in Singapore and anticipates to achieve completion in the second half of 2023. The project is a Grade A office development situated in a prime location within the Marina Bay financial and business district. IOI Central Boulevard Towers offers approximately 1.3 million sq ft of NLA comprising two office towers (48 and 16 storeys respectively), two levels of ultra-large floor plate office space at the podium, a sky garden with jogging track and meeting pods, a child-care centre, retail and food & beverage outlets. With the completion of IOI Central Boulevard Towers, the Group will be one of the few Malaysian corporates with a prime property in the new commercial centre of Singapore.

Xiamen, PRC

The Group's first investment properties comprise a retail mall and offices in IOI Palm City, Xiamen. IOI Mall Xiamen with approximately 639,000 sq ft of NLA commenced operations in October 2021 and provided the Group the opportunity to introduce its concept of a lifestyle mall in Xiamen. Meanwhile, the offices are anticipated to be completed in FY2023 which will add approximately 371,000 sq ft to the Group's investment properties portfolio.

Hospitality and Leisure

The Group's hospitality and leisure business comprises the management of hotels in Malaysia and Singapore and golf courses in Malaysia, and the management of adventure parks in both IOI City Mall and IOI Mall Xiamen, and skating rink in IOI City Mall.

The Group's hospitality and leisure assets comprise the following:

(a) Putrajaya Marriott Hotel—a five-star hotel located in IOI Resort City, with 488 guest rooms;

(b) Four Points by Sheraton Puchong—strategically located in the heart of Puchong, a four-star business hotel that features 249 guestrooms;

(c) Palm Garden Hotel—repositioned as a Tribute Portfolio hotel under the Marriott brand in December 2021. Tribute Portfolio is a growing collection of characterful, independent hotels from Marriott Bonvoy, Marriott International's extraordinary portfolio of brands, travel program, and experiential offerings. The 151-guest room four-star hotel is the first Tribute Portfolio hotel in Malaysia;

(d) Le Méridien Putrajaya—a five-star hotel located within IOI Resort City with 353 guest rooms. The hotel opened on 18 August 2016 and caters to business and leisure clientele. It is situated adjacent to IOI City Mall and IOI City Towers, and an approximate 30-minutes' drive to KLIA. The hotel won the World Luxury Hotel Awards 2018 in the Luxury Business Hotel (Asia Continent) category;

(e) Palm Garden Golf Club—also located in IOI Resort City, honoured as one of the top three golf courses in the Best Maintained Golf Course and Best Corporate Tournament Venue categories at the ParGolf People's Choice Awards 2019;

(f) JW Marriott Hotel Singapore South Beach (a 49.9% joint venture with City Developments Limited), a five-star luxury hotel with 634 guest rooms located on Beach Road. The hotel has a variety of restaurants and bars such as Beach Road Kitchen's signature international buffet to celebrity chef Akira Back's award-winning brand of modern Japanese cuisine. It is located close to Suntec Singapore Convention Centre, Raffles City Convention Centre, Raffles Hotel and the Marina Bay Sands integrated resort;

(g) IOI Palm Villa Golf and Country Resort—a 18-hole golf course with a comprehensive range of club facilities located in the development of Bandar Putra Kulai, Johor, which was selected as one of the top three in the Most Improved Golf Course category in the ParGolf People's Choice Awards 2018;

(h) District 21, IOI City Mall—an approximately 65,000 sq ft post-apocalyptic themed indoor activity park with attractions suited for casual outings and corporate team building events;

(i) Icescape Rink—an Olympic-sized ice-skating rink in IOI City Mall, designed for leisure and speed skating, performances and competitions; and

(j) District 36, IOI Mall Xiamen—an approximately 30,000 sq ft indoor sports adventure theme park with attractions suited for casual outings and corporate team building events.

The proposed development of a hotel at Marina View in Singapore is underway. The development plans are still preliminary as the relevant planning approvals are in the process of being obtained from the authorities.

The Group's hospitality and leisure assets has garnered awards amongst others, such as the following.

Financial Year	Awards
FY2020	Palm Garden Hotel—Agoda 2019 Customer Review Awards
	Palm Garden Hotel—Best Guest Experience in Food category at Traveloka Hotel Awards 2019
	Putrajaya Marriott Hotel—Winner of Hotels.com's Loved by Guests Award 2020
	Le Méridien Putrajaya- Winner of the 2020 Travellers' Choice Award by Tripadvisor
FY2021	Palm Garden Golf Club—Best Corporate Tournament Venue & Best Customer Service categories at ParGolf People's Choice Awards 2020
	Agoda 2021 Customer Review Awards (Four Points by Sheraton Puchong and Le Meridien Putrajaya)
	Palm Garden Hotel—Winner of Hotels.com Loved by Guests Award 2021
FY2022	Le Méridien Putrajaya—Certificate of Excellence 2022 by Trip Advisor
	Agoda 2022 Customer Review Awards (Putrajaya Marriott and Le Méridien Putrajaya)
	ASEAN Tourism Standards Award under the ASEAN MICE Venue Standards category (Le Méridien Putrajaya and Four Points by Sheraton Puchong)

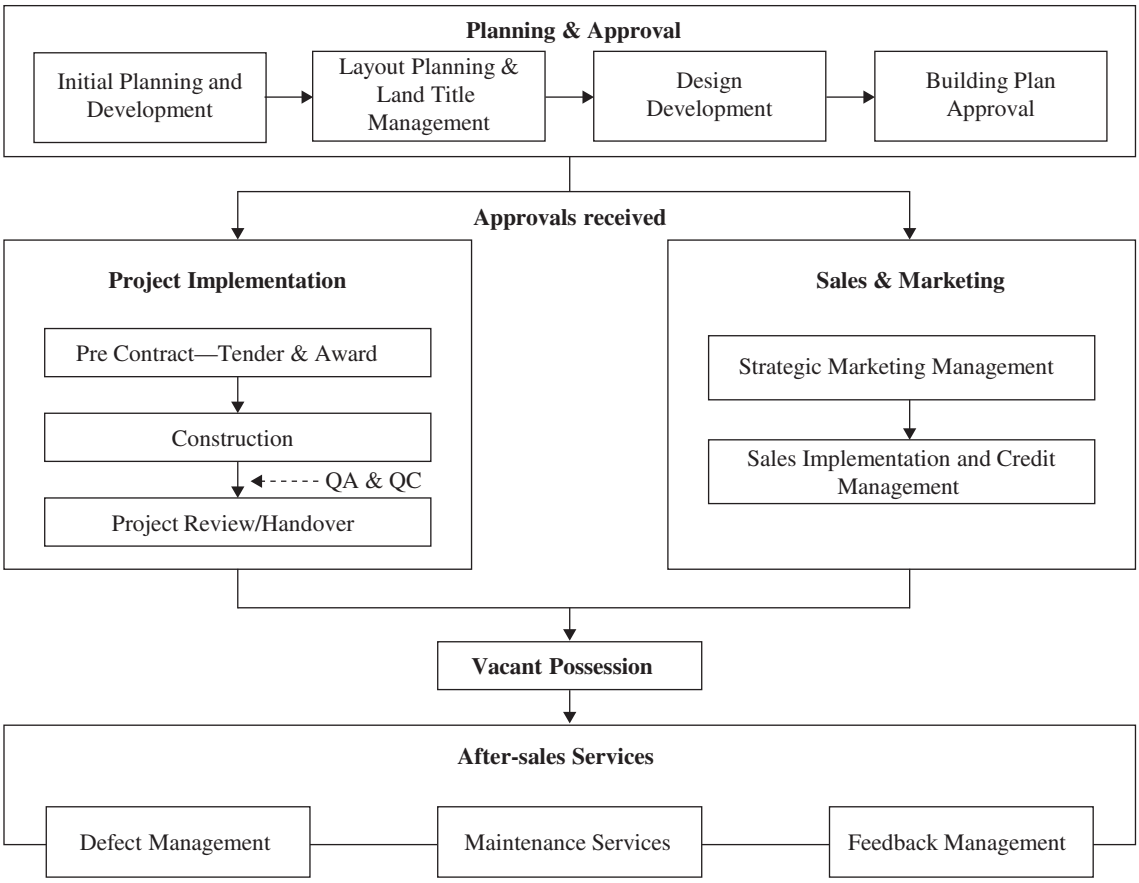
The Group has entered into agreements for six of its hotels to be managed by third party hotel operators. The term of these agreements is typically for a period of 15 years subject to further extension by mutual agreement. The Group earns recurring revenue through its hospitality operations (including through hotel operations, food and beverage sales and facility charges). Under these hotel operating services agreements, the Group is required to pay the hotel operators a fee calculated based on a percentage of gross operating revenue and/or gross operating profit. The hotel operating services agreements may not be terminated by either party without cause, but may be terminated for cause in certain situations, such as where either party fails to remedy a material breach within an applicable cure period

The Group anticipates the addition of two new hotels in the near term, Moxy Putrajaya in IOI Resort City, Malaysia and Sheraton Grand in Xiamen, PRC, both of which are currently under construction. Moxy Putrajaya is a millennial-focused 495-room hotel while Sheraton Grand is positioned as a five-star hotel. Both hotels will be managed by Marriott International Inc. Meanwhile, plans for the development of a hotel at Marina View, Singapore is underway. The addition of these three new hotels will bring the total number of hotels owned by the Group to seven, offering a total of more than 2,000 keys.

KEY BUSINESS PROCESSES

Property development

The Group's key business processes for its property development projects are set out below:



Planning and Approval

The planning and approval stage includes the following processes:

Initial planning and development

The process flow of a new property development project begins with the identification of a suitable development. In identifying the potential site and its proposed type of development, the Group will consider, amongst others, the following factors:

- accessibility of the area and the available supporting infrastructure;
- marketability of the development and consumer demand for the properties in that area; and
- the estimated cost of development, investment and financial return ratios.

Once the Group has identified the potential site, it will conduct a preliminary assessment and feasibility study on the proposed development (comprising residential and/or commercial properties). The Group's assessment and feasibility study takes into consideration, amongst others, the market supply and demand; forecasted budget and estimated costs of construction; comparable projects; potential pricing of the properties; environment; and existing and/or potential competitors developing in the vicinity of the site.

Thereafter, the Group will make a presentation to its senior management and executive directors for their deliberation and consideration.

Layout Planning and Land Title Management

Upon obtaining the approval and clearance from senior management and executive directors, the Group will proceed to appoint the relevant consultants (who are mostly engineers, architects and town planners, depending on the size of the development) from its panel of reputable consultants with a proven track record in design, quality and reliability.

During this stage, the Group will work closely with its appointed consultants to conceptualise the design and layout of the proposed development. As most of the Group's proposed developments are mixed township developments, it will also need to plan for the layout of the proposed infrastructure within the proposed development, public amenities, utilities services and landscape for the residential and commercial properties.

The Group's appointed consultants will begin to prepare the relevant layout and infrastructure plans for the submission to the local council for layout planning approval.

Concurrently, the Group will also submit the relevant applications to the local council for conversion/amalgamation and subdivision of its site and/or lands, where applicable, depending on the requirements/specifications set out in the layout plans to be submitted to the local council.

Design Development

Upon submission of the layout planning approval, the Group will proceed to work with the architects for the detailed design of the respective buildings set out in layout plans submitted to the local council. Thereafter, the architects and engineers will prepare the architectural drawings and other relevant plans for submission to the local council for approval.

Building Plan Approval

Once the local council grants layout planning approval, the Group will submit the building plans to the local council for approval.

Project Implementation

The construction of the Group's proposed development can commence subject to the building plan approval being obtained. Thereafter, the Group will plan a project schedule and detailed project budget of its proposed development.

Thereafter, the Group will invite its panel contractors (with proven capabilities and track record) to submit their tender bids for the project. The Group will award the successful contractors based on both its own and its appointed consultants' evaluation criteria and the prices submitted by the contractors.

During the construction stage, the Group's project team and appointed consultants will oversee the progress of the construction works through regular on-site inspections and monitoring of progress reports. This is to ensure timely completion of the proposed development within the contract sum while achieving the requisite standard quality.

Upon completion of the construction works and once the Group's consultants and relevant local authority have certified the work done in accordance with the contract and statutory requirements, the Group's contractors will officially hand over the completed project to it for pre-delivery inspection before (a) the Group's hand-over of the properties to its purchasers, or (b) the completed properties are leased/rented out.

Sales and marketing

The Group will generally launch its development project for sale as soon as it obtains the advertising permit. In line with its marketing strategy, the Group's development projects are mostly sold on a "sell-while-building" basis. However, there are instances where the Group undertakes the development on a "build-then-sell" basis. See "—*Sales and Marketing*", below.

After-sales services

The Group's after-sales service activities are led by its customer relations unit ("**CRU**") and assisted by the relevant departments of the Group, where required. The Group's CRU is tasked to ensure that its customers are assisted in a timely and satisfactory manner. The Group believes that the provision of quality after-sales service will enhance its brand and goodwill as a reliable and responsible property developer. This will in turn help to generate new sales and customer referrals for future sales of properties developed by the Group.

The process flow of the Group's foreign development operations is materially similar to its Malaysian operations, save for the relevant approvals sought from the local councils and relevant government departments.

Property Investment

The Group appraises each and every potential investment property based on potential capital appreciation and rental yield to assess its feasibility and viability. The Group's investment properties are built within the integrated developments, to complement the existing components in those developments. The Group typically retains units of properties it develops as the cost of purchase is lower compared with acquiring properties from third parties. The Group also manages its investment properties, including marketing and advertising the properties, negotiating lease renewals, collecting rental income, day-to-day maintenance and upgrading of the properties and ensuring that proper security measures are in place. By managing its portfolio of investment properties, the Group seeks to uphold the standard of maintenance of its properties to ensure that its properties remain competitive in the leasing market and to preserve the capital value of these properties. The Group may from time to time make long-term investments in, or acquisitions or divestments of, completed properties when appropriate opportunities arise.

Hospitality and Leisure

The Group follows a multi-step process in seeking partners to operate the hotels it develops. Where opportunities arise, the Group conducts due diligence including the feasibility of the location, the proposed hotel operator's background and performance, the suitability of the hotel operator for the hotel that the Group intends to develop and other factors. The Group assesses the value each opportunity is expected to bring to its brand and, if applicable, the specific property development project as a whole. After the Group has selected a partner to manage the hotel, the Group enters into a memorandum of understanding with the appropriate party, followed by a hotel management agreement. Prior to the construction of the hotel, the hotel operator typically provides technical assistance on the construction, pre-opening and commissioning of the hotel.

JOINT VENTURES AND STRATEGIC ALLIANCES

Joint ventures are viewed as a corporate exercise which may be undertaken by the Group as and when the opportunity arises, and with the arrangement and terms and conditions, based on negotiations between the parties. While a joint venture is not the Group's business strategy, it may be an avenue for the Group to increase its landbank as and when the opportunity arises.

The Group is cautious when undertaking joint ventures. In making a decision to co-operate with external parties, the Group, in its selection of its joint venture partners, considers factors such as reputation and quality of management, track record and financial standing. The Group's joint venture projects are undertaken with established property developers with a strong track record in development of properties in both Malaysia and Singapore.

Completed joint venture projects the Group has undertaken with joint venture partners are set out below:

(a) partnered with Ho Bee Investment Ltd for luxury condominiums, Cape Royale and Seascape, located in Sentosa Cove, Singapore;

(b) partnered with Ascent View Holdings Pte. Ltd. (a wholly-owned subsidiary of City Developments Limited), for South Beach mixed-use development at Beach Road, Singapore as well as the management of the JW Marriott Hotel Singapore South Beach, Singapore;

(c) partnered with Kim Seng Heng Realty Pte Ltd and LBH Pte Ltd for Cityscape, a condominium at Farrer Park, Singapore; and

(d) partnered with Sime Darby Brunsfield Motorworld Sdn Bhd for PJ Midtown mixed-use development in Section 13, Petaling Jaya, Selangor, Malaysia.

For a discussion of certain risks associated with these joint venture arrangements, see "*Risk Factors—Risks Relating to the Group's Business—The Group may encounter problems with its joint ventures that may adversely affect its business*".

SALES AND MARKETING

Property Development

Being an established property developer, the Group believes that it has built its corporate image through timely delivery of its property developments with proven quality. As the Group maintains a diversified product portfolio, its marketing strategies vary according to the types of products offered. Marketing strategies adopted by the Group include, amongst others, the following:

- personalised themes to suit individual lifestyles and consumer groups;
- innovative architectural design concepts;
- sustainable living and environmentally friendly elements;
- attractive tailored-made sales packages to lower entry cost;
- focus on targeted digital marketing strategies; and
- using Customer Relations Management applications to be able to deliver more timely and personalised service.

In Malaysia, the Group has an internal digital marketing team that focuses on targeted marketing and strategic branding activities as well as an internal design development team to provide input during the design development process to ensure the design of the Group's properties meets its stringent design criteria. The Group also participates regularly in various property exhibitions such as *The Star Property Fair*, *iProperty* and the *Malaysia Property Exposition* (MAPEX) to promote its brand name and products.

The Group's IOI eMarketplace is a one-stop platform that facilitates seamless communication with customers, bankers and solicitors and enables it to perform transactions for customers remotely and seamlessly. With automated workflows that expedite completion of sales transactions, customers are able to track each stage of their property purchase process.

The Group's Club IOI loyalty programme is a cardless loyalty programme that rewards members with points and other special privileges by selected IOI entities and participating merchants of the Group's malls. Repeat and existing home buyers registered under Club IOI also enjoy additional discounts or rebates when they purchase their next property with the Group.

In relation to sales activities, the Group has dedicated sales teams located at both its head office and at showrooms at the major project sites to promote its new launches. In addition, the Group also deploys real estate agencies to sell its products.

The sales and marketing process for the Group's operations in Singapore and Xiamen, PRC are materially similar to its Malaysian operations.

For its joint ventures in Singapore, the Group leverages on its joint venture partners' experiences, contacts and reputation in Singapore to successfully market its projects. Discussions on pricing strategy are also carried out with its joint venture partners prior to product launch.

Property Investment

The Group typically commences marketing and leasing of its developments prior to the start of construction, in order to secure appropriate anchor and specialty tenants for its new developments. This is carried out by the Group's in-house leasing team and appointed property agencies. The Group negotiates leases individually with each tenant, using the Group's standard set of lease terms as the starting point. The leases generally have a term of up to three years, with a tenant option to extend for a period of three years. For Xiamen, PRC operations, the leases generally have a term of eight to 15 years for anchor tenants and three to five years for non-anchor tenants, with an option to extend the lease terms, subject to negotiation between the parties.

INSURANCE

The Group maintains insurance policies for its assets, including its properties under development and investment properties. The Group has insurance covering amongst others, money in premises and in-transit, fidelity guarantee, burglary, fire (selected perils and natural disasters), machinery breakdown, all-risk and policies on office contents and equipment. The Group also insures for public liabilities against claims by third parties in respect of bodily injury and damage arising out of properties and other assets owned by the Group.

The Group requires its contractors to maintain contractors' all risks and workmen compensation insurances during the construction period and maintenance period of relevant projects. Upon completion, the responsibility of insuring each individual unit typically passes to purchasers. For investment properties, the Group obtains insurance for each individual unit. For completed properties, the Group or the joint management body/management corporation of the relevant strata titled development maintains fire and public liability insurance.

In addition, the Group effects term life, hospitalisation and surgical and personal accident policies for its employees, and directors' and officers' liability insurance for its directors and officers.

EMPLOYMENT

The Group provides employees with on-the-job-training and other development programmes that assist them in effectively carrying out their jobs and that prepare them for career advancement within the Group.

As at the date of this Offering Circular, none of the Group's employees belong to a union, save for its employees in Xiamen, PRC, who belong to a labour union established in accordance with the requirements of the PRC government. However, the Group has not entered into any collective bargaining agreement with the labour union in relation to its operations in Xiamen, PRC.

The Group believes it has a good relationship with its employees.

INTELLECTUAL PROPERTY

Other than as described below, the Group does not have, and is not reliant on, any brand name, patent, trademark, technical assistance agreement, franchise or any other intellectual property rights in the operation of its business.

System Licence Agreements

The Group relies on international hotel operators in the operation, management, maintenance, branding and marketing of its hotels. The Group has entered into six system licence agreements in respect of the management of six of its hotels across Malaysia and Xiamen, PRC. These agreements will expire between 2029 and 2040.

IOI Trademark

The current "**IOI**" logo which the Group uses in its operations has been trademarked by IOIC, the Company's former holding company. On 30 November 2013 the Company entered into a licence agreement with IOIC to obtain the rights to use the "**IOI**" brand name and logo prior to its listing on Bursa Malaysia.

Other Trademarks

(a) Buzzy Bees Trademark

The "**Buzzy Bees**" mark for the operation of its IOI Mall Kulai Kids Club in Johor, Malaysia, is owned by the Group's subsidiary, Nice Frontier Sdn Bhd.

(b) Icescape Trademark

The "**Icescape**" mark which the Group uses for the operation of its ice-skating rink in IOI City Mall, is owned by the Group's subsidiary, IOI City Mall Sdn Bhd.

SUSTAINABILITY

Sustainability is an integral element of the Group's business model. The Group formulates its business strategies to embrace sustainability, with the aims of creating value for its stakeholders and leaving a positive impact on the economy, environment and society in which it operates. With Board oversight and support, the Group has implemented various initiatives in line with its sustainability strategies and policy, guided by the Group's vision and core values.

The Group seeks to develop sustainable integrated developments, and build a harmonious co-existence between nature and the built environment. It also advocates excellence in the quality of its products and services; practices environmental ethics; strengthens the healthy, safe and fair work culture of the Group, and contributes to the social well-being of local communities. As part of its continued efforts to encourage sustainability ownership, the Group launched a Group-wide strategic campaign, "**IOI Connects to Earth**", aimed at generating conversation and inspiring action in the areas of waste minimisation, biodiversity conservation, as well as climate change mitigation and adaptation.

The Group adopts environmentally friendly design plans and green features in its integrated developments, with the aim of reducing carbon footprint. This also enables its stakeholders, including customers and tenants, to benefit from the efficient use of resources, through the harnessing of natural lighting and ventilation amongst others. The Group promotes energy efficiency, water conservation and ethical waste management through purposeful design and planning of its developments, where applicable. For instance, the Group has introduced green buildings in its property development project in Singapore, IOI Central Boulevard Towers, which comprises two Premium Grade A Green Mark Platinum office towers. The development utilises sustainable construction materials such as a high-performance, double-glazed heat and UV-reducing façade, water-efficient fittings and appliances, as well as an energy-efficient central air-conditioning system and LED lighting. Similarly, the Marina View land parcel which is situated close by is designed to achieve Green Mark Platinum Rating certification, and will be developed in conjunction with a green mark consultant, Building System and Diagnostics Pte Ltd ("**BSD**"). As an independent building consultancy firm, BSD will provide specialised advisory services in the fields of sustainable building design and construction.

The Group also subscribes to the Low Carbon Cities Framework and Assessment System and supports the United Nations Sustainable Development Goals 11 (Sustainable Cities and Communities) and 13 (Climate Action) by focusing on low carbon and transit-oriented developments. For example, in its established developments in Bandar Puteri Puchong and Bandar Puchong Jaya, the availability of LRT services and the newly opened Bandar Puteri Interchange provides improved connectivity and accessibility, creating long-term value for the residents and businesses of these integrated developments. Furthermore, the Group's office buildings and high-rise developments in its investment properties portfolio has been designed to achieve green building certification, such as PFCC Towers 4 and 5 in Bandar Puteri Puchong, and IOI City Towers 1 and 2 in IOI Resort City.

Additionally, the Group has made commitments to reduce its reliance on fossil fuels and to turn instead to renewable sources of energy. For instance, solar panels were installed on the rooftop of IOI City Mall in Putrajaya, Malaysia, which generated 4,662.25 MWh of solar energy in FY2022—equivalent to a carbon emissions reduction of 2,727.4 tCO2 per year. Other energy saving initiatives introduced by the Group include a centralised cooling system in its malls, hotels and office buildings, which are designed to adapt to demand fluctuations according to its operation hours, as well as a building management system which monitors energy consumption (for instance, for building lighting, air-conditioning and elevators) by the Group's managed properties.

MATERIAL LITIGATION

There is no material legal or arbitration proceedings pending or, so far as the Issuer, the Guarantor and their respective directors are aware, threatened against the Issuer, the Guarantor or any of their respective subsidiaries the outcome of which, in the opinion of the directors, may have or have had during the 12 months prior to the date of this Offering Circular a material adverse effect on the financial position of the Issuer or the Guarantor.

BOARD OF DIRECTORS

The directors of the Company are responsible for the overall management of the Group.

The following table and description below set forth certain information concerning the board of directors of the Company (the "**Board**") as at the date of this Offering Circular:

Name	Position
Datuk Tan Kim Leong	Independent Non-Executive Chairman
Lee Yeow Seng	Executive Vice Chairman
Lee Yoke Har	Non-Independent Non-Executive Director
Dato' Lee Yeow Chor	Non-Independent Non-Executive Director
Datuk Lee Say Tshin	Independent Non-Executive Director
Datuk Dr Tan Kim Heung	Independent Non-Executive Director
Chan Cha Lin	Independent Non-Executive Director

DATUK TAN KIM LEONG

Independent Non-Executive Chairman

Datuk Tan Kim Leong ("**Datuk Tan**") was appointed to the Board on 1 June 2013 as Senior Independent Non-Executive Director. Datuk Tan was subsequently designated to Independent Non-Executive Chairman of the Company on 1 July 2019. Concurrently with his re-designation, Datuk Tan relinquished his position as the Chairman of the Audit Committee and Senior Independent Director role.

Datuk Tan is a Fellow member of the Institute of Chartered Accountants, Australia and the Malaysian Institute of Chartered Secretaries and Administrators. He is a member of the Malaysian Institute of Accountants.

He has more than 50 years of experience in auditing, accounting and consulting. He was the Executive Chairman of BDO Binder, Malaysia from 1987 to 2009. He was the Chairman of the Board of Gul Technologies Singapore Limited and MCIS Insurance Berhad. He was also a Senior Independent Non-Executive Director of IGB Berhad, a Director of RHB Capital Berhad, RHB Investment Bank Berhad, Malaysia-China Business Council.

He is the Chairman of the Board of Amoy Canning Corporation (Malaya) Berhad and a Director of KL Industrial Services Berhad. He is also a Trustee of Yayasan Tan Sri Lee Shin Cheng and IOI Foundation.

LEE YEOW SENG

Executive Vice Chairman

Mr Lee Yeow Seng ("**Mr Lee**") is the Executive Vice Chairman of the Group.

He was appointed to the Board on 25 February 2013 as a Non-Independent Executive Director, and was designated as Chief Executive Officer from 8 January 2014 until 14 April 2020.

Mr Lee is a barrister-at-law from the Bar of England & Wales by Inner Temple. He holds a LLB (Honours) from King's College, London. He had served at the London and Singapore offices of a leading international financial services group for approximately two years.

Since joining IOI Group, he was actively involved in the corporate affairs and general management within IOI Group prior to the demerger and listing of IOI Properties Group Berhad. As the Executive Vice Chairman of the Group, he is responsible for the formulation of high-level strategies of the Group and together with the Chief Executive Officer, in sustaining the overall growth of the Group.

Mr Lee is also presently a Non-Independent Non-Executive Director of IOI Corporation Berhad ("**IOIC**") and a Trustee of IOI Foundation.

LEE YOKE HAR

Non-Independent Non-Executive Director

Ms Lee Yoke Har ("**Ms Lee**") graduated with a LLB (Honours) from King's College, London, is a barrister-at-law (Middle Temple) and also holds a Diploma in Finance and Accounting.

She first joined IOI Group as a Legal Executive in 1996 and was subsequently transferred to the property division to take charge of implementing the International Organisation for Standardisation (ISO) quality management systems. She has since held various positions in the Group and was promoted to Senior General Manager, Marketing and Business Development in 2010. On 1 July 2017, she was appointed as an Executive Director and was primarily responsible for supporting, managing and implementing the Group's sales and marketing strategies, and overseeing the product design development, sustainability, corporate communication, information technology digitalisation transformation and risk management functions.

Following her retirement from Executive Management, Ms Lee was re-designated from Executive Director to Non-Independent Non-Executive Director on 1 July 2022.

DATO' LEE YEOW CHOR

Non-Independent Non-Executive Director

Dato' Lee Yeow Chor ("**Dato' Lee**") was appointed to the Board on 25 February 2013 and was subsequently re-designated as a Non-Independent Non-Executive Director on 18 December 2013. He is also Chairman of the Company's Whistleblowing Committee.

Dato' Lee is a barrister from Gray's Inn, London and holds a LLB (Honours) from King's College, London and a Postgraduate Diploma in Finance and Accounting from the London School of Economics.

Prior to joining IOI Group as a General Manager in 1994, Dato' Lee served in the Attorney General's Chambers and the Malaysian Judiciary Service for approximately four years. His last posting was as a Magistrate.

Dato' Lee has been the Chairman of the Malaysian Palm Oil Association since 2020. He served as a Chairman of the Malaysian Palm Oil Council from 2009 to 2020.

Dato' Lee was appointed as a Director on the Board of Bank Negara, the Central Bank of Malaysia from 2015 to 2018. He was also a Director of the Malaysian Green Technology Corporation from 2011 to 2013, and served as the Secretary General of the National Council of the Real Estate and Housing Developers' Association Malaysia from 2002 to 2006.

Dato' Lee is presently the Group Managing Director and Chief Executive of IOIC. He is a Non-Executive Non-Independent Director of Bumitama Agri Limited. He is also a Trustee of Yayasan Tan Sri Lee Shin Cheng and IOI Foundation.

DATUK LEE SAY TSHIN

Independent Non-Executive Director

Datuk Lee Say Tshin ("**Datuk Lee**") was appointed to the Board on 22 August 2013 as an Independent Non-Executive Director. He is the Chairman of the Audit Committee and a member of the Risk Management Committee and Governance, Nominating and Remuneration Committee of the Company.

Datuk Lee holds a Bachelor of Economics (Honours) from the University of Malaya in 1975.

He has over 42 years of experience in the banking industry. His last position held in HSBC Bank Malaysia Berhad was as the Managing Director of Strategic Business Development prior to his retirement in 2013.

He has been appointed to the advisory board of the Entrepreneurship Development Advisory Council in the Ministry of Entrepreneurship since July 2018. Currently, he is a Senior Advisor and Vice Chairman, Strategic Initiatives for HSBC Bank Malaysia Berhad.

Datuk Lee is the Independent Non-Executive Chairman of CJ Century Logistics Holdings Berhad and a council member of Malaysia-China Business Council.

DATUK DR TAN KIM HEUNG

Independent Non-Executive Director

Datuk Dr Tan Kim Heung ("**Datuk Dr Tan**") was appointed to the Board on 1 June 2013 as an Independent Non-Executive Director. He is the Chairman of the Governance, Nominating and Remuneration Committee and a member of the Audit Committee, Risk Management Committee and Whistleblowing Committee of the Company.

Datuk Dr Tan graduated with a Bachelor of Medicine and Surgery (London) (Honours) from The Middlesex and University College Hospital Medical School, London in 1986 and received his Member of the Royal College of Physicians (United Kingdom) in 1989. In 1995, he was awarded a Doctorate of Medicine/Cardiology from the University of London. He became a Fellow of the American College of Cardiology in 1997, Member of the Academy of Medicine Malaysia in 1999, and was awarded Fellowship of the Royal College of Physicians (London) in 2001.

Datuk Dr Tan is a Consultant Cardiologist at Cardiac Vascular Sentral (Kuala Lumpur), Malaysia. He was previously a Consultant Cardiologist at Sunway Medical Centre, Petaling Jaya and a Professor of Medicine and Head of Cardiology at the University Malaya Medical Centre in Kuala Lumpur, Malaysia. He previously served as a Cardiologist at Guy's Hospital, London, United Kingdom.

Datuk Dr Tan is a recipient of numerous outstanding academic awards and prizes with vast experience in various interventional cardiac procedures. He is an author or co-author of more than 100 published papers, articles and abstracts in peer-reviewed journals and has contributed chapters to several books. He is frequently invited to lecture and to participate as an expert faculty member in international and national conferences, seminars and courses. He is also a fellow or member of numerous professional organisations and advisory boards.

CHAN CHA LIN

Independent Non-Executive Director

Mr Chan Cha Lin ("**Mr Chan**") was appointed to the Board on 1 June 2021 as an Independent Non-Executive Director. Mr Chan is the Chairman of the Risk Management Committee, and a member of Audit Committee, Governance, Nominating and Remuneration Committee and Whistleblowing Committee of the Company.

He is an Executive Director of Annhow Holdings Sdn Bhd, overseeing its financial assets portfolios and businesses. His key functions are fund investments, financial reporting and controlling the private companies managed by him. He has an in-depth knowledge of managing a latex medical products manufacturing business. He also has extensive experience in corporate finance, investment, accounting and property development.

Mr Chan started his career as a research analyst in the research department of a property valuation firm in 1985. Mr Chan held various managerial positions in local established project management companies and a family-owned investment holding company during the period of 1991 to 2011. He subsequently started his own property development project in 2015.

Mr Chan is also the director of Yayasan Chan Fong Ann, a philanthropic fund named after his father, which aims to provide aid to less fortunate communities in Johor. Thus far, the fund has provided much needed food and supplies to communities during the COVID-19 pandemic.

KEY MANAGEMENT

The following table and description below set forth certain information concerning the key management of the Company as at the date of this Offering Circular:

Name	Position
Dato' Voon Tin Yow	Chief Executive Officer
Teh Chin Guan	Chief Operating Officer—Property Development (Central Region)
Lim Beng Yeang	Chief Operating Officer—Property Development (Southern Region)
Melissa Tan Swee Peng	Chief Financial Officer
	Property Development
Tan Keng Seng	Senior General Manager
Chung Nyuk Kiong	Senior General Manager
Ho Kwok Wing	Senior General Manager
Steve Wong Wai Leong	Senior General Manager, Xiamen, PRC
Wong Peen Fook	General Manager
Lee Yean Pin (Li Yanping)	General Manager, Singapore
Nicole Lee Chee Yiing	Head of Group Sales & Marketing
	Property Investment
Chris Chong Voon Fooi	Head of Retail
Toh Boon Chiew	General Manager, Facilities Management

Name	Position
Rasheed Kumar Renoo	* Cluster General Manager, Four Points by Sheraton, Puchong and Le Méridien, Putrajaya, Putrajaya Marriott Hotel and Palm Garden Hotel, Putrajaya, a Tribute Portfolio Hotel
Joanne Ang Cui Xia	Head of Leasing (Offices)
	Corporate
Bhuvaneswary a/p Kisnasamy	Head of Group People & Culture
Michelle Shen Yan Chao.	Group Financial Controller
Kristine Ng Mee Yoke	General Manager, Group Corporate Communication & Sustainability
Steven Su Chan Loong	General Manager, Group Quality Management
Chee Ban Tuck.	Company Secretary and General Manager, Corporate Finance
Jimmy Yee Yoke Seng.	Head of Group Internal Audit

* *Under employment of Marriott International*

Dato' Voon Tin Yow

Chief Executive Officer

Date of Appointment: 15 April 2020

Dato' Voon Tin Yow ("**Dato' Voon**") is the Chief Executive Officer of the Company.

Dato' Voon holds a Master of Science in Engineering and a Bachelor of Science in Civil Engineering from The University of Texas at Austin, United States.

Dato' Voon has 38 years of working experience in the construction and property development industry, which includes three years in construction site management and 35 years in management of property development. He began his career in 1984 in Kimali Construction Sdn Bhd as a site engineer and went on to become the development engineer in Juru Bena Tenaga Sdn Bhd in 1986. In 1990, he joined Syarikat Kemajuan Jerai Sdn Bhd as Project Manager and was subsequently appointed as the General Manager in 1994.

Dato' Voon was previously an Executive Director at S P Setia Berhad ("**S P Setia**") and held the post of Chief Operating Officer from 1996 to 2014, during which he also acted as the Acting President and Chief Executive Officer from 1 May 2014 until 31 December 2014. During his tenure in S P Setia, he oversaw the development of the entire eco-system to establish the company's policies and procedures. He played a key role in leading the Malaysian consortium comprising S P Setia and Rimbunan Hijau Group to jointly develop the China-Malaysia Qinzhou Industrial Park in the PRC with a Chinese consortium.

Dato' Voon joined Eco World Development Group Berhad in 2015 as an Executive Director. He was also a Non-Independent Non-Executive Director of EcoWorld International Berhad since 2017. He resigned from the board of both companies in February 2020.

Teh Chin Guan

Chief Operating Officer, Property Development (Central Region)

Date of Appointment: 28 August 2006

Mr Teh Chin Guan ("**Mr Teh**") is the Chief Operating Officer of the Company's Property Development division (Central Region).

Mr Teh holds a Bachelor of Engineering (Honours) degree from Universiti Teknologi Malaysia. He is currently a member of the Harvard Club of Malaysia.

Before joining IOI Group's property division in 2006, Mr Teh had held various senior positions in Berjaya Land Bhd and he brings with him many years of experience from the property and construction industry. He joined IOI Group in 2006 as an Assistant General Manager in the property division and was promoted to General Manager in 2009. Mr Teh was subsequently promoted to Property Director in 2012 and redesignated to Chief Operating Officer of IOI Properties Group Berhad's property development division in 2014, after the de-merger of the property division.

Mr Teh plays a major role in contributing towards the Group's property development in the growth corridor of the Klang Valley.

Lim Beng Yeang

Chief Operating Officer—Property Development (Southern Region)

Date of Appointment: 3 April 1995

Mr Lim Beng Yeang ("**Mr Lim**") is the Group's Chief Operating Officer for the Johor region.

Mr Lim holds a Bachelor of Science (Honours) in Housing Building & Planning from Universiti Sains Malaysia.

He has over 36 years of experience in areas such as township planning, design development, contracts administration, project management and construction, property management and sales marketing. He is presently responsible for the Group's property development business in Johor.

Prior to joining IOI Group, Mr Lim was a Senior Construction Manager with Regal Crest (M) Sdn Bhd, and had also worked in Indonesia during his tenure as a Senior Property Executive with MBf Property Services Sdn Bhd.

Melissa Tan Swee Peng

Chief Financial Officer

Date of Appointment: 1 June 2022

Ms Melissa Tan Swee Peng was appointed as Chief Financial Officer ("**CFO**") of IOI Properties Group Berhad on 1 June 2022. She oversees the functions of Group Finance and Treasury Management, Corporate Finance, Group Legal and Compliance. She is also involved in driving the Group Digital Transformation and Technology, and Sustainability initiatives.

She has more than 24 years of experience in the financial, property and banking industries, holding key roles in finance, investment banking involving areas of corporate finance and capital management. Upon graduation from the University of Bedfordshire, United Kingdom in 1997 with a Bachelor of Arts in Accounting, she started her career with the Internal Audit Department of Sunway Holdings Berhad (now known as Sunway Berhad). She then joined the Corporate Finance Department of Aseambankers Malaysia Berhad (now known as Maybank Investment Bank Berhad) in 2001, and was involved in various corporate transactions specialising in mergers and acquisitions, take-overs and equity fund raising activities.

In 2007, she joined S P Setia as a Senior Manager within the Corporate Finance Department and was subsequently promoted to be the Head of Corporate Finance. Under her stewardship, S P Setia successfully completed the issuance of a Sukuk Musharakah Programme which clinched two Islamic finance awards, namely the Perpetual Deal of the Year and Musharakah Deal of the Year in 2014.

In April 2014, she joined Eco World Development Group Berhad as the Head of Corporate Finance. During her service period, she led the Initial Public Offering exercise of Eco World International Berhad on Bursa Malaysia Securities Berhad and spearheaded the implementation of several major corporate transactions involving acquisitions, joint-venture arrangements and equity fund raising.

Prior to joining the Group, she was the CFO of Eco World International Berhad from September 2016 until May 2022. She was responsible for overseeing all financial and corporate matters of Eco World International Berhad including financial reporting, corporate finance, treasury, investor relations and risk management. She was also responsible for overall coordination of sustainability and governance reporting for Eco World International Berhad in June 2022.

Property Development Division

Tan Keng Seng

Senior General Manager

Date of Appointment: 30 April 2011

Mr Tan Keng Seng ("**Mr Tan**") is a Senior General Manager with the Group's Property Development division.

After completing his secondary school education at the Royal Military College, Mr Tan went on to earn a Bachelor's Degree in Civil Engineering from McGill University, Canada.

He worked for six years before enrolling in and completing a two-year Master's programme at the Massachusetts Institute of Technology of Cambridge, USA ("**MIT**"). Since then, he has worked in the banking, manufacturing and property development sectors.

Mr Tan first joined IOI Group's property division in 2011. Currently, he is responsible for the Group's development projects at Ayer Keroh (Melaka) and Bahau (Negeri Sembilan).

Chung Nyuk Kiong

Senior General Manager

Date of Appointment: 18 August 2014

Mr Chung Nyuk Kiong ("**Mr Chung**") is a Senior General Manager with the Group's Property Development division.

Mr Chung holds a Master of Science in Construction Management from Heriot-Watt University and Master of Business Administration from the University of Newcastle. He is also a Member of the Royal Institution of Chartered Surveyors.

Prior to joining the Group in 2014 as a General Manager, he had worked with public listed property developers and construction companies, both locally and abroad, on a range of developments including mixed developments, office, commercial and residential buildings. He was promoted to Senior General Manager in 2017.

Currently, Mr Chung is responsible for the overall property development projects in Puchong Jaya and Bandar Puteri Puchong.

Ho Kwok Wing

Senior General Manager

Date of Appointment: 16 July 2012

Mr Ho Kwok Wing ("**Mr Ho**") is a Senior General Manager with the Group's Property Development division.

Mr Ho holds a Master's and a Bachelor's Degree of Science in Civil Engineering from the Oklahoma State University, United States of America.

Upon graduation, Mr Ho worked as a consulting structural engineer in California, USA from 1991 to 1992. He subsequently joined Bina Goodyear Berhad as a Project Engineer in 1992, and was promoted to Senior General Manager. He then joined IOI Group's property division in 2012 as a General Manager.

Currently, Mr Ho is responsible for the overall property development in IOI Resort City.

Steve Wong Wai Leong

Senior General Manager, Xiamen, PRC

Date of Appointment: 1 April 2021

Mr Steve Wong Wai Leong ("**Mr Steve Wong**") is a Senior General Manager with the Group's Property Development division in Xiamen, PRC.

Mr Steve Wong holds a Bachelor of Science in Construction Management from University of Greenwich, Australia and a Postgraduate Diploma in Business Administration from Heriot-Watt University, United Kingdom.

Mr Steve Wong is presently responsible for the entire business operation of the Company in Xiamen, PRC.

He has over 24 years of experience in the property and construction industry spanning Malaysia and China. He has been based in China for 14 years with extensive experience in the full cycle of integrated mixed development and commercial properties operation.

He was previously the Director cum General Manager of Jade Riviera (Wuxi) Property Company Limited (a member of Hong Leong Group Singapore), where he was responsible for the business operation for an integrated mixed-use development in Wuxi City of China since December 2013. He had completed the Wuxi project from end to end and was instrumental in spearheading the operation team for the opening of the shopping mall, luxury boutique hotel and serviced residence.

Prior to joining Hong Leong Group, Mr Steve Wong had held various senior positions with Berjaya Land China in Beijing and Keppel Land China for a landmark project, namely, Sino-Singapore Tianjin Eco-city for three years.

During his tenure in Malaysia, he worked with several public listed companies involving large-scale projects such as I-City Development, Metropolitan Square and KLIA Formula One Racing Circuit.

Wong Peen Fook

General Manager

Date of Appointment: 1 April 2013

Mr Wong Peen Fook ("**Mr Wong**") is a General Manager with the Group's Property Development division.

Mr Wong holds a Certificate in Civil Engineering from Politeknik Ungku Omar, Ipoh, Perak, Malaysia.

He started his career with Bandar Sunway Sdn Bhd as a Site Supervisor and joined the Group in 1990 as a clerk. After four years, he was promoted to various positions, including Senior Project Manager in 2013. Subsequently, he was promoted to Assistant General Manager, then to General Manager.

Mr Wong is responsible for planning, executing, controlling and coordinating property development projects in Bangi and Sepang.

Lee Yean Pin (Li Yanping)

General Manager, Singapore

Date of Appointment: 1 March 2012

Ms Lee Yean Pin (Li Yanping) ("**Ms Lee Yean Pin**") is a General Manager with the Group's Property Development division in Singapore.

Ms Lee Yean Pin holds a Master of Science (Real Estate Development) from MIT and a Bachelor of Science (Estate Management) from the National University of Singapore.

She has more than 21 years of experience in urban planning, real estate development and place management in Singapore. Prior to joining IOI Group's property division in 2012, she has held various appointments in Singapore's national land use planning and conservation authority.

At present, Ms Lee Yean Pin is responsible for the overall planning, execution and coordination of the Group's property development projects in Singapore under her charge.

Nicole Lee Chee Yiing

Head of Group Sales & Marketing

Date of Appointment: 1 June 2022

Ms Nicole Lee Chee Yiing ("**Ms Nicole Lee**") is the Head of Group Sales & Marketing of the Property Development division.

She holds a Master of Science in System Engineering and Management from Malaysia University of Science & Technology, and a Bachelor of Engineering in Chemical Engineering and majoring in Bioprocess from University Technology Malaysia.

Ms Nicole Lee was a sales and marketing specialist with 16 years of experience in the real estate industry. She started her career as a Management Trainee with Sunway Group in 2006 and has held various positions in the Property Division under Sales & Marketing, Product Development and International Business Development.

She was appointed to the International Division of Sunway Group in 2009 to assist in the land banking efforts across Asia Pacific, and was in charge of the launching of the maiden project for Sunway Group in China, among other responsibilities. She was appointed to the corporate office as a senior manager in Group Corporate Strategy in 2012, where she assisted in the formulation and implementation of strategic initiatives for the Property and Construction divisions post-merger. Prior to her leaving Sunway Group, she was in charge of setting up the Strategic Marketing Department for the property division.

In 2014, she joined OSK Property as the Head of Sales & Marketing for the Property Development Division. Apart from her Sales & Marketing responsibility, she also sat in the Land Bank Committee and led the Branding and Public Relations function, as well as the Knowledge Management initiative in OSK Property. She left OSK Property and relocated to Switzerland in 2018 to fulfil her family responsibility. She has since relocated back to Malaysia and joined the Group in 2022.

Property Investment Division

Chris Chong Voon Fooi

Head of Retail

Date of Appointment: 11 July 2011

Mr Chris Chong Voon Fooi ("**Mr Chris Chong**") is the Senior General Manager of the Group's Property Investment division.

Mr Chris Chong holds a Bachelor of Arts (Honours) in International Business Administration from Northumbria University of Newcastle. He has more than 23 years of experience in shopping mall development and management. Prior to joining IOI Group, property division, he had worked for a leading shopping mall operator in Kuala Lumpur holding various roles in development, leasing, marketing, operations and procurement over the span of 11 years. He joined IOI Group, property division in 2011 as Head of Marketing and Leasing for IOI City Mall and promoted to General Manager in 2014. He was subsequently promoted to Senior General Manager in 2020. Mr Chris Chong is responsible for the overall operations of Retail Malls.

Toh Boon Chiew

General Manager, Facilities Management

Date of Appointment: 19 August 2019

Mr Toh Boon Chiew ("**Mr Toh**") is a General Manager with the Group's Property Investment division in charge of facilities management.

Mr Toh holds a Bachelor's Degree (Honours) in Mechanical Engineering from the University of Newcastle, Australia. He has more than 31 years of experience in mechanical, and electrical design, project and facilities management for various property developments and investments. Prior to joining the Group, he held a variety of key management roles in several public listed companies.

Mr Toh is currently responsible for facilities management for the Group's investment properties.

Rasheed Kumar Renoo

*Cluster General Manager, Four Points by Sheraton Puchong, Le Méridien Putrajaya, Putrajaya Marriott Hotel and Palm Garden Hotel, Putrajaya, a Tribute Portfolio Hotel (collectively, the "**Hotels**")*

Date of Appointment: 18 August 2014

Mr Rasheed Kumar Renoo ("**Mr Kumar**") is the Cluster General Manager who is responsible for the general operations of the Hotels.

Mr Kumar obtained a Diploma in Business Management from Universiti Teknologi Malaysia. He has continuously complemented his core skills with specialist training programmes at the Starwood/Marriott Group of hotels in a range of disciplines including Food and Beverage Yield Management, and Leadership and Strategic Planning.

Prior to managing the successful opening of Le Méridien Putrajaya, Mr Kumar spearheaded the opening of Four Points by Sheraton Puchong as the General Manager. In his previous role, he had held the challenging position as dual General Manager for Sheraton Langkawi Beach Resort and Four Points by Sheraton Langkawi Resort concurrently.

During his career, Mr Kumar served a number of departmental management roles, beginning as Director of Food & Beverage at the former Sheraton Subang Hotel & Towers.

Joanne Ang Cui Xia

Head of Leasing (Offices)

Date of Appointment: 1 September 2020

Ms Joanne Ang Cui Xia ("**Ms Ang**") is the Head of Leasing with the Group's Property Investment division.

Ms Ang holds a Bachelor of Business from the University of South Australia.

She is a registered Property Manager with the Board of Valuers, Appraisers, Estate Agents and Property Managers. She brings with her more than 16 years in corporate leasing. Prior to joining the Group, she was attached with several public listed property developers, holding key roles in marketing, leasing and management of prime purpose-built office buildings within the Klang Valley.

Ms Ang is responsible for the overall operation and leasing of all office buildings in the Klang Valley.

Corporate Division

Bhuvaneswary a/p Kisnasamy

Head of Group People & Culture

Date of Appointment: 6 January 2021

Ms Bhuvaneswary a/p Kisnasamy ("**Ms Bhuvanes**") is the Head of Group People & Culture.

Ms Bhuvanes holds a Master of Business Administration from University of Putra Malaysia, Bachelor of Science in Chemistry from University of Malaya, Foundation of Business Programme with dual certification from Lancaster University and Sunway University and Premier Business Management Programme with Harvard Club of Malaysia.

Ms Bhuvanes career spans over 20 years with experience in various industries such as oleochemicals, environmental, biotechnology, property, and hospitality.

Ms Bhuvanes has trained as a chemist. She spent the first six years of her career as a Chemist in organisations such as Kewalram Oils, Natural Oleochemicals, and ALS Technichem. She then took on the role of managing the Quality & Environment Management System and Knowledge Management function in Sunway City Berhad in 2005.

Her first foray into human resources was in 2007. In her early career as a human resource professional, she led different portfolios including people strategies, business partnering, as well as management of the full spectrum of human resource functions such as talent attraction and acquisition, learning and organisational development, and human resource services delivery. Subsequently, she assumed senior leadership roles in 2014.

Before joining the Group, she served as Group Director of Human Resources of Sunway Hotels and Resorts where she was responsible for all aspects of people strategy and transformative human capital initiatives for Sunway's diverse collection of 11 hotels and resorts in Malaysia, Cambodia and Vietnam. Prior to that, she held the positions of Head of Human Resources in Sunway Property managing several clusters including Sunway Integrated Properties & Sunway REIT and as a Regional People and Organisation Partner in Novozymes, a biotechnology company.

Michelle Shen Yan Chao

Group Financial Controller

Date of Appointment: 11 September 2017

Ms Michelle Shen Yan Chao ("**Ms Michelle Shen**") is the Group Financial Controller.

Ms Michelle Shen holds a Bachelor of Business, with a major in Accounting, from Charles Sturt University, Australia. She is a member of CPA Australia as well as member of the Malaysian Institute of Accountants.

Ms Michelle Shen has more than 18 years of experience in auditing and finance in the property development, property investment, and leisure and hospitality industries. Prior to joining the Group in 2011 as a Finance Manager, she worked in a mid-tier accounting firm. Ms Michelle Shen is responsible for the full spectrum of financial management matters including financial reporting, tax compliance, financial control, and treasury of the Group.

Kristine Ng Mee Yoke

General Manager, Group Corporate Communication & Sustainability

Date of Appointment: 25 May 2016

Ms Kristine Ng Mee Yoke ("**Ms Kristine Ng**") is the Group's General Manager in charge of Group corporate communications and sustainability.

Ms Kristine Ng holds a Bachelor of Arts (Honours) Degree from the University of Malaya.

She has more than 27 years of experience in the property industry, having held various senior and general management positions over the years. Her areas of expertise include corporate communications, strategic brand management, customer experience, stakeholder engagement, sustainability management, township management; and training and development. She is also experienced in strategic leadership, and in building cross-organisational relationships for strategic partnerships aligned with business strategies.

She currently oversees the Group's Corporate Communication functions, and is responsible for the strategic management of sustainability initiatives across the various business segments of the Group.

Steven Su Chan Loong

General Manager, Group Quality Management

Date of Appointment: 1 October 2020

Mr Steven Su Chan Loong ("**Mr Steven Su**") is the Group's General Manager in charge of Group Quality Management.

He holds Masters of Engineering Science from University of Malaya and Bachelor of Civil Engineering (First Class Honours) Degree from University of Malaya.

Mr Steven Su has more than 23 years of experience in the construction and property industry, with expertise in the areas of quality & environmental management system, product quality, health & safety, risk management, service quality and green & sustainability.

Upon graduation in 1999, he started his carrier as a Project Engineer with IJM Construction where he was involved in the construction of KL Monorail and a highway infrastructure project in Putrajaya. After about four years, he then joined a management consulting firm, providing a range of advisory services, training and support to guide companies achieve successful outcomes in quality initiatives related to compliance and certification with quality standards and management systems.

In July 2006, he joined SP Setia Berhad as the Quality Management System Manager. He then took up the role as the Regional Quality Manager (Asia) at SKM Consulting (now known as Jacobs Engineering Group Malaysia) in April 2009 and was responsible to assess quality compliance for projects in Malaysia, Singapore, Thailand, Indonesia and India.

In May 2010, he re-joined S P Setia as the General Manager of Group Quality Management. During this tenure, he was responsible for improvement of quality management system, service quality, product quality and health and safety matters. He then joined EcoWorld Development Group Berhad in May 2014 as the General Manager of Group Quality Management. Besides overseeing the improvement of quality management system, service quality, product quality and health and safety matters, his portfolio also includes risk management and green & sustainability related matters.

Chee Ban Tuck

Company Secretary and General Manager, Corporate Finance

Date of Appointment: 22 September 2008

Mr Chee Ban Tuck ("**Mr Chee**") is the Company Secretary and General Manager, Corporate Finance of the Group.

Mr Chee is a member of the Malaysian Institute of Accountants. He has over 24 years of experience in financial management, corporate planning, corporate finance and treasury. Prior to joining IOI Group in 2008, he was attached to other public companies listed on Bursa Malaysia.

Mr Chee is presently responsible for the Group's treasury and corporate finance functions, and investor relations as well as the Company Secretary of IOI Properties Group Berhad.

Jimmy Yee Yoke Seng

Head of Group Internal Audit

Date of Appointment: 1 July 2015

Mr Jimmy Yee Yoke Seng ("**Mr Jimmy Yee**") is the Head of the Group's Internal Audit department.

Mr Jimmy Yee holds a Bachelor of Accounting Degree from the University of Malaya. He is a member of the Institute of Internal Auditors Malaysia.

He has more than 21 years of external and internal auditing experience. Prior to joining the Group in 2015, he was attached to a number of public listed companies in various industries, where he was responsible for their internal audit and enterprise risk management functions.

Currently, he oversees the Group's internal audit function, covering various activities within the Group, including the review of enterprise risk management, governance and whistleblowing activities.

BOARD COMMITTEES

The Board has established four Board committees, namely the Audit Committee; the Risk Management Committee; the Governance, Nominating and Remuneration Committee; and the Whistleblowing Committee.

The Board committees are established to assist the Board in achieving responsible and balanced commercial success for the Company, by addressing the interests of all its stakeholders. This includes ensuring board leadership and effectiveness; effective oversight financial reporting and internal control, effective audit and risk management; and integrity in corporate reporting and building meaningful relationships with stakeholders. Terms of reference for each committee have been established to ensure that the Board committees remain focused on their duties, enabling the Board to take a broader perspective, looking at enterprise-level issues such as strategy and governance.

Audit Committee

The Audit and Risk Management Committee was established as an independent committee on 29 May 2013 in line with the Main Market Listing Requirements of Bursa Malaysia (the "**Listing Requirements**").

For an effective risk management and internal control framework, the Board had on 15 September 2017 delegated the oversight role of risk management of the Group to a separate Board Committee called Risk Management Committee. As a result, the Audit and Risk Management Committee was decoupled into two separate Board Committees, i.e. Audit Committee and Risk Management Committee. Currently, the Audit Committee is chaired by Datuk Lee and its members are Mr Chan and Datuk Dr Tan. All of the members of the Audit Committee are Independent Non-Executive Directors. The main functions of the Audit Committee fall within the ambit of the Listing Requirements of Bursa Malaysia, and pertain to maintaining oversight of the Company's financial reporting and system of internal controls.

The Audit Committee's key responsibilities include, among others:

- overseeing the Group's financial reporting process and integrity of the Group's financial statements;
- evaluating the independence of the Group's external auditors;
- reviewing and evaluating the operation and effectiveness of the Group's internal audit function;

- overseeing the Group's system of disclosure and internal controls as established by the Group's management and the Board;

- reviewing conflicts of interest and related party transactions of the Group;

- reviewing the appropriateness of the Group's accounting policies; and

- reviewing significant financial reporting issues or significant judgments made by management, as well as significant and unusual events or transactions and how these matters are addressed.

Risk Management Committee

The Risk Management Committee was set up on 15 September 2017. The Risk Management Committee is chaired by Mr Chan and its members are Datuk Dr Tan and Datuk Lee. All of the members of the Risk Management Committee are Independent Non-Executive Directors.

The main functions of the Risk Management Committee are providing oversight of the Company's risk management practices, processes and controls.

The Risk Management Committee's key responsibilities include, among others:

- conducting an annual review and periodic testing of the Group's risk management framework and to ensure such framework adopted is based on an internationally recognised risk management framework;

- establishing and reviewing the Group's risk management guidelines and policies and ensure implementation and compliance of the objectives;

- recommending for the Board's approval the policies, strategies, key risk indicators and risk tolerance levels, and any proposed changes thereto;

- reviewing and recommending the Group's level of risk tolerance and actively identify, assess and monitor key business risks to safeguard shareholders' investments and the Group's assets;

- reviewing the adequacy of the scope, functions, competency and resources of the Group's risk management and ensure that the Group has the necessary authority to carry out its work;

- evaluating the effectiveness of the Group's risk management structure, risk management processes and support system to identify, assess, monitor and manage the Group's key risks and to ensure it is continuously improved as the business environment changes;

- reviewing the status of the implementation of management action plans in mitigating significant risk identified;

- engaging management in an ongoing risk appetite dialogue as conditions and circumstances change and new opportunities arise;

- reviewing all major investments, as stated in the Group's Investment/Development Contract/Capital Expenditure (CAPEX) Policy;

- reviewing statement on risk management for disclosure in the Group's annual report; and

- conducting investigation on any matters within the terms of reference as authorised by the Board.

Governance, Nominating and Remuneration Committee

The Nominating and Remuneration Committees were established on 29 May 2013. For enhancing the efficiency of the two Board committees in discharging their duties and responsibilities, the Board had merged the Nominating and Remuneration Committees to be known as "Nominating and Remuneration Committee ("**NRC**")" with similar committee members, with effect from 17 July 2014. Subsequently, in view of the expansion of the NRC's role to include governance matters, the name of the NRC was changed to "Governance, Nominating and Remuneration Committee ("**GNRC**")" to better reflect the function and role of GNRC. The GNRC's current members are Datuk Dr Tan, Mr Chan and Datuk Lee. All members of the GNRC are Independent Non-Executive Directors.

The main function of the GNRC is to provide recommendations to the Board on the appointment, performance evaluation of the Board and remuneration of directors, in line with the Company's aim to ensure strong board leadership and effectiveness.

The GNRC's key responsibilities include, among others:

- making recommendations to the Board on the appointment and re-appointment of directors (including alternate directors, if applicable). If an alternate director is appointed, the alternate director should be familiar with the Company's affairs and be appropriately qualified. If a person is proposed to be appointed as an alternate director to an independent director, the GNRC and the Board should review and conclude that the person would similarly qualify as an independent director;

- regularly reviewing the Board structure, size and composition and make recommendations to the Board with regard to any adjustments that are deemed necessary;

- determining the process for search, nomination, selection and appointment of new board members and assess nominees or candidates for appointment or election to the Board, determining whether or not such nominee has the requisite qualifications and whether or not he/she is independent;

- reviewing the charter and composition of each committee of the Board and make recommendations to the Board for the adoption of or revisions to the committee's terms of reference, the creation of additional committees or the elimination of Board committees;

- overseeing the succession planning of the Board members and senior executives and the Group's diversity policy;

- developing a process for the evaluation of performance of the Board and its Board committees;

- determining how the Board's performance may be evaluated and propose objective performance criteria;

- assessing annually the effectiveness of the Board as a whole and its Board committees and to assess the contribution by the Chairman and each individual director to the effectiveness of the Board. The results of the performance evaluation will be reviewed by the Chairman of the GNRC and the assessment process shall be disclosed in the Company's annual report;

- determining, on an annual basis, if a director is independent;

- recommending directors who are retiring by rotation to be put forward for re-election;

- renewing and determining whether the director is able to and has been adequately carrying out his/her duties as a director of the Company, particularly taking into consideration the director's number of Board principal commitments on listed companies and other principal commitments;

- developing and recommending to the Board a set of corporate governance principles and guidelines and keep abreast of developments with regard to the Malaysian Code on Corporate Governance to enable the GNRC to make recommendations to the Board in light of such developments as may be appropriate;

- in consultation with the Chairman of the Board, the Company's Executive Vice Chairman and Chief Executive Officer, as appropriate, recommending the framework or policy and remuneration packages for executive director and members of the senior executive management;

- carrying out its duties in the manner that it deems expedient, subject always to any regulations or restrictions that may be imposed upon the GNRC by the Board; and

- such other duties or functions as may be delegated by the Board or required by regulatory authorities.

Whistleblowing Committee

The Whistleblowing Committee was established on 25 February 2022. Currently, the Whistleblowing Committee is chaired by Dato' Lee and its members are Mr Chan and Datuk Dr Tan.

The main function of the Whistleblowing Committee is to implement and maintain an effective Whistleblowing policy for the Group.

SUBSTANTIAL SHAREHOLDERS

The interests of the substantial shareholders of the Guarantor, based on information from the latest Guarantor announcements made to Bursa Malaysia Securities Berhad, as at 3 October 2022, are set forth in the table below:

	Number of ordinary shares			
Name of substantial shareholders	**Direct**	**%**	**Indirect**	**%**
Dato' Lee Yeow Chor	6,837,500	0.124	3,616,063,741*	65.673
Lee Yeow Seng	70,332,500	1.277	3,616,063,741*	65.673
Vertical Capacity Sdn Bhd	3,616,063,741	65.673	—	—
Employees Provident Fund Board	442,944,001	8.045	—	—

* Deemed interested by virtue of his interest in Vertical Capacity Sdn Bhd pursuant to Section 8 of the Companies Act 2016 of Malaysia.

As at 3 October 2022, the total issued share capital of the Guarantor was RM18,514,232,721 comprising 5,506,145,375 ordinary shares.

TAXATION

Singapore taxation

The statements made below are general in nature and are based on certain aspects of current tax laws in Singapore and administrative guidelines and circulars issued by the Inland Revenue Authority ("**IRAS**") of Singapore and the Monetary Authority of Singapore (the "**MAS**") in force as at the date of this Offering Circular and are subject to any changes in such laws, administrative guidelines or circulars, or the interpretation of those laws, guidelines or circulars occurring after such date, which changes could be made on a retroactive basis. These laws, guidelines and circulars are also subject to various interpretations and the relevant tax authorities or the courts could later disagree with the explanations or conclusions set out below. Neither these statements nor any other statements in this Offering Circular are intended or are to be regarded as advice on the tax position of any holder of the Notes or of any person acquiring, selling or otherwise dealing with the Notes or on any tax implications arising from the acquisition, sale or other dealings in respect of the Notes. The statements below do not purport to be a comprehensive or exhaustive description of all the tax considerations that may be relevant to a decision to subscribe for, purchase, own or dispose of the Notes and do not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities or financial institutions in Singapore which have been granted the relevant Financial Sector Incentive(s)) may be subject to special rules or tax rates. Prospective holders of the Notes are advised to consult their own professional tax advisers as to the Singapore or other tax consequences of the acquisition, ownership or disposal of the Notes, including, in particular, the effect of any foreign, state or local tax laws to which they are subject. It is emphasised that none of the Issuers, the Guarantor, the Arranger nor any other persons involved in the Programme accepts responsibility for any tax effects or liabilities resulting from the subscription for, purchase, holding or disposal of the Notes.

Interest and Other Payments

Subject to the following paragraphs, under Section 12(6) of the Income Tax Act 1947 of Singapore (the "**ITA**"), the following payments are deemed to be derived from Singapore:

- any interest, commission, fee or any other payment in connection with any loan or indebtedness or with any arrangement, management, guarantee, or service relating to any loan or indebtedness which is (i) borne, directly or indirectly, by a person resident in Singapore or a permanent establishment in Singapore (except in respect of any business carried on outside Singapore through a permanent establishment outside Singapore or any immovable property situated outside Singapore) or (ii) deductible against any income accruing in or derived from Singapore; or

- any income derived from loans where the funds provided by such loans are brought into or used in Singapore.

Such payments, where made to a person not known to the paying party to be a resident in Singapore for tax purposes, are generally subject to withholding tax in Singapore. The rate at which tax is to be withheld for such payments (other than those subject to the 15.0 per cent. final withholding tax described below) to non-resident persons (other than non-resident individuals) is currently 17.0 per cent. The applicable rate for non-resident individuals is currently 22.0 per cent. However, if the payment is derived by a person not resident in Singapore from sources other than from its trade, business, profession or vocation carried on or exercised by such person in Singapore and is not effectively connected with any permanent establishment in Singapore of that person, the payment is subject to a final withholding tax of 15.0 per cent. The rate of 15.0 per cent. may be reduced by applicable tax treaties.

However, certain Singapore-sourced investment income derived by individuals from financial instruments is exempt from tax, including:

- interest from debt securities derived on or after 1 January 2004;

- discount income (not including discount income arising from secondary trading) from debt securities derived on or after 17 February 2006; and

- prepayment fee, redemption premium and break cost from debt securities derived on or after 15 February 2007,

except where such income is derived through a partnership in Singapore or is derived from the carrying on of a trade, business or profession in Singapore.

The terms "**break cost**", "**prepayment fee**" and "**redemption premium**" are defined in the ITA as follows:

- "**break cost**", in relation to debt securities and qualifying debt securities, means any fee payable by the issuer of the securities on the early redemption of the securities, the amount of which is determined by any loss or liability incurred by the holder of the securities in connection with such redemption;

- "**prepayment fee**", in relation to debt securities and qualifying debt securities, means any fee payable by the issuer of the securities on the early redemption of the securities, the amount of which is determined by the terms of the issuance of the securities; and

- "**redemption premium**", in relation to debt securities and qualifying debt securities, means any premium payable by the issuer of the securities on the redemption of the securities upon their maturity.

References to "break cost", "prepayment fee" and "redemption premium" in this Singapore tax disclosure have the same meaning as defined in the ITA.

In addition, as the Programme as a whole is arranged by DBS Bank Ltd., which is a Financial Sector Incentive (Capital Market) Company, a Financial Sector Incentive (Standard Tier) Companies or a Financial Sector Incentive (Bond Market) Company (each as defined in the ITA) at such time, any tranche of the Notes (the "**Relevant Notes**") issued as debt securities under the Programme during the period from the date of this Offering Circular to (and including) 31 December 2023 would be qualifying debt securities, pursuant to the ITA and the MAS Circular FDD Cir 11/2018 entitled "*Extension of Tax Concessions for Promoting the Debt Market*" issued by MAS on 31 May 2018 (the "**MAS Circular**"), to which the following treatment shall apply:

- subject to certain prescribed conditions having been fulfilled (including the submission to the MAS of a return on debt securities in respect of the Relevant Notes in the prescribed format within such period as the MAS may specify and such other particulars in connection with the Relevant Notes as the MAS may require, and the inclusion by the relevant Issuer in all offering documents relating to the Relevant Notes of a statement to the effect that where interest, discount income, prepayment fee, redemption premium or break cost from the Relevant Notes is derived by a person who is not resident in Singapore and who carries on any operation in Singapore through a permanent establishment in Singapore, the tax exemption for qualifying debt securities shall not apply if the non-resident person acquires the Relevant Notes using funds and profits of that person's operations through the Singapore permanent establishment), interest, discount income (not including discount income arising from secondary trading), prepayment fee, redemption premium and break cost (collectively, the "**Qualifying Income**") from the Relevant Notes, paid by the relevant Issuer and derived by a holder who is not resident in Singapore and who (aa) does not have any permanent establishment in Singapore or (bb) carries on any operation in Singapore through a permanent establishment in Singapore, but the funds used by that person to acquire the Relevant Notes are not obtained from such person's operation through a permanent establishment in Singapore, are exempt from Singapore tax;

- subject to certain conditions having been fulfilled (including the submission to the MAS of a return on debt securities in respect of the Relevant Notes in the prescribed format within such period as the MAS may specify and such other particulars in connection with the Relevant Notes as the MAS may require), Qualifying Income from the Relevant Notes paid by the relevant Issuer and derived by any company or body of persons (as defined in the ITA) in Singapore is subject to income tax at a concessionary rate of 10.0 per cent. (except for holders of the relevant Financial Sector Incentive(s) who may be taxed at different rates); and

- subject to:

  (i) the relevant Issuer including in all offering documents relating to the Relevant Notes a statement to the effect that any person whose interest, discount income, prepayment fee, redemption premium or break cost derived from the Relevant Notes is not exempt from tax shall include such income in a return of income made under the ITA; and

  (ii) the submission to the MAS of a return on debt securities in respect of the Relevant Notes in the prescribed format within such period as the MAS may specify and such other particulars in connection with the Relevant Notes as the MAS may require,

  payments of Qualifying Income derived from the Relevant Notes are not subject to withholding of tax by the relevant Issuer.

However, notwithstanding the foregoing:

(a) if during the primary launch of any tranche of the Relevant Notes, the Relevant Notes of such tranche are issued to less than four persons and 50.0 per cent. or more of the issue of such Relevant Notes is beneficially held or funded, directly or indirectly, by related parties of the relevant Issuer, such Relevant Notes would not qualify as "qualifying debt securities"; and

(b) even though a particular tranche of Relevant Notes are "qualifying debt securities", if, at any time during the tenure of such tranche of Relevant Notes, 50.0 per cent. or more of the issue of such Relevant Notes is beneficially held or funded, directly or indirectly, by any related party(ies) of the relevant Issuer, Qualifying Income derived from such Relevant Notes held by:

  (i) any related party of the relevant Issuer; or

  (ii) any other person where the funds used by such person to acquire such Relevant Notes are obtained, directly or indirectly, from any related party of the relevant Issuer,

  shall not be eligible for the tax exemption or concessionary rate of tax as described above.

The term "**related party**", in relation to a person, means any other person who, directly or indirectly, controls that person, or is controlled, directly or indirectly, by that person, or where he and that other person, directly or indirectly, are under the control of a common person.

Where interest, discount income, prepayment fee, redemption premium or break cost (i.e. the Qualifying Income) is derived from the Relevant Notes by any person who is not tax resident in Singapore and who carries on any operation in Singapore through a permanent establishment in Singapore, the tax exemption for "qualifying debt securities" under the ITA (as mentioned above) shall not apply if such person acquires the Relevant Notes using the funds and profits of such person's operations through a permanent establishment in Singapore.

Notwithstanding that the relevant Issuer is permitted to make payments of Qualifying Income in respect of the Relevant Notes without deduction or withholding of tax under Section 45 or Section 45A of the ITA, any person whose interest, discount income, prepayment fee, redemption premium and break cost (i.e. the Qualifying Income) derived from the Relevant Notes is not exempt from tax is required to include such income in a return of income made under the ITA.

Capital gains

Any gains considered to be in the nature of capital made from the sale of the Notes will not be taxable in Singapore. However, any gains derived by any person from the sale of the Notes which are gains from any trade, business, profession or vocation carried on by that person, if accruing in or derived from Singapore, may be taxable as such gains are considered revenue in nature.

Holders of the Notes who apply or are required to apply Singapore Financial Reporting Standard ("**FRS**") 39, FRS 109 or Singapore Financial Reporting Standards (International) ("**SFRS(I)**") 9 (as the case may be) may for Singapore income tax purposes be required to recognise gains or losses (not being gains or losses in the nature of capital) on the Notes, irrespective of disposal, in accordance with FRS 39, FRS 109 or SFRS(I) 9 (as the case may be) (as modified by the applicable provision of Singapore income tax law). Please see the section below on "*Adoption of FRS 39, FRS 109 or SFRS(I) 9 treatment for Singapore income tax purposes*".

Adoption of FRS 39, FRS 109 or SFRS(I) 9 treatment for Singapore income tax purposes

Section 34A of the ITA provides for the tax treatment for financial instruments in accordance with FRS 39 (subject to certain exceptions and "opt-out" provisions) to taxpayers who are required to comply with FRS 39 for financial reporting purposes. The IRAS has also issued a circular entitled "*Income Tax Implications Arising from the Adoption of FRS 39—Financial Instruments: Recognition and Measurement*".

FRS 109 or SFRS(I) 9 (as the case may be) is mandatorily effective for annual periods beginning on or after 1 January 2018, replacing FRS 39. Section 34AA of the ITA requires taxpayers who comply or who are required to comply with FRS 109 or SFRS(I) 9 for financial reporting purposes to calculate their profit, loss or expense for Singapore income tax purposes in respect of financial instruments in accordance with FRS 109 or SFRS(I) 9 (as the case may be), subject to certain exceptions. The IRAS has also issued a circular entitled "*Income Tax: Income Tax Treatment Arising from Adoption of FRS 109—Financial Instruments*".

Holders of the Notes who may be subject to the tax treatment under Sections 34A or 34AA of the ITA should consult their own accounting and tax advisers regarding the Singapore income tax consequences of their acquisition, holding or disposal of the Notes.

Estate Duty

Singapore estate duty has been abolished with respect to all deaths occurring on or after 15 February 2008.

Malaysian taxation

Withholding Tax

Pursuant to Section 109(1) of the Malaysian Income Tax Act 1967, where any person is liable to pay interest derived from Malaysia (the "**payer**") to any other person not known to the payer to be resident in Malaysia, other than interest attributable to a business carried on by such other person in Malaysia, the payer shall upon paying or crediting the interest (other than interest on an approved loan or interest of the kind referred to in paragraphs 33, 33A, 33B, 35 or 35A of Part I, Schedule 6) deduct therefrom tax at the rate applicable to such interest.

Capital Gains Tax

There is no capital gains tax in Malaysia except in relation to real property gains tax chargeable on the disposal of real property or shares of real property companies within specified periods after the date of purchase of real property. As the Notes are not considered chargeable assets for real property gains tax purposes, there is no tax imposed on capital gains derived from disposal of the Notes in Malaysia.

Stamp Duty

The holders of the Notes will not incur or become liable for any stamp duty under the laws of Malaysia by reason only of the acquisition, ownership, transfer or disposal of the Notes.

Foreign Account Tax Compliance Act

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**"), commonly known as FATCA, a "foreign financial institution" may be required to withhold on certain payments it makes ("**foreign passthru payments**") to persons that fail to meet certain certification, reporting, or related requirements. A number of jurisdictions (including Singapore) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA ("**IGAs**"), which modify the way in which FATCA applies in their jurisdictions.

Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, proposed regulations have been issued that provide that such withholding would not apply prior to the date that is two years after the date on which final regulations defining "foreign passthru payments" are published in the U.S. Federal Register. In the preamble to the proposed regulations, the U.S. Treasury Department indicated that taxpayers may rely on these proposed regulations until the issuance of final regulations. Additionally, Notes characterised as debt (or which are not otherwise characterised as equity and have a fixed term) for U.S. federal tax purposes that are issued on or before the date that is six months after the date on which final regulations defining "foreign passthru payments" are filed with the U.S Federal Register generally would be "grandfathered" for purposes of FATCA withholding unless materially modified after such date (including by reason of a substitution of the issuer). If additional notes (as described under "*Terms and Conditions of the Notes—Further Issues*") that are not distinguishable from such previously issued grandfathered Notes are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all Notes, including the Notes offered prior to the expiration of the grandfathering period, as subject to withholding under FATCA. Holders should consult their own tax advisors regarding how these rules may apply to their investment in the Notes. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Notes, no person will be required to pay additional amounts as a result of the withholding.

CLEARANCE AND SETTLEMENT

Bearer Notes

Each Issuer may make applications to Euroclear and Clearstream for acceptance in their respective book-entry systems in respect of any Series of Bearer Notes. Each Issuer may also apply to have Bearer Notes accepted for clearance through CDP. In respect of Bearer Notes, a Temporary Global Note and/or a Permanent Global Note will be deposited with a common depositary for Euroclear and Clearstream or with CDP. Transfers of interests in a Temporary Global Note or a Permanent Global Note will be made in accordance with the normal market debt Notes operating procedures of CDP, Euroclear and Clearstream. Each Global Note will have an International Notes Identification Number ("**ISIN**") and a Common Code. Investors in Notes of such Series may hold their interests in a Global Note through Euroclear or Clearstream or CDP, as the case may be.

Registered Notes

Each Issuer may make applications to Euroclear and Clearstream for acceptance in their respective book-entry systems in respect of the Notes to be represented by a Global Certificate. Each Issuer may also apply to have Notes represented by a Global Certificate accepted for clearance through CDP. Each Global Certificate will have an ISIN and a Common Code. Investors in Notes of such Series may hold their interests in a Global Certificate only through Euroclear or Clearstream or CDP, as the case may be.

Individual Certificates

Registration of title to Registered Notes in a name other than a depositary or its nominee for Euroclear and Clearstream or CDP will be permitted only in the circumstances set forth in "*Summary of Provisions Relating to the Notes while in Global Form—Exchange*". In such circumstances, the relevant Issuer will cause sufficient individual Certificates to be executed and delivered to the Registrar for completion, authentication and despatch to the relevant Noteholder(s). A person having an interest in a Global Certificate must provide the Registrar with a written order containing instructions, and such other information as the relevant Issuer and the Registrar may require, to complete, execute and deliver such individual Certificates.

Clearance and Settlement

The information set out below is subject to any change in, or reinterpretation of, the rules, regulations and procedures of Euroclear and Clearstream and CDP (together, the "**Clearing Systems**") or any other clearing system currently in effect. The information in this section concerning the Clearing Systems has been obtained from sources that the Issuers and the Guarantor believe to be reliable, but none of the Issuers, the Guarantor, the Arranger, the Trustee, any Agent or any Dealer or any person who controls any of them, or any of their respective directors, officers, employees, agents, representatives, advisers or affiliates, takes any responsibility for the accuracy thereof. Investors wishing to use the facilities of any of the Clearing Systems are advised to confirm the continued applicability of the rules, regulations and procedures of the relevant Clearing System. None of the Issuers, any other party to the Agency Agreement, the Arranger or any Dealer or any person who controls any of them, or any of their respective directors, officers, employees, agents, representatives, advisers or affiliates, will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Notes held through the facilities of any Clearing System or for maintaining, supervising or reviewing any records relating to, or payments made on account of, such beneficial ownership interests.

The Clearing Systems

The relevant Pricing Supplement will specify the Clearing System(s) applicable for each Series.

Euroclear and Clearstream

Euroclear and Clearstream each holds securities for its customers and facilitates the clearance and settlement of securities transactions by electronic book-entry transfer between their respective account holders. Euroclear and Clearstream provide various services including safekeeping, administration, clearance and settlement of internationally-traded securities and securities lending and borrowing. Euroclear and Clearstream also deal with domestic securities markets in several countries through established depositary and custodial relationships. Euroclear and Clearstream have established an electronic bridge between their two systems across which their respective participants may settle trades with each other. Euroclear and Clearstream customers are worldwide financial institutions, including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations. Indirect access to Euroclear and Clearstream is also available to other institutions that clear through or maintain a custodial relationship with an account holder of either system.

Distributions of principal with respect to book-entry interests in the Notes held through Euroclear or Clearstream will be credited, to the extent received by the Paying Agent, to the cash accounts of Euroclear or Clearstream participants in accordance with the relevant Clearing System's rules and procedures.

CDP

In respect of Notes which are accepted for clearance by CDP in Singapore, clearance will be effected through an electronic book-entry clearance and settlement system for the trading of debt securities (the "**CDP System**") maintained by CDP. Notes that are to be listed on the SGX-ST may be cleared through CDP. CDP, a wholly-owned subsidiary of Singapore Exchange Limited, is incorporated under the laws of Singapore and acts as a depository and clearing organisation. CDP holds securities for its accountholders and facilitates the clearance and settlement of securities transactions between accountholders through electronic book-entry changes in the securities accounts maintained by such accountholders with CDP.

In respect of Notes which are accepted for clearance by CDP, the entire issue of the Notes is to be held by CDP in the form of a Global Note or Global Certificate for persons holding the Notes in securities accounts with CDP (the "**Depositors**"). Delivery and transfer of Notes between Depositors is by electronic book-entries in the records of CDP only, as reflected in the securities accounts of Depositors. Settlement of over-the-counter trades in the Notes through the CDP System may be effected through securities sub-accounts held with corporate depositors ("**Depository Agents**") holding the Notes in direct securities accounts with CDP, and who wish to trade Notes through the CDP System, must transfer the Notes to be traded from such direct securities accounts to a securities sub-account with a Depository Agent for trade settlement. Market participants may mutually agree on a different settlement period for over-the-counter trades.

CDP is not involved in money settlement between Depository Agents (or any other persons) as CDP is not a counterparty in the settlement of trades of debt securities. However, CDP will make payment of interest and repayment of principal on behalf of issuers of debt securities.

Although CDP has established procedures to facilitate transfer of interests in the Notes in global form among Depositors, it is under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time. None of the Issuers, the Guarantor, the Trustee, the Issuing and Paying Agent in Singapore or any other Agent will have the responsibility for the performance by CDP of its obligations under the rules and procedures governing its operations.

SUBSCRIPTION AND SALE

Summary of Dealer Agreement

The Programme Dealers and any further Dealer appointed in accordance with the Amended and Restated Dealer Agreement dated 4 October 2022 (as modified, supplemented and/or restated from time to time, the "**Dealer Agreement**") have agreed with the Issuers and the Guarantor a basis upon which they or any of them may from time to time agree to purchase Notes.

The relevant Issuer will pay each relevant Dealer a commission as agreed between them in respect of Notes subscribed by it. The relevant Issuer will reimburse the Arranger for agreed expenses incurred in connection with the establishment of the Programme and the Dealers for certain of their activities in connection with the Programme.

The Issuers and the Guarantor have agreed to indemnify the Dealers against certain liabilities in connection with the offer and sale of the Notes. The Dealer Agreement entitles the Dealers to terminate any agreement that they make to subscribe Notes in certain circumstances prior to payment for such Notes being made to the relevant Issuer.

Certain Matters Relating to the Dealers

The Dealers and certain of their affiliates are full service financial institutions engaged in various activities which may include securities trading, commercial and investment banking, financial advice, investment management, principal investment, hedging, financing and brokerage activities. In connection with each Tranche of Notes issued under the Programme, the Dealers or certain of their affiliates may purchase Notes and be allocated Notes for asset management and/or proprietary purposes but not with a view to distribution. Further, any of the Dealers or their respective affiliates may purchase Notes for its or their own account and enter into transactions, including credit derivatives, such as asset swaps, repackaging and credit default swaps relating to such Notes and/or other securities of any Issuer, the Guarantor or their respective subsidiaries or affiliates at the same time as the offer and sale of each Tranche of Notes or in secondary market transactions. Such transactions would be carried out as bilateral trades with selected counterparties and separately from any existing sale or resale of the Tranche of Notes to which a particular Pricing Supplement relates (notwithstanding that such selected counterparties may also be purchasers of such Tranche of Notes).

Each of the Dealers and its affiliates may also have performed certain investment banking and advisory services for the Issuers, the Guarantor and/or their respective subsidiaries or affiliates from time to time for which they have received customary fees and expenses and may, from time to time, engage in transactions with and perform services for the Issuers, the Guarantor and/or their respective subsidiaries or affiliates in the ordinary course of their business and receive fees for so acting. In addition to the transactions noted above, each Dealer and its affiliates may engage in other transactions with, and perform services for, the Issuers, the Guarantor or their respective subsidiaries or affiliates in the ordinary course of their business. While each Dealer and its affiliates have policies and procedures to deal with conflicts of interests, any such transactions may cause a Dealer or its affiliates or its clients or counterparties to have economic interests and incentives which may conflict with those of an investor in the Notes. Each Dealer may receive returns on such transactions and has no obligation to take, refrain from taking or cease taking any action with respect to any such transactions based on the potential effect on a prospective investor in the Notes.

The Dealers and/or their respective affiliates which are lenders and/or agents under the financing arrangements or other existing debt instruments of the Group routinely hedge their credit exposure to the Group consistent with their customary risk management policies. Typically, the Dealers and their respective affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in the Group's securities, including potentially the Notes. Any such credit default swaps or short positions could adversely affect future trading prices of the Notes.

Selling Restrictions

United States

The Notes and the Guarantee have not been and will not be registered under the Securities Act and, subject to certain exceptions, may not be offered or sold within the United States. Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer or sell any Notes within the United States, except as permitted by the Programme Agreement. The Notes and the Guarantee are being offered and sold outside of the United States in reliance on Regulation S.

Bearer Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. Treasury regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986, as amended (the "**Code**") and regulations thereunder. The applicable Pricing Supplement will identify whether either TEFRA C or TEFRA D or any successor rules in substantially the same form that are applicable for purposes of Section 4701 of the Code apply or whether TEFRA is not applicable.

In addition, until 40 days after the commencement of the offering of any Series of Notes and the Guarantee, an offer or sale of such Notes or Guarantee within the United States by any dealer (whether or not participating in the offering of such tranche of Notes) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.

This Offering Circular has been prepared by the Issuers and the Guarantor for use in connection with the offer and sale of the Notes outside the United States. The Issuers, the Guarantor, the Arranger and the Dealers reserve the right to reject any offer to purchase the Notes, in whole or in part, for any reason. This Offering Circular does not constitute an offer to any person in the United States. Distribution of this Offering Circular by any person outside the United States to any person within the United States, is unauthorised and any disclosure without the prior written consent of the Issuers and the Guarantor of any of its contents to any such person within the United States, is prohibited.

Prohibition of Sales to EEA Retail Investors

Unless the Pricing Supplement in respect of any Notes specifies the "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Offering Circular as completed by the Pricing Supplement in relation thereto to any retail investor in the EEA. For the purposes of this provision:

(i) the expression "**retail investor**" means a person who is one (or more) of the following:

  (a) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"; or

  (b) a customer within the meaning of Directive (EU) 2016/97 (the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or

  (c) not a qualified investor as defined in Regulation (EU) 2017/1129 (the "**Prospectus Regulation**"); and

(ii) the expression "**offer**" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

If the Pricing Supplement in respect of any Notes specifies "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", in relation to each Member State of the EEA, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Offering Circular as completed by the pricing supplement in relation thereto to the public in that Member State except that it may make an offer of such Notes to the public in that Member State:

(a) if the pricing supplement in relation to the Notes specifies that an offer of those Notes may be made other than pursuant to Article 1(4) of the Prospectus Regulation in that Member State (a "**Non-exempt Offer**"), following the date of publication of a prospectus in relation to such Notes which has been approved by the competent authority in that Member State or, where appropriate, approved in another Member State and notified to the competent authority in that Member State, **provided that** any such prospectus has subsequently been completed by the pricing supplement contemplating such Non-exempt Offer, in accordance with the Prospectus Regulation, in the period beginning and ending on the dates specified in such prospectus or pricing supplement, as applicable and the relevant Issuer and the Guarantor has consented in writing to its use for the purpose of that Non-exempt Offer;

(b) at any time to any legal entity which is a qualified investor as defined in the Prospectus Regulation;

(c) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or

(d) at any time in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Notes referred to in (b) to (d) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression "offer of Notes to the public" in relation to any Notes in any Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

United Kingdom

Prohibition of Sales to UK Retail Investors

Unless the Pricing Supplement in respect of any Notes specifies "Prohibition of Sales to UK Retail Investors" as "Not Applicable", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Offering Circular as completed by the Pricing Supplement in relation thereto to any retail investor in the United Kingdom. For the purposes of this provision:

(a) the expression "**retail investor**" means a person who is one (or more) of the following:

(i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**"); or

(ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the "**FSMA**") and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or

(iii) not a qualified investor as defined in Article 2 of the Prospectus Regulation as it forms part of domestic law by virtue of the EUWA (the "**UK Prospectus Regulation**"); and

(b) the expression "**offer**" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Securities to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

If the Pricing Supplement in respect of any Notes specifies "Prohibition of Sales to UK Retail Investors" as "Not Applicable", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Offering Circular as completed by the pricing supplement in relation thereto to the public in the United Kingdom except that it may make an offer of such Notes to the public in the United Kingdom:

(a) if the Pricing Supplement in relation to the Notes specifies that an offer of those Notes may be made other than pursuant to section 86 of the FSMA (a "**Public Offer**"), following the date of publication of a prospectus in relation to such Securities which either (i) has been approved by the Financial Conduct Authority, or (ii) is to be treated as if it had been approved by the Financial Conduct Authority in accordance with the transitional provision in Regulation 74 of the Prospectus (Amendment etc.) (EU Exit) Regulations 2019, provided that any such prospectus has subsequently been completed by the Pricing Supplement contemplating such Public Offer, in the period beginning and ending on the dates specified in such prospectus or Pricing Supplement, as applicable, and the Issuer has consented in writing to its use for the purpose of that Public Offer;

(b) at any time to any legal entity which is a qualified investor as defined in Article 2 of the UK Prospectus Regulation;

(c) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in Article 2 of the UK Prospectus Regulation) in the United Kingdom subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or

(d) at any time in any other circumstances falling within section 86 of the FSMA,

provided that no such offer of Notes referred to in (b) to (d) above shall require the Issuer or any Dealer to publish a prospectus pursuant to section 85 of the FSMA, or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation.

For the purposes of this provision, the expression "**an offer of Securities to the public**" in relation to any Notes means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

Other regulatory restrictions

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

(i) in relation to any Notes which have a maturity of less than one year, (a) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (b) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of section 19 of the FSMA by the relevant Issuer;

(ii) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the relevant Issuer or the Guarantor; and

(iii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

Hong Kong

In relation to each Tranche of Notes issued by the relevant Issuer, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

(i) it has not offered or sold, and will not offer or sell, in Hong Kong, by means of any document, any Notes (except for Notes which are a "structured product" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the "**SFO**")) other than (i) to "professional investors" as defined in the SFO and any rules made under the SFO, or (ii) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the "**C(WUMP)O**") or which do not constitute an offer to the public within the meaning of the C(WUMP)O; and

(ii) it has not issued, or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under the SFO.

Singapore

Each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that this Offering Circular has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Offering Circular or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time (the "**SFA**")) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

- a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

(i) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(c)(ii) of the SFA;

(ii) where no consideration is or will be given for the transfer;

(iii) where the transfer is by operation of law;

(iv) as specified in Section 276(7) of the SFA; or

(v) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

Singapore SFA Product Classification: The Pricing Supplement in respect of any Notes may include a legend entitled "Singapore Securities and Futures Act Product Classification" which will state the product classification of the Notes pursuant to section 309B(1) of the SFA. The relevant Issuer will make a determination and provide the appropriate written notification to "relevant persons" in relation to each issue under the Programme of the classification of the Notes being offered for purposes of section 309B(1)(a) and section 309(1)(c) of the SFA.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the "**Financial Instruments and Exchange Act**"). Accordingly, each Dealer has represented and agreed that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell Notes in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan) or to others for re-offering or re-sale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and other relevant laws and regulations of Japan.

PRC

Each Dealer has represented and agreed that the Notes are not being offered or sold and may not be offered or sold, directly or indirectly, in the People's Republic of China (for such purposes, not including the Hong Kong and Macau Special Administrative Regions or Taiwan), except as permitted by applicable laws of the People's Republic of China.

Malaysia

Each Dealer has represented, warranted and agreed that at issuance the issue of, offer for subscription or purchase of, or invitation to subscribe for or purchase the Notes may only be made directly or indirectly to a person to whom an offer or invitation to subscribe for the Notes may be made and to whom the Notes are issued would fall within Schedule 6 or Section 229(1)(b) of the Capital Markets and Services Act 2007, as modified or amended from time to time ("**CMSA**") and Schedule 7 or Section 230(1)(b) of the CMSA, read together with Schedule 8 or Section 257(3) of the CSMA. Thereafter, each Dealer represents and agrees that the Notes may only be offered, sold, transferred or otherwise disposed directly or indirectly to a person to whom an offer or invitation to purchase the Notes would fall within Schedule 6 or Section 229(1)(b) of CMSA, read together with Schedule 8 or Section 257(3) of the CSMA.

General

These selling restrictions may be modified by the agreement of the Issuers, the Guarantor and the Dealers following a change in a relevant law, regulation or directive. Any such modification will be set out in the Pricing Supplement issued in respect of the issue of Notes to which it relates or in a supplement to this Offering Circular.

No representation is made that any action has been taken in any jurisdiction that would permit a public offering of any of the Notes, or possession or distribution of this Offering Circular or any other offering material or any Pricing Supplement, in any country or jurisdiction where action for that purpose is required.

Each Dealer has agreed that it shall, to the best of its knowledge, comply with all relevant laws, regulations and directives in each jurisdiction in which it purchases, offers, sells or delivers Notes or has in its possession or distributes this Offering Circular, any other offering material, or any Pricing Supplement therefore in all cases at its own expense.

FORM OF PRICING SUPPLEMENT IN RELATION TO NOTES

The form of Pricing Supplement that will be issued in respect of each Tranche, subject only to the deletion of non-applicable provisions, is set out below:

Pricing Supplement dated [●]

[Progressive View Pte. Ltd.]/[*specify other issuer*]
Issue of [Aggregate Principal Amount of Tranche] [Title of Notes]
guaranteed by IOI Properties Group Berhad
under the S$2,000,000,000 Euro Medium Term Note Programme

[**MiFID II product governance/Professional investors and ECPs only target market**—Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, "**MiFID II**"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. [*Consider any negative target market*.] Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

[**UK MiFIR product governance/Professional investors and ECPs only target market**—Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook ("**COBS**"), and professional clients, as defined in the UK MiFIR; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**")] should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

[**PROHIBITION OF SALES TO EEA RETAIL INVESTORS**—The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (the "**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive (EU) 2016/97 (the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (the "**Prospectus Regulation**"). Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.]

[**PROHIBITION OF SALES TO UK RETAIL INVESTORS**—The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom ("**UK**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**"); or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the "**FSMA**") and any rules or regulations made under the FSMA to implement IDD, where that customer

would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA. Consequently, no key information document required by the PRIIPs Regulation as it forms part of domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.]

Singapore Securities and Futures Act Product Classification—Solely for the purpose of its obligations pursuant to sections 309B(1)(a) and 309B(1)(c) of the Securities and Futures Act 2001 of Singapore (the "**SFA**"), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A of the SFA), that the Notes are [prescribed capital markets products]/[capital markets products other than prescribed capital markets products] (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018).[1]

This document constitutes the Pricing Supplement relating to the issue of Notes described herein.

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions of the Notes (the "**Conditions**") set forth in the Offering Circular dated [4 October] 2022 [and the supplemental Offering Circular dated [●]]. This Pricing Supplement contains the final terms of the Notes and must be read in conjunction with such Offering Circular [as so supplemented].

[*The following alternative language applies if the first tranche of an issue which is being increased was issued under an Offering Circular with an earlier date.*

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions of the Notes (the "**Conditions**") set forth in the Offering Circular dated 4 October 2022. This Pricing Supplement contains the final terms of the Notes and must be read in conjunction with the Offering Circular dated [current date] [and the supplemental Offering Circular dated [●]], save in respect of the Conditions which are extracted from the Offering Circular dated [●] and are attached hereto.]

[*The following language applies if the Notes are intended to be Qualifying Debt Securities for the purposes of the Income Tax Act 1947 of Singapore.*

Where interest, discount income, prepayment fee, redemption premium or break cost is derived from any of the Notes by any person who is not resident in Singapore and who carries on any operations in Singapore through a permanent establishment in Singapore, the tax exemption available for qualifying debt securities (subject to certain conditions) under the Income Tax Act 1947 of Singapore (the "**ITA**"), shall not apply if such person acquires such Notes using the funds and profits of such person's operations through a permanent establishment in Singapore. Any person whose interest, discount income, prepayment fee, redemption premium or break cost derived from the Notes is not exempt from tax (including for the reasons described above) shall include such income in a return of income made under the ITA.]

[*Include whichever of the following apply or specify as "Not Applicable" (N/A). Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or subparagraphs. Italics denote directions for completing the Pricing Supplement.*]

1 For any Notes to be offered to investors in Singapore, the Issuer to consider whether it needs to re-classify the Notes pursuant to Section 309B of the SFA prior to the launch of the offer.

1	(i)	Issuer:	[Progressive View Pte. Ltd.]/[*specify other issuer*]
	(ii)	Guarantor:	IOI Properties Group Berhad
2	(i)	Series Number:	[●]
	[(ii)	Tranche Number:	[●]
	(*If fungible with an existing Series, details of that Series, including the date on which the Notes became fungible*.)]		
3	Specified Currency or Currencies:		[●]
4	Aggregate Principal Amount:		[●]
	(i)	[Series:]	[●]
	(ii)	[Tranche:	[●]
5	(i)	Issue Price:	[●] per cent. of the Aggregate Nominal Amount [plus accrued interest from [*insert date*] *(in the case of fungible issues only, if applicable)*]
	(ii)	Net Proceeds:	[●]
6	(i)	Denomination Amount:	[●][2]
	(ii)	Calculation Amount:	[●]
7	(i)	Issue Date:	[●]
	(ii)	Interest Commencement Date:	[Specify/Issue date/Not Applicable]
	(iii)	Trade Date	[●]
	(iv)	First Call Date:	[Specify/Not Applicable]
8	Maturity Date:		[specify date or (for Floating Rate Notes) Interest Payment Date falling in or nearest to the relevant month and year][3]
9	Interest Basis:		[[●] per cent. Fixed Rate [[specify reference rate] +/-[●] per cent. Floating Rate] [Variable Rate] [Hybrid] [Zero Coupon] [Other (specify)] (further particulars specified below)
10	Redemption/Payment Basis:		[Redemption at par] [Other (specify)]
11	Redemption Amount (including early redemption):		[Denomination Amount/[others]] [Specify early redemption amount if different from final redemption amount or if different from that set out in the Conditions]

2 If the Denomination Amount is expressed to be €100,000 or its equivalent and multiples of a lower nominal amount (for example €1,000), insert the following: "€100,000 plus integral multiples of [€1,000] in excess thereof up to and including [€199,000]. No Notes in definitive form will be issued with a denomination above [€199,000]".

Notes (including Notes denominated in Sterling) in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of Section 19 FSMA and which have a maturity of less than one year must have a minimum redemption value of £100,000 (or its equivalent in other currencies).

3 Note that Hong Kong Dollar denominated Fixed Rate Notes where the Interest Payment Dates are subject to modification it will be necessary to use the second option.

12	Change of Interest or Redemption/ Payment Basis:		[Specify details of any provision for convertibility of Notes into another interest or redemption/payment basis]
13	Put/Call Options:		[Issuer's Redemption Option] [Noteholders' Redemption Option] [(further particulars specified below)]
14	Status of the Notes:		Senior
15	Listing and admission to trading:		[[●] (specify)/None]
16	Method of distribution:		[Syndicated/Non-syndicated]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

17	Fixed Rate Note Provisions:		[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(i)	Interest Rate:	[●] per cent. per annum [payable [annually/semi-annually/quarterly/monthly] in arrear]
	(ii)	Interest Payment Date(s):	[●] in each year [*adjusted in accordance with* [*specify Business Day Convention*]/[*not adjusted*]]
	(iii)	Fixed Coupon Amount[(s)]:	[●] per Calculation Amount[4]
	(iv)	Initial Broken Amount:	[●]
	(v)	Final Broken Amount:	[●]
	(vi)	Day Count Fraction:	[30/30E/360/Actual/Actual(ICMA/ISDA)/RBA Bond Basis/other]
	(vii)	Other terms relating to the method of calculating interest for Fixed Rate Notes:	[Not Applicable/*give details*]
18	Floating Rate Note Provisions:		[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph.*)
	(i)	Redemption Month:	[●]
	(ii)	Specified Number of Months (Interest Period):	[●]
	(iii)	Specified Interest Payment Dates:	[●]
	(iv)	Business Day Convention:	[Floating Rate Business Day Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other (*give details*)]
	(v)	Manner in which the Rate(s) of Interest is/are to be determined:	[Screen Rate Determination/ISDA Determination/other (*give details*)]

4 For Hong Kong Dollar denominated Fixed Rate Notes where the Interest Payment Dates are subject to modification the following alternative wording is appropriate: "Each Fixed Coupon Amount shall be calculated by multiplying the product of the Rate of Interest and the Calculation Amount by the Day Count Fraction and rounding the resultant figure to the nearest HK$0.01, HK$0.005 for the case of Hong Kong Dollar denominated Fixed Rate Notes, being rounded upwards".

	(vi)	Party responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the Calculation Agent):	[●]
	(vii)	Screen Rate Determination:	
		• Reference Rate:	[●] (*Either EURIBOR, HIBOR, CNH HIBOR or other, although additional information is required if other*)
		• Interest Determination Date(s):	[●] (the day falling two Business Days in London for the Currency prior to the first day of such Interest Period if the Currency is not Sterling, euro or Hong Kong Dollars or first day of each Interest Period if the Currency is Sterling or Hong Kong Dollars or the day falling two TARGET Business Days prior to the first day of such Interest Period if the Currency is euro)
		• Relevant Screen Page:	[●] [(*In the case of EURIBOR, if not Reuters Page EURIBOR 01 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately*)]
	(viii)	ISDA Determination:	
		• Floating Rate Option:	[●]
		• Designated Maturity:	[●]
		• Reset Date:	[●]
	(ix)	Benchmark:	[EURIBOR, HIBOR, CNH HIBOR or other benchmark]
	(x)	Reference Banks:	[Specify three]
	(xi)	Relevant Time:	[●]
	(xii)	Relevant Financial Centre:	[The financial centre most closely connected to the Benchmark—specify if not Singapore]
	(xiii)	Margin(s):	[+/-][●] per cent. per annum
	(xiv)	Minimum Rate of Interest:	[●] per cent. per annum
	(xv)	Maximum Rate of Interest:	[●] per cent. per annum
	(xvi)	Day Count Fraction:	[●]
	(xvii)	Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions:	
19	Variable Rate Note Provisions:		[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(i)	Redemption Month:	[Month and year]
	(ii)	Interest Determination Date:	[●] Business Days prior to the first day of each Interest Period

	(iii)	Day Count Fraction:	[●]
	(iv)	Specified Number of Months (Interest Period):	[●]
	(v)	Specified Interest Payment Dates:	[●]
	(vi)	Business Day Convention:	[Floating Rate Business Day Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other (give details)]
	(vii)	Benchmark:	[Insert benchmark]
	(viii)	Primary Source:	[Specify relevant screen page or "Reference Banks"]
	(ix)	Reference Banks:	[Specify three]
	(x)	Relevant Time:	[●]
	(xi)	Relevant Financial Centre:	[The financial centre most closely connected to the Benchmark—specify if not Singapore]
	(xii)	Spread:	[+/-] [●] per cent. per annum
	(xiii)	Minimum Rate of Interest:	[●] per cent. per annum
	(xiv)	Maximum Rate of Interest:	[●] per cent. per annum
20	Hybrid Note Provisions:		[Applicable/Not Applicable] (If not applicable, delete the remaining sub-paragraphs of this paragraph)
	(i)	Fixed Rate Period:	[●]
	(ii)	Floating Rate Period:	[●]
	(iii)	Maturity Date:	[●]
	(iv)	Redemption Month:	[Month and year]
	(v)	Interest Determination Date:	[●] Business Days prior to the first day of each Interest Period
	(vi)	Day Count Fraction:	[●]
	(vii)	Interest Payment Date(s):	[●]
	(viii)	Initial Broken Amount:	[●]
	(ix)	Final Broken Amount:	[●]
	(x)	Interest Rate:	[●] per cent. per annum
	(xi)	Specified Number of Months (Interest Period):	[●]
	(xii)	Specified Interest Payment Dates:	[●]
	(xiii)	Business Day Convention:	[Floating Rate Business Day Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other (give details)]
	(xiv)	Benchmark:	[Insert benchmark]
	(xv)	Primary Source:	[specify relevant screen page or "Reference Banks"]

	(xvi)	Relevant Time:	[●]
	(xvii)	Relevant Financial Centre:	[The financial centre most closely connected to the Benchmark—specify if not Singapore]
	(xviii)	Reference Banks:	[specify three]
	(xix)	Spread:	[+/-] [●] per cent. per annum
	(xx)	Minimum Rate of Interest:	[●] per cent. per annum
	(xxi)	Maximum Rate of Interest:	[●] per cent. per annum
	(xxii)	Fall back provisions, rounding provisions and any other terms relating to the method of calculating interest on Hybrid Notes during the Floating Rate Period, if different from those set out in the Conditions:	[●]
21	Zero Coupon Note Provisions:		[Applicable/Not Applicable] (If not applicable, delete the remaining sub-paragraphs of this paragraph)
	(i)	Amortisation Yield:	[●] per cent. per annum
	(ii)	Any other formula/basis of determining amount payable:	[●]
	(iii)	Day Count Fraction:	[●]
	(iv)	Any amount payable under Condition 7(h) (Default interest on the Notes):	[●]

PROVISIONS RELATING TO REDEMPTION

22	Issuer's Redemption Option:		[Applicable/Not Applicable]
	Issuer's Redemption Option Period (Condition 6(b)):		[Specify maximum and minimum number of days for notice period] [Specify Dates]
23	Noteholders' Redemption Option:		[Applicable/Not Applicable]
	Noteholders' Redemption Option Period (Condition 6(c)):		[Specify maximum and minimum number of days for notice period] [Specify Dates]
24	Redemption Amount of each Note:		[●] per Calculation Amount
25	Early Redemption Amount:		
	(i)	Early Redemption Amount(s) per Calculation Amount payable on redemption for taxation reasons or on event of default and/or the method of calculating the same (if required or if different from that set out in the Conditions):	[●]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

26	Form of Notes:	[Bearer Notes/Registered Notes] [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Global Note] [Temporary Global Note exchangeable for Definitive Notes on [●] days' notice] (*For this option to be available, such Notes shall only be issued in denominations that are equal to, or greater than, €100,000 (or its equivalent in other currencies) and integral multiples thereof*) [Permanent Global Note/Global Certificate exchangeable for Definitive Notes in the limited circumstances specified in the permanent Global Note/ Global Certificate] (*N.B. The exchange upon notice/at any time options should not be expressed to be applicable if the Denomination Amount of the Notes in paragraph 6 includes language substantially to the following effect: "€100,000 plus integral multiples of €1,000 in excess thereof up to and including €199,000." Furthermore, such Denomination Amount construction is not permitted in relation to any issue of Notes which is to be represented on issue by a Temporary Global Note exchangeable for Definitive Notes.*) [Definitive Notes]
27	Talons for future Coupons to be attached to Definitive Notes (and dates on which such Talons mature):	[Yes/No. If yes, *give details*]
28	Redenomination, renominalisation and reconventioning provisions:	[Not Applicable/The provisions [annexed to this Pricing Supplement] apply]
29	Consolidation provisions:	[Not Applicable/The provisions [in Condition [●]] [annexed to this Pricing Supplement] apply]
30	Private Banking Rebate:	[Applicable/Not Applicable]
31	Other terms or special conditions:	[Not Applicable/*give details*]

DISTRIBUTION

32	(i)	If syndicated, names of Managers:	[Not Applicable/*give name*]
	(ii)	Stabilising Manager (if any):	[Not Applicable/*give name*]
33	If non-syndicated, name of Dealer:		[Not Applicable/*give name*]
34	U.S. selling restrictions:		Reg. S Category [1]/[2]; The Notes are being offered and sold only in accordance with Regulation S.
35	Whether TEFRA D or TEFRA C rules applicable or TEFRA rules not applicable:		[TEFRA D/TEFRA C/TEFRA Not Applicable]
36	Additional selling restrictions:		[Not Applicable/*give details*]

OPERATIONAL INFORMATION

37	Legal Entity Identifier of Issuer:	[●]
38	ISIN Code:	[●]
39	Common Code:	[●]
40	Any clearing system(s) other than Euroclear, Clearstream or CDP and the relevant identification number(s):	[Not Applicable/*give name(s) and number(s)*]
41	Delivery:	Delivery [against/free of] payment
42	Additional Paying Agent(s) (if any):	[Not Applicable/*give name*]
43	Prohibition of Sales to EEA Retail Investors:	[Applicable/Not Applicable] (*If the Notes clearly do not constitute "packaged" products, "Not Applicable" should be specified. If the Notes may constitute "packaged" products and no KID will be prepared, "Applicable" should be specified.*)
44	Prohibition of Sales to UK Retail Investors:	[Applicable/Not Applicable] (*If the Notes clearly do not constitute "packaged" products, "Not Applicable" should be specified. If the Notes may constitute "packaged" products and no KID will be prepared, "Applicable" should be specified.*)

GENERAL

45	Applicable governing document:	Trust Deed dated 8 November 2019[, as supplemented by the Singapore Supplemental Trust Deed dated 8 November 2019]
46	The aggregate principal amount of Notes in the Currency issued has been translated into Singapore dollars at the rate specified, producing a sum of:	[Not applicable/Exchange rate of Currency: Singapore dollar equivalent: [●]]
47	In the case of Registered Notes, specify the location of the office of the Registrar if other than [Luxembourg/Singapore]:	[●]
48	In the case of Bearer Notes, specify the location of the office of the Issuing and Paying Agent if other than [London or Singapore]:	[●]
49	Ratings:	[The Notes to be issued are unrated/*give details*]
50	Governing Law:	[English law/Singapore law]

PURPOSE OF PRICING SUPPLEMENT

This Pricing Supplement comprises the final terms required for issue and admission to trading on the Singapore Exchange Securities Trading Limited of the Notes described herein pursuant to the S$2,000,000,000 Euro Medium Term Note Programme guaranteed by IOI Properties Group Berhad.

[STABILISATION

In connection with this issue, [insert name of Stabilising Manager] (the "**Stabilising Manager**") (or persons acting on behalf of any Stabilising Manager) may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager (or persons acting on behalf of a Stabilising Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the Notes and 60 days after the date of the allotment of the Notes. Any stabilisation action or overallotment must be conducted by the relevant Stabilising Manager (or persons acting on behalf of any Stabilising Manager) in accordance with all applicable laws and rules.]

INVESTMENT CONSIDERATIONS

There are significant risks associated with the Notes including, but not limited to, counterparty risk, country risk, price risk and liquidity risk. Investors should contact their own financial, legal, accounting and tax advisers about the risks associated with an investment in these Notes, the appropriate tools to analyse that investment, and the suitability of the investment in each investor's particular circumstances. No investor should purchase the Notes unless that investor understands and has sufficient financial resources to bear the price, market liquidity, structure and other risks associated with an investment in these Notes.

Before entering into any transaction, investors should ensure that they fully understand the potential risks and rewards of that transaction and independently determine that the transaction is appropriate given their objectives, experience, financial and operational resources and other relevant circumstances. Investors should consider consulting with such advisers as they deem necessary to assist them in making these determinations.

RESPONSIBILITY

Each of the Issuer and the Guarantor accepts responsibility for the information contained in this Pricing Supplement.

[The SGX-ST assumes no responsibility for the correctness of any of the statements made or opinions expressed or reports contained in this Pricing Supplement. The approval in-principle from, and the admission of the Notes to the Official List of, the SGX-ST are not to be taken as indications of the merits of the Issuer, the Programme or the Notes.]

Signed on behalf of [**Progressive View Pte. Ltd.**]/[***specify other issuer***]

By _____
Duly authorised

Signed on behalf **IOI Properties Group Berhad**:

By _____
Duly authorised

GENERAL INFORMATION

1. Approval in-principle has been received from the SGX-ST for permission to deal in and for the listing of any Notes which are agreed at the time of issue thereof to be so listed on the SGX-ST. Such permission will be granted when such Notes have been admitted to the Official List of the SGX-ST. There can be no assurance that the application to the SGX-ST will be approved. If the application to the SGX-ST to list a particular Series of Notes is approved, and the rules of the SGX-ST so require, such Notes will be traded on the SGX-ST in a minimum board lot size of S$200,000 or its equivalent in other specified currencies. So long as any Notes are listed on the SGX-ST and the rules of the SGX-ST so require, the relevant Issuer shall appoint and maintain a paying agent in Singapore, where such Notes may be presented or surrendered for payment or redemption, in the event that that Global Note representing such Notes is exchanged for definitive Notes. In addition, an announcement of such exchange will be made through the SGX-ST. Such announcement will include all material information with respect to the delivery of the definitive Notes, including details of the paying agent in Singapore.

2. Each of the Issuers and the Guarantor has obtained all necessary consents, approvals and authorisations in connection with the establishment of the Programme and the giving of the Guarantee. The establishment of the Programme was authorised by resolutions of the Board of Directors of Progressive View Pte. Ltd. passed on 15 April 2019 and the establishment of the Programme and the giving of the Guarantee by the Guarantor was authorised by resolutions of the Board of Directors of the Guarantor passed on 15 April 2019.

3. The update of the Programme and the issue of Notes under the Programme have been duly authorised by resolutions of the Board of Directors of Progressive View Pte. Ltd. passed on 28 September 2022.

4. Except as disclosed in this Offering Circular, there has been no material adverse change in the financial position, business or prospects of the Guarantor since 30 June 2022.

5. Except as disclosed in this Offering Circular, there are no legal or arbitration proceedings pending or, so far as the Issuers, the Guarantor and their respective directors are aware, threatened against the Issuers, the Guarantor or any of their respective subsidiaries the outcome of which, in the opinion of the directors, may have or have had during the 12 months prior to the date of this Offering Circular a material adverse effect on the financial position of the Issuers or the Guarantor.

6. The Notes may be accepted for clearance through Euroclear, Clearstream and CDP. The appropriate ISIN and common code in relation to the Notes of each Tranche will be specified in the relevant Pricing Supplement. The relevant Pricing Supplement shall specify any other clearing system as shall have accepted the relevant Notes for clearance together with any further appropriate information.

7. The Legal Entity Identifier for Progressive View Pte. Ltd. is 254900STH3WUMB3E8Z44.

8. Where information in this Offering Circular has been sourced from third parties, this information has been accurately reproduced and as far as the Issuers and the Guarantor are aware and are able to ascertain from the information published by such third parties no facts have been omitted which would render the reproduced information inaccurate or misleading. The source of third-party information is identified where used.

9. For so long as Notes may be issued pursuant to this Offering Circular, the following documents will be available (provided the same have been provided to the Issuing and Paying Agent by the Issuers or the Guarantor), during usual business hours (being between 9:00 a.m. and 3:00 p.m.) on any weekday (Saturdays, Sundays and public holidays excepted), for inspection at the specified office of the Issuing and Paying Agent (being at the date of this Offering Circular at Level 30, HSBC Main Building, 1 Queen's Road Central, Hong Kong), following prior written request and proof of holding and identity to the satisfaction of the Issuing and Paying Agent:

   (i) the Trust Deed (which includes the form of the Global Notes, the definitive Bearer Notes, the Certificates, the Coupons and the Talons);

   (ii) the Agency Agreement;

   (iii) the constitutive documents of each Issuer and the Guarantor;

   (iv) the most recently published annual report and audited consolidated financial statements of the Guarantor and the most recently published interim accounts of the Guarantor;

   (v) each Pricing Supplement (save that a Pricing Supplement related to an unlisted Series of Notes will only be available for inspection by a holder of any such Notes and such holder must produce evidence satisfactory to the Issuer, the Guarantor or the Trustee as to its holding of Notes and identity);

   (vi) a copy of this Offering Circular together with any supplement to this Offering Circular or further Offering Circular; and

   (vii) all reports, letters and other documents, balance sheets, valuations and statements by any expert any part of which is extracted or referred to in this Offering Circular.

10. Each Bearer Note having a maturity of more than one year, Receipt, Coupon and Talon will bear the following legend: "Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code".

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Note: The audited financial statements set out herein have been reproduced from IOI Properties Group Berhad's financial statements for the financial years ended 30 June 2021 and 2022 and page references are references to the pages set forth in such financial statements.

The audited financial statements have not been prepared for the purpose of inclusion in this Offering Circular.

Registration No.

201301005964 (1035807-A)

IOI PROPERTIES GROUP BERHAD

(Incorporated in Malaysia)

DIRECTORS' REPORT AND AUDITED FINANCIAL STATEMENTS

30 JUNE 2021

3019A9/sw

Registration No.
201301005964 (1035807-A)

IOI PROPERTIES GROUP BERHAD
(Incorporated in Malaysia)

DIRECTORS' REPORT

The Directors of IOI Properties Group Berhad have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 30 June 2021.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding.

The principal activities of the subsidiaries, associate and joint ventures are set out in Note 43 to the financial statements.

There have been no significant changes in the nature of the activities of the Group and of the Company during the financial year.

FINANCIAL RESULTS

The audited financial results of the Group and of the Company for the financial year ended 30 June 2021 are as follows:

	Group	Company
	RM'000	RM'000
Profit for the financial year	663,313	123,548
Attributable to:		
Owners of the Company	660,209	123,548
Non-controlling interests	3,104	-
	663,313	123,548

DIVIDENDS

Dividend declared and paid since the end of the previous financial year was as follows:

	Company
	RM'000
In respect of the financial year ended 30 June 2020:	
Interim single tier dividend of 1.5 sen per ordinary share, paid on 23 October 2020	82,592

On 26 August 2021, the Directors had declared an interim single tier dividend of 2.0 sen per ordinary share, amounting to RM110,122,908 in respect of the financial year ended 30 June 2021. The dividend will be payable on 24 September 2021 to shareholders whose names appear in the Record of Depositors and Register of Members of the Company at the close of business on 14 September 2021.

The Directors do not recommend any payment of final dividend in respect of the current financial year.

DIRECTORS' REPORT (CONTINUED)

ISSUE OF SHARES AND DEBENTURES

There was no issue of new shares or debentures by the Company during the financial year.

RESERVES AND PROVISION

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

OPTIONS GRANTED OVER UNISSUED SHARES

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

DIRECTORS

The Directors who have held office during the financial year until the date of this report are as follows:

Datuk Tan Kim Leong
Lee Yeow Seng
Tan Sri Dato' Sri Koh Kin Lip
Dato' Lee Yeow Chor
Lee Yoke Har
Datuk Dr Tan Kim Heung
Datuk Lee Say Tshin
Chan Cha Lin (Appointed on 1 June 2021)

IOI PROPERTIES GROUP BERHAD
(Incorporated in Malaysia)

DIRECTORS' REPORT (CONTINUED)

DIRECTORS' INTERESTS

The Directors holding office at the end of the financial year and their beneficial interests in the ordinary shares of the Company and of its related corporations during the financial year ended 30 June 2021 as recorded in the Register of Directors' Shareholdings kept by the Company under Section 59 of the Companies Act 2016 are as follows:

	As at 1 July 2020/ Date of Appointment*	Acquired	Disposed	As at 30 June 2021
The Company				
Direct Interest				
No. of ordinary shares				
Datuk Tan Kim Leong	13,125	-	-	13,125
Tan Sri Dato' Sri Koh Kin Lip	1,094,041	-	-	1,094,041
Lee Yeow Seng	100,000	69,198,100	-	69,298,100
Dato' Lee Yeow Chor	6,837,500	-	-	6,837,500
Datuk Dr Tan Kim Heung	28,606,000	8,000,000	-	36,606,000
Chan Cha Lin	20,321,600*	-	-	20,321,600
Lee Yoke Har	856,018	3,235,300	-	4,091,318
Indirect Interest				
No. of ordinary shares				
Datuk Tan Kim Leong	84,629	-	(3,692)	80,937
Tan Sri Dato' Sri Koh Kin Lip	44,486,448	-	-	44,486,448
Lee Yeow Seng	3,495,884,541	120,179,200	-	3,616,063,741
Dato' Lee Yeow Chor	3,496,275,916	120,179,200	-	3,616,455,116
Datuk Lee Say Tshin	125,000	-	-	125,000
Chan Cha Lin	121,730,700*	-	-	121,730,700
Lee Yoke Har	87,000	16,000	-	103,000
Ultimate Holding Company				
Vertical Capacity Sdn. Bhd. ("VCSB")				
Direct Interest				
No. of ordinary shares				
Lee Yeow Seng	662,076,993	-	-	662,076,993
Dato' Lee Yeow Chor	192,215,901	-	-	192,215,901

By virtue of Lee Yeow Seng's and Dato' Lee Yeow Chor's interests in the ordinary shares of the Company and its ultimate holding company, they are also deemed to be interested in the shares of all the subsidiaries of the Company and its ultimate holding company to the extent that the Company and its ultimate holding company have an interest.

DIRECTORS' REPORT (CONTINUED)

DIRECTORS' BENEFITS

Since the end of the previous financial year, none of the Directors of the Company has received or become entitled to receive any benefit (other than the benefits as disclosed in Note 37 to the financial statements) 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 except for any benefits which may be deemed to have arisen by virtue of the significant related party transactions as disclosed in Note 37 to the financial statements.

During and at the end of the financial year, no arrangement subsisted to which the Company is a party, with the object or objects of enabling the Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

DIRECTORS' REMUNERATION

Details of Directors' remuneration as required by the Fifth Schedule of the Companies Act 2016 are set out in Note 37 to the financial statements.

INDEMNITY AND INSURANCE FOR DIRECTORS AND OFFICERS

The Company maintains a corporate liability insurance for the Directors and officers of the Group throughout the financial year, which provides appropriate insurance cover for the Directors and officers of the Group. The total amount of indemnity coverage and insurance premium paid by the Company for the financial year ended 30 June 2021 amounted to RM50,000,000 and RM57,700 respectively.

DIRECTORS' REPORT (CONTINUED)

STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS

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

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

(b) to ensure that any current assets, other than debts, which were unlikely to realise their book values in the ordinary course of business of the Group and of the Company have been written down to an amount which the current assets might be expected so to realise.

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

(a) which would render the amounts written off for bad debts or the amount of the provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent;

(b) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; and

(c) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

As at the date of this report, there does not exist:

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

(b) any contingent liability in respect of the Group or of the Company that has arisen since the end of the financial year.

No contingent or other liability has become enforceable, or is likely to become enforceable within the period of twelve (12) months after the end of the financial year, which in the opinion of the Directors, will or may substantially affect the ability of the Group or of the Company to meet their obligations as and when they fall due.

DIRECTORS' REPORT (CONTINUED)

OTHER STATUTORY INFORMATION

As 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 of the Company that would render any amount stated in the 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; and

(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 operations of the Group and of the Company for the financial year in which this report is made.

DIFFERENT FINANCIAL YEAR END OF SUBSIDIARIES

Due to local requirements of the following six (6) indirect subsidiaries ("Foreign Subsidiaries") of the Company, the Foreign Subsidiaries are adopting 31 December as their statutory financial year end, which do not coincide with that of IOI Properties Berhad, the holding company of the Foreign Subsidiaries, which in turn, is a 99.9% owned subsidiary of the Company. The Directors of IOI Properties Berhad have been granted approvals under Section 247(3) of the Companies Act 2016 by the Companies Commission of Malaysia for the Foreign Subsidiaries to have different financial year end from that of IOI Properties Berhad for the financial year ended 30 June 2021:

1. IOI (Xiamen) Business Management Co. Ltd.;
2. IOI (Xiamen) Properties Co. Ltd.;
3. Xiamen Double Prosperous Real Estate Development Co. Ltd.;
4. Xiamen Palm City Management Services Co. Ltd.;
5. Xiamen Palm Kaiyue Real Estate Development Co. Ltd.; and
6. Xiamen Palm City Sports Technology Co. Ltd.

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

Significant events during the financial year are disclosed in Note 41 to the financial statements.

AUDIT COMMITTEE

The Directors who serve as members of the Audit Committee are as follows:

Datuk Lee Say Tshin (Chairman)
Datuk Tan Kim Leong
Datuk Dr Tan Kim Heung

DIRECTORS' REPORT (CONTINUED)

RISK MANAGEMENT COMMITTEE

The Directors who serve as members of the Risk Management Committee are as follows:

Datuk Dr Tan Kim Heung (Chairman)
Tan Sri Dato' Sri Koh Kin Lip
Datuk Lee Say Tshin
Chan Cha Lin (Appointed on 1 July 2021)

GOVERNANCE, NOMINATING AND REMUNERATION COMMITTEE

The Directors who serve as members of the Governance, Nominating and Remuneration Committee are as follows:

Tan Sri Dato' Sri Koh Kin Lip (Chairman)
Datuk Tan Kim Leong
Datuk Dr Tan Kim Heung

ULTIMATE HOLDING COMPANY

The ultimate holding company is Vertical Capacity Sdn. Bhd., a company incorporated in Malaysia.

LIST OF DIRECTORS OF SUBSIDIARIES

Pursuant to Section 253 of the Companies Act 2016, the list of Directors of the subsidiaries during the financial year and up to the date of this report is as follows:

Chia Yi Li
Chong Voon Fooi
Chung Nyuk Kiong
Dato' Lee Yeow Chor
Dato' Voon Tin Yow
Ho Kwok Wing
Hsieh Yu-Ting
Jiro Mearashi^
Lee Beng Hong
Lee Cheng Leang
Lee Yean Ping (Li YanPing)
Lee Yeow Seng
Lee Yoke Har
Lee Yoke Hui*
Lim Beng Yeang
Lim Cheok Leng
Masaya Ohta
Por Seng Guan*
Shen Yan Chao
Tan Keng Seng
Tan Kun Sin
Teah Chin Guan @ Teh Chin Guan
Wang Wei^
Wong Peen Fook
Wong Wai Leong*
Yuki Hikasa*
Zheng Wen Liang

^ *Resigned during the financial year*
* *Appointed during the financial year and up to the date of this report*

SUBSIDIARIES

Details of subsidiaries are set out in Note 43 to the financial statements.

DIRECTORS' REPORT (CONTINUED)

AUDITORS' REMUNERATION

Details of auditors' remuneration are set out in Note 8 to the financial statements.

AUDITORS

The auditors, PricewaterhouseCoopers PLT (LLP0014401-LCA & AF 1146), have expressed their willingness to continue in office.

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

LEE YEOW SENG
Director

LEE YOKE HAR
Director

15 September 2021

Registration No.
201301005964 (1035807-A)

IOI PROPERTIES GROUP BERHAD
(Incorporated in Malaysia)

STATEMENTS OF PROFIT OR LOSS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

	Note	Group		Company	
		2021	2020	2021	2020
		RM'000	RM'000 Restated	RM'000	RM'000
Revenue	7	2,488,611	2,116,346	140,297	11,000
Cost of sales		(1,303,327)	(886,093)	-	-
Gross profit		1,185,284	1,230,253	140,297	11,000
Other operating income		64,711	51,756	6,377	51,740
Marketing and selling expenses		(46,960)	(58,717)	(23)	(13)
Administration expenses		(155,961)	(156,487)	(3,793)	(4,081)
Other operating expenses		(332,886)	(301,175)	(5,536)	(411,227)
Operating profit/(loss)	8	714,188	765,630	137,322	(352,581)
Share of result of an associate		34,973	19,622	-	-
Share of results of joint ventures		249,581	141,846	-	-
Profit/(Loss) before interest and taxation		998,742	927,098	137,322	(352,581)
Interest income	10	34,729	50,140	10,028	25,554
Interest expense	11	(300)	(145)	(21,265)	(43,240)
Net foreign currency translation gain/(loss) on:					
- borrowings		46,122	(35,025)	-	-
- deposits		(1,293)	4,736	(1,418)	1,805
Profit/(Loss) before taxation		1,078,000	946,804	124,667	(368,462)
Taxation	12	(414,687)	(438,165)	(1,119)	345
Profit/(Loss) for the financial year		663,313	508,639	123,548	(368,117)
Profit/(Loss) attributable to:					
Owners of the Company		660,209	504,695	123,548	(368,117)
Non-controlling interests		3,104	3,944	-	-
		663,313	508,639	123,548	(368,117)
Earnings per ordinary share attributable to owners of the Company					
Basic earnings per share (sen)	13	11.99	9.17		
Diluted earnings per share (sen)	13	11.99	9.17		

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

Registration No.
201301005964 (1035807-A)

IOI PROPERTIES GROUP BERHAD
(Incorporated in Malaysia)

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

	Group		Company	
	2021	2020	2021	2020
	RM'000	RM'000 Restated	RM'000	RM'000
Profit/(Loss) for the financial year	663,313	508,639	123,548	(368,117)
Other comprehensive income/(loss) that will be reclassified subsequently to profit or loss, net of tax				
Exchange differences on translation of foreign operations, net of tax	106,908	30,722	-	-
Net change in cash flow hedge reserve	91,662	(161,105)	1,075	876
Other comprehensive income/(loss) for the financial year, net of tax	198,570	(130,383)	1,075	876
Total comprehensive income/(loss) for the financial year	861,883	378,256	124,623	(367,241)
Total comprehensive income/(loss) attributable to:				
Owners of the Company	858,743	374,283	124,623	(367,241)
Non-controlling interests	3,140	3,973	-	-
	861,883	378,256	124,623	(367,241)

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

Registration No.
201301005964 (1035807-A)

IOI PROPERTIES GROUP BERHAD
(Incorporated in Malaysia)

STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2021

	Note	Group			Company	
		30.6.2021	30.6.2020	1.7.2019	2021	2020
		RM'000	RM'000 Restated	RM'000 Restated	RM'000	RM'000
ASSETS						
NON-CURRENT ASSETS						
Property, plant and equipment	15	1,530,672	1,421,979	1,322,774	-	-
Land held for property development	16	5,170,325	4,847,658	4,642,164	-	-
Investment properties	17	14,895,545	14,334,703	13,672,410	-	-
Goodwill on consolidation	18	11,472	11,472	11,472	-	-
Investment in subsidiaries	19	-	-	-	18,884,673	18,841,891
Interests in an associate	20	51,549	109,523	99,313	-	-
Interests in joint ventures	21	4,434,207	4,379,375	4,866,946	-	-
Deferred tax assets	22	209,016	187,280	169,504	-	-
		26,302,786	25,291,990	24,784,583	18,884,673	18,841,891
CURRENT ASSETS						
Property development costs	23	2,223,706	3,129,002	3,501,634	-	-
Inventories	24	2,412,152	2,133,507	1,958,753	-	-
Trade and other receivables	25	412,495	392,487	357,910	15,640	236
Contract assets	26	162,723	220,259	216,591	-	-
Amounts due from subsidiaries	19	-	-	-	5	232,853
Amount due from joint ventures	21	23,369	481	560	-	-
Current tax assets		47,467	44,126	59,305	23,416	24,156
Short term funds	29	263,698	80,588	41	263,698	80,588
Deposits with financial institutions	28	277,082	479,891	455,086	100,695	315,014
Cash and bank balances	27	1,307,428	911,506	1,121,758	91,861	94,554
		7,130,120	7,391,847	7,671,638	495,315	747,401
TOTAL ASSETS		33,432,906	32,683,837	32,456,221	19,379,988	19,589,292

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

Registration No.
201301005964 (1035807-A)

IOI PROPERTIES GROUP BERHAD
(Incorporated in Malaysia)

STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2021 (CONTINUED)

	Note	Group			Company	
		30.6.2021	30.6.2020	1.7.2019	2021	2020
		RM'000	RM'000 Restated	RM'000 Restated	RM'000	RM'000
EQUITY AND LIABILITIES						
EQUITY						
Share capital	30	18,514,233	18,514,233	18,514,233	18,514,233	18,514,233
Reserves	31	(171,746)	(370,280)	(228,093)	-	(1,075)
Retained earnings		9,656,034	9,078,417	8,727,107	461,932	420,976
Reorganisation debit balance		(8,440,152)	(8,440,152)	(8,440,152)	-	-
Equity attributable to owners of the Company		19,558,369	18,782,218	18,573,095	18,976,165	18,934,134
Non-controlling interests	19	160,339	155,401	157,420	-	-
Total equity		19,718,708	18,937,619	18,730,515	18,976,165	18,934,134
LIABILITIES						
NON-CURRENT LIABILITIES						
Borrowings	32	10,676,108	9,713,761	10,150,209	-	-
Lease liabilities	33	740	2,037	684	-	-
Derivative financial liabilities	34	45,426	128,764	43,514	-	-
Trade and other payables	35	38,903	30,704	29,709	-	-
Deferred tax liabilities	22	662,264	1,036,162	799,548	-	-
Amount due to a subsidiary	19	-	-	-	99,742	270,763
		11,423,441	10,911,428	11,023,664	99,742	270,763
CURRENT LIABILITIES						
Borrowings	32	334,003	1,181,415	1,176,252	-	224,571
Lease liabilities	33	1,629	1,453	1,010	-	-
Derivative financial liabilities	34	81,534	90,527	14,167	-	1,754
Trade and other payables	35	1,080,865	1,076,055	1,025,111	925	2,366
Contract liabilities	26	186,682	348,096	341,508	-	-
Amounts due to subsidiaries	19	-	-	-	303,156	155,704
Current tax liabilities		606,044	137,244	143,994	-	-
		2,290,757	2,834,790	2,702,042	304,081	384,395
Total liabilities		13,714,198	13,746,218	13,725,706	403,823	655,158
TOTAL EQUITY AND LIABILITIES		33,432,906	32,683,837	32,456,221	19,379,988	19,589,292

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

Registration No.
201301005964 (1035807-A)

IOI PROPERTIES GROUP BERHAD
(Incorporated in Malaysia)

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

	Attributable to owners of the Company								
	Share capital	Foreign currency translation reserve	Cash flow hedge reserve	Share-based payment reserve	Reorgani-sation debit balance	Retained earnings	Total	Non-controlling interests	Total equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Group									
As at 1 July 2020, as previously reported	18,514,233	(155,085)	(212,312)	-	(8,440,152)	9,288,389	18,995,073	156,875	19,151,948
Effects on adoption of IFRIC Agenda Decision (Note 44)	-	(2,883)	-	-	-	(209,972)	(212,855)	(1,474)	(214,329)
As at 1 July 2020, as restated	18,514,233	(157,968)	(212,312)	-	(8,440,152)	9,078,417	18,782,218	155,401	18,937,619
Profit for the financial year	-	-	-	-	-	660,209	660,209	3,104	663,313
Exchange differences on translation of foreign operation, net of tax	-	106,880	-	-	-	-	106,880	28	106,908
Net change in cash flow hedge (Note 31.2)	-	-	91,654	-	-	-	91,654	8	91,662
Total comprehensive income	-	106,880	91,654	-	-	660,209	858,743	3,140	861,883
Issuance of preference shares to non-controlling interests in subsidiaries	-	-	-	-	-	-	-	17,485	17,485
Changes in equity interests in a subsidiary	-	-	-	-	-	-	-	(10,091)	(10,091)
Dividend paid	-	-	-	-	-	(82,592)	(82,592)	(5,596)	(88,188)
Total transactions with owners	-	-	-	-	-	(82,592)	(82,592)	1,798	(80,794)
As at 30 June 2021	18,514,233	(51,088)	(120,658)	-	(8,440,152)	9,656,034	19,558,369	160,339	19,718,708

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

Registration No.
201301005964 (1035807-A)

IOI PROPERTIES GROUP BERHAD
(Incorporated in Malaysia)

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021 (CONTINUED)

	Attributable to owners of the Company								
	Share capital	Foreign currency translation reserve	Cash flow hedge reserve	Share-based payment reserve	Reorganisation debit balance	Retained earnings	Total	Non-controlling interests	Total equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Group									
As at 1 July 2019, as previously reported	18,514,233	(186,259)	(51,217)	11,775	(8,440,152)	8,986,081	18,834,461	159,122	18,993,583
Effects on adoption of IFRIC Agenda Decision (Note 44)	-	(2,392)	-	-	-	(258,974)	(261,366)	(1,702)	(263,068)
As at 1 July 2019, as restated	18,514,233	(188,651)	(51,217)	11,775	(8,440,152)	8,727,107	18,573,095	157,420	18,730,515
Profit for the financial year	-	-	-	-	-	504,695	504,695	3,944	508,639
Exchange differences on translation of foreign operation, net of tax	-	30,683	-	-	-	-	30,683	39	30,722
Net change in cash flow hedge (Note 31.2)	-	-	(161,095)	-	-	-	(161,095)	(10)	(161,105)
Total comprehensive income/(loss)	-	30,683	(161,095)	-	-	504,695	374,283	3,973	378,256
Changes in equity interests in a subsidiary	-	-	-	-	-	24	24	(40)	(16)
Employee share options lapsed	-	-	-	(11,775)	-	11,775	-	-	-
Dividend paid	-	-	-	-	-	(165,184)	(165,184)	(5,952)	(171,136)
Total transactions with owners	-	-	-	(11,775)	-	(153,385)	(165,160)	(5,992)	(171,152)
As at 30 June 2020	18,514,233	(157,968)	(212,312)	-	(8,440,152)	9,078,417	18,782,218	155,401	18,937,619

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

Registration No.
201301005964 (1035807-A)

IOI PROPERTIES GROUP BERHAD
(Incorporated in Malaysia)

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021 (CONTINUED)

	Attributable to owners of the Company				
	Share capital	Cash flow hedge reserve	Share-based payment reserve	Retained earnings	Total equity
	RM'000	RM'000	RM'000	RM'000	RM'000
Company					
As at 1 July 2020	18,514,233	(1,075)	-	420,976	18,934,134
Profit for the financial year	-	-	-	123,548	123,548
Net change in cash flow hedge (Note 31.2)	-	1,075	-	-	1,075
Total comprehensive income	-	1,075	-	123,548	124,623
Dividend paid (Note 14)	-	-	-	(82,592)	(82,592)
Total transactions with owners	-	-	-	(82,592)	(82,592)
As at 30 June 2021	18,514,233	-	-	461,932	18,976,165
As at 1 July 2019	18,514,233	(1,951)	11,775	954,277	19,478,334
Loss for the financial year	-	-	-	(368,117)	(368,117)
Net change in cash flow hedge (Note 31.2)	-	876	-	-	876
Total comprehensive loss	-	876	-	(368,117)	(367,241)
Employee share options lapsed	-	-	(11,775)	-	(11,775)
Dividend paid (Note 14)	-	-	-	(165,184)	(165,184)
Total transactions with owners	-	-	(11,775)	(165,184)	(176,959)
As at 30 June 2020	18,514,233	(1,075)	-	420,976	18,934,134

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

Registration No.
201301005964 (1035807-A)

IOI PROPERTIES GROUP BERHAD
(Incorporated in Malaysia)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

	Note	Group		Company	
		2021	2020	2021	2020
		RM'000	RM'000 Restated	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit/(Loss) before taxation		1,078,000	946,804	124,667	(368,462)
Adjustments for:					
Bad debts written off		635	20	-	-
Depreciation of property, plant and equipment	15	42,464	42,873	-	-
Dividend income		-	-	(140,297)	(11,000)
Fair value loss on investment properties	17	71,061	54,386	-	-
(Gain)/Loss on:					
- disposal of land from compulsory acquisitions		-	(206)	-	-
- disposal of property, plant and equipment		(140)	(214)	-	-
- disposal of investment properties		88	-	-	-
- redemption of redeemable preference shares in subsidiaries		-	-	(2,978)	(50,107)
- subscription of redeemable preference shares in subsidiaries		-	-	(2,590)	(636)
Loss on subscription of ordinary shares in a subsidiary		-	-	-	18
Impairment losses on:					
- receivables		3,935	2,523	-	-
- interests in subsidiaries		-	-	5,333	410,603
- investment properties	17	-	84,189	-	-
Interest expense	11	300	145	21,265	43,240
Interest income	10	(34,729)	(50,140)	(10,028)	(25,554)
Inventories written down		-	3,100	-	-
Inventories written off		-	1	-	-
Property development costs written down	23	108,852	24,755	-	-
Property, plant and equipment written off	15	16	2,615	-	-
Reversal of impairment losses on receivables		(776)	(138)	-	-
Share of result of an associate		(34,973)	(19,622)	-	-
Share of results of joint ventures		(249,581)	(141,846)	-	-
Net foreign currency translations (gain)/loss		(45,128)	12,179	18	(295)
Operating profit/(loss) before working capital changes		940,024	961,424	(4,610)	(2,193)

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

IOI PROPERTIES GROUP BERHAD
(Incorporated in Malaysia)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021 (CONTINUED)

	Note	Group		Company	
		2021	2020	2021	2020
		RM'000	RM'000 Restated	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES (CONTINUED)					
Operating profit/(loss) before working capital changes (continued)		940,024	961,424	(4,610)	(2,193)
Changes in working capital:					
- Property development costs		170,857	(65,267)	-	-
- Inventories		422,891	286,512	-	-
- Contract assets		57,536	(3,668)	-	-
- Trade and other receivables		(12,895)	(51,042)	(15,566)	(8)
- Contract liabilities		(161,414)	6,588	-	-
- Trade and other payables		(21,520)	55,525	(9)	(282)
Cash generated from/(used in) operations		1,395,479	1,190,072	(20,185)	(2,483)
Tax paid		(379,577)	(232,958)	(385)	(1,949)
Tax refunded		2,850	19,898	6	-
Net cash generated from/(used in) operating activities		1,018,752	977,012	(20,564)	(4,432)

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

IOI PROPERTIES GROUP BERHAD
(Incorporated in Malaysia)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021 (CONTINUED)

	Note	Group		Company	
		2021	2020	2021	2020
		RM'000	RM'000 Restated	RM'000	RM'000
CASH FLOWS FROM INVESTING ACTIVITIES					
Deposit received from disposal of a subsidiary		7,902	-	-	-
Dividends received		45,109	9,412	140,297	11,000
Interest received		28,405	41,043	10,190	25,550
Proceeds from disposal of:					
- investment properties		1,092	2,859	-	-
- land from compulsory acquisitions		-	206	-	-
- property, plant and equipment		304	383	-	-
Additional investments in subsidiaries		-	-	(202,872)	(284,702)
Redemption of redeemable preference shares of a joint venture		163,070	620,923	-	-
Redemption of redeemable preference shares of subsidiaries		-	-	238,860	973,525
Redemption of cumulative redeemable preference shares of an associate		47,838	-	-	-
Repayment from joint ventures		34,817	30,427	-	-
Additions to:					
- property, plant and equipment	15.2	(123,108)	(148,727)	-	-
- land held for property development		(61,543)	(110,777)	-	-
- investment properties		(431,267)	(516,545)	-	-
Equity contribution to subsidiaries		-	-	(59,216)	(182,783)
Advances to subsidiaries		-	-	(5)	-
Repayments from subsidiaries		-	-	232,853	20
Net cash (used in)/generated from investing activities		(287,381)	(70,796)	360,107	542,610

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

IOI PROPERTIES GROUP BERHAD
(Incorporated in Malaysia)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021 (CONTINUED)

	Note	Group		Company	
		2021	2020	2021	2020
		RM'000	RM'000 Restated	RM'000	RM'000
CASH FLOWS FROM FINANCING ACTIVITIES					
Consideration paid for acquisition of additional shares from non-controlling interests		(10,091)	(16)	-	(16)
Advances from subsidiaries		-	-	527,194	583,004
Payment of lease interest		(113)	(145)	-	-
Payment of lease liabilities		(1,714)	(1,575)	-	-
Interest paid		(337,093)	(387,187)	(20,217)	(44,786)
Dividend paid		(82,592)	(165,184)	(82,592)	(165,184)
Dividend paid to non-controlling interests		(5,596)	(5,952)	-	-
Banking facilities fees paid		(5,493)	(9,020)	-	-
Drawdown of borrowings		605,029	1,213,587	-	-
Repayment of borrowings		(577,516)	(1,661,057)	(225,000)	(225,000)
Proceeds from issuance of preference shares to non-controlling interests in subsidiaries		17,485	-	-	-
Repayment to subsidiaries		-	-	(572,830)	(864,419)
Net cash used in financing activities		(397,694)	(1,016,549)	(373,445)	(716,401)
Net increase/(decrease) in cash and cash equivalents		333,677	(110,333)	(33,902)	(178,223)
Cash and cash equivalents at beginning of financial year		1,471,985	1,576,885	490,156	668,379
Effect of exchange rate changes		42,546	5,433	-	-
Cash and cash equivalents at end of financial year	36	1,848,208	1,471,985	456,254	490,156

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

IOI PROPERTIES GROUP BERHAD
(Incorporated in Malaysia)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021 (CONTINUED)

RECONCILIATION OF CHANGE IN LIABILITIES ARISING FROM FINANCING ACTIVITIES:

A reconciliation between the opening and closing balance in the financial position for liabilities arising from financing activities is as follows:

Group

	Lease liabilities	Borrowings
	RM'000	RM'000
At 1 July 2020	3,490	10,895,176
Cash flows:		
Drawdown of borrowings	-	605,029
Repayment	-	(577,516)
Banking facilities fees paid	-	(5,493)
Interest paid	-	(337,093)
Payment of lease interest	(113)	-
Payment of lease liabilities	(1,714)	-
Non-cash changes:		
Foreign currency translation differences	20	81,209
Interest expense capitalised	-	334,758
Banking facilities fee capitalised	-	14,007
Interest expense	113	187
New leases (Note 15.1)	573	-
Others	-	(153)
At 30 June 2021	2,369	11,010,111
At 1 July 2019	1,694	11,326,461
Cash flows:		
Drawdown of borrowings	-	1,213,587
Repayment	-	(1,661,057)
Banking facilities fees paid	-	(9,020)
Interest paid	-	(387,187)
Payment of lease interest	(145)	-
Payment of lease liabilities	(1,575)	-
Non-cash changes:		
Foreign currency translation differences	4	25,882
Interest expense capitalised	-	369,289
Banking facilities fee capitalised	-	13,271
Interest expense	145	-
New leases (Note 15.1)	3,367	-
Others	-	3,950
At 30 June 2020	3,490	10,895,176

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

IOI PROPERTIES GROUP BERHAD
(Incorporated in Malaysia)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021 (CONTINUED)

RECONCILIATION OF CHANGE IN LIABILITIES ARISING FROM FINANCING ACTIVITIES: (CONTINUED)

A reconciliation between the opening and closing balance in the financial position for liabilities arising from financing activities is as follows: (continued)

Company

	Borrowings	Amounts due to subsidiaries
	RM'000	RM'000
At 1 July 2020	224,571	426,467
Cash flows:		
Advances from subsidiaries	-	527,194
Repayment to subsidiaries	-	(572,830)
Repayment	(225,000)	-
Interest paid	(8,124)	(12,093)
Non-cash changes:		
Foreign currency translation differences	-	18
Interest expense	6,442	14,823
Equity contribution	-	19,319
Others	2,111	-
At 30 June 2021	-	402,898
At 1 July 2019	445,815	689,411
Cash flows:		
Advances from subsidiaries	-	583,004
Repayment	(225,000)	(864,419)
Interest paid	(19,001)	(25,785)
Non-cash changes:		
Foreign currency translation differences	6,822	(295)
Interest expense	17,455	25,785
Equity contribution	-	18,766
Others	(1,520)	-
At 30 June 2020	224,571	426,467

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

NOTES TO THE FINANCIAL STATEMENTS - 30 JUNE 2021

1 CORPORATE INFORMATION

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

Both the registered office and principal place of business of the Company are located at Level 29, IOI City Tower 2, Lebuh IRC, IOI Resort City, 62502 Putrajaya, Wilayah Persekutuan (Putrajaya), Malaysia.

The ultimate holding company is Vertical Capacity Sdn. Bhd., which is incorporated in Malaysia.

2 PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding.

The principal activities of the subsidiaries, associate and joint ventures are set out in Note 43 to the financial statements.

There have been no significant changes in the nature of the activities of the Group and of the Company during the financial year.

3 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

3.1 Basis of preparation

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

3.2 Basis of accounting

The financial statements of the Group and of the Company have been prepared under the historical cost convention except as otherwise stated in the financial statements.

The preparation of financial statements in conformity with MFRS requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported period. It also requires Directors to exercise their judgement in the process of applying the Group's and Company's accounting policies. Although these estimates and judgement are based on the Directors' best knowledge of current events and actions, actual results may differ. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 5 to the financial statements.

3.3 Presentation currency

The financial statements are presented in Ringgit Malaysia ("RM"), which is also the Company's functional currency and all financial information presented in RM are rounded to the nearest thousand (RM'000), except where otherwise stated.

4 ADOPTION OF NEW MFRSs AND AMENDMENTS TO MFRSs

4.1 Standards, amendments to published standards and interpretations that are effective

The Group and the Company have applied the following amendments for the first time for the financial year beginning on 1 July 2020:

- Amendments to References to the Conceptual Framework in MFRS Standards
- Amendments to MFRS 3 'Definition of a Business'
- Amendments to MFRS 4 'Extension of the Temporary Exemption from Applying MFRS 9'
- Amendments to MFRS 9, MFRS 139 and MFRS 7 'Interest Rate Benchmark Reform'
- Amendments to MFRS 16 'Covid-19 Related Rent Concessions'
- Amendments to MFRS 101 and MFRS 108 'Definition of Material'

The adoption of these amendments to MFRSs did not have any significant impact to the Group's and the Company's results and financial position.

4.2 IFRIC Agenda Decision

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

The Group has adopted the IFRIC Agenda Decision retrospectively in its financial position as at 1 July 2019 and throughout all comparative presented, as if these policies had always been in effect. Comparative information in these financial statements have been restated to give effect to the above changes as disclosed in Note 44 to the financial statements.

4.3 New MFRSs that have been issued but not yet effective and applicable to the Group and to the Company

A number of new standards and amendments to standards and interpretations are effective for financial year beginning after 1 July 2021. None of these is expected to have a significant effect on the financial statements of the Group and of the Company.

Effective for financial periods beginning on or after 1 July 2021:

- Amendments to MFRS 116 "Proceeds before Intended Use"
- Amendments to MFRS 3 "Reference to Conceptual Framework"
- Amendments to MFRS 137 "Onerous Contracts – Cost of Fulfilling a Contract"
- Amendments to MFRS 16 Leases - COVID-19 Related Rent Concessions beyond 30 June 2021
- Amendments to MFRS 112 Income Taxes - Deferred Tax related to Assets and Liabilities arising from a Single Transaction
- Annual Improvements to MFRS 1 "Subsidiary as First-time Adopter"
- Annual Improvements to Illustrative Example accompanying MFRS 16 Leases: Lease incentives
- Annual Improvements to MFRS 141 "Taxation in Fair Value Measurements"
- Annual Improvements to MFRS 9 "Fees in the '10 per cent' Test for Derecognition of Financial Liabilities"
- Amendments to MFRS 101 "Classification of liabilities as current or non-current"

4 ADOPTION OF NEW MFRSs AND AMENDMENTS TO MFRSs (CONTINUED)

4.3 New MFRSs that have been issued but not yet effective and applicable to the Group and to the Company (continued)

Effective for financial periods beginning on or after 1 July 2021: (continued)

- Amendments to MFRS 101 Presentation of Financial Statements and MFRS Practice Statement 2 - Disclosure of Accounting Policies
- Amendments to MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates
- Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16 “Interest Rate Benchmark Reform Phase 2”

5 SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal the related actual results. The estimates that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below:

5.1 Revenue and cost recognition from property development activities

Revenue is recognised as and when the control of the asset is transferred to the customers and it is probable that the Group will collect the consideration to which the Group will be entitled in exchange for the asset that will be transferred to the customer. Control of the asset may transfer over time or at a point in time depending on the terms of the contract and the applicable laws governing the contract.

If control of the asset transfers over time, revenue is recognised over the period of the contract by reference to the stage of completion of the development activity at the end of the reporting period. The stage of completion is determined based on actual costs certified by professional consultants as a percentage of total estimated costs.

Significant judgement is required in determining the total estimated costs. Substantial changes in cost estimates may affect the profitability of the respective property development projects. Where the actual total property development costs are different from the estimated total property development costs, such difference will impact the recognition of revenue and costs from the property development activities.

In making the judgements, the Group and the Company rely on its industry knowledge, past experience and work of specialist.

5.2 Taxation

The Group is subject to income taxes of different jurisdictions. Significant judgement is required in determining the estimated taxable income, capital allowances and deductibility of certain expenses based on the interpretation of the tax laws and legislations during the estimation of the provision for income taxes. The Group recognised liabilities for tax based on estimates of assessment of the tax liability due or payable. Where the final tax outcome is different from the amounts that were initially recorded, such differences would impact the income tax and deferred income tax provisions, where applicable, in the period in which such determination is made.

5 SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

5.3 Deferred tax assets

Deferred tax assets are recognised for all deductible temporary differences, unutilised tax losses and unabsorbed capital allowances to the extent that it is probable that taxable profit would be available against which the unutilised tax losses and unabsorbed capital allowances can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that could be recognised, based upon the likely timing and level of future taxable profits.

5.4 Fair value of investment properties

The valuations of the Group's completed investment properties were performed by independent external valuers.

There are complexities in determining the fair value of the completed investment properties, which involve significant estimates and judgements in determining the appropriate valuation methodologies and estimating the underlying assumptions to be applied. The list of significant unobservable inputs and its sensitivity analysis are disclosed in Note 17 to the financial statements.

6 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements by the Group's entities, unless otherwise stated.

6.1 Basis of consolidation

6.1.1 Subsidiaries

Subsidiaries are entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations when the acquired sets of activities and assets meet the definition of a business. The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement and fair value of any pre-existing equity interest in the subsidiary. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

6 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

6.1 Basis of consolidation (continued)

6.1.1 Subsidiaries (continued)

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recognised as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in profit or loss (see Note 6.4 on goodwill).

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the carrying amount of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date, any gains or losses arising from such re-measurement are recognised in profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in profit or loss. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

Inter-company transactions, balances and unrealised gains on transactions between entities of the Group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of non-wholly owned subsidiaries are presented separately in the consolidated statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of financial position respectively.

6.1.2 Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in equity attributable to owners of the Group.

6 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

6.1 Basis of consolidation (continued)

6.1.3 Disposal of subsidiaries

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

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

6.1.4 Joint ventures

A joint venture is a joint arrangement whereby the joint ventures have rights to the net assets of the arrangement. A joint operation is a joint arrangement whereby the joint operators have rights to the assets and obligations for the liabilities, relating to the arrangement.

Interests in joint ventures are accounted for using the equity method, after initially being recognised at cost in the consolidated statement of financial position. Under the equity method, the investment in a joint venture is initially recognised at cost inclusive of goodwill, if any, and adjusted thereafter to recognise the Group's share of the post-acquisition results and other changes in the net assets of the joint venture based on their latest audited financial statements. Dividends received or receivable from a joint venture are recognised as a reduction in the carrying amount of the investment. Where necessary, adjustments are made to the financial statements of joint ventures used by the Group in applying the equity method to ensure consistency of accounting policies with those of the Group. When the Group's share of losses in a joint venture equals or exceeds its interests in the joint venture, including any long-term interests that, in substance, form part of the Group's net investment in the joint venture, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the joint venture.

The Group determines at each reporting date whether there is any objective evidence that the investment in the joint venture is impaired. An impairment loss is recognised for the amount by which the carrying amount of the joint venture exceeds its recoverable amount. The Group presents the impairment loss adjacent to ‘share of results of joint ventures’ in the statement of profit or loss.

Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group’s interests in the joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

6 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

6.1 Basis of consolidation (continued)

6.1.4 Joint ventures (continued)

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

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

6.1.5 Associates

Associates are entities over which the Group has significant influence, which the Group has the power to participate in the financial and operating policy decisions but not control over those policy.

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

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. An impairment loss is recognised for the amount by which the carrying amount of the associate exceeds its recoverable amount. The Group presents the impairment loss adjacent to ‘share of results of associates’ in the statement of profit or loss.

Profits and losses resulting from upstream and downstream transactions between the Group and its associate are recognised in the Group’s financial statements only to the extent of unrelated investor’s interests in the associates. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred.

6 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

6.1 Basis of consolidation (continued)

6.1.5 Associates (continued)

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

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

Dilution gains and losses arising in investments in associates are recognised in profit or loss.

6.1.6 Investments in subsidiaries, joint ventures and associates in separate financial statements

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

The amounts due from subsidiaries, joint ventures and associate of which the Company does not expect repayment in the foreseeable future are considered as part of the Company's net investments in the respective investees.

6.2 Property, plant and equipment and depreciation

Property, plant and equipment are initially stated at cost less accumulated depreciation and impairment losses. The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Cost also includes borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset (refer to Note 6.13.2 on borrowing costs).

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are recognised as expenses in profit or loss during the financial period in which they are incurred.

6 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

6.2 Property, plant and equipment and depreciation (continued)

Freehold land is not depreciated as it has an infinite life. Other property, plant and equipment are depreciated on the straight-line method to allocate the cost to their residual values over their estimated useful lives, summarised as follows:

Golf course development expenditure	2%
Plantation expenditure	4% - 8%
Buildings and improvements	2% - 10%
Plant and machinery	4% - 20%
Motor vehicles	10% - 20%
Furniture, fittings and equipment	5% - 33%

Assets under construction are only depreciated when the assets are ready for their intended use.

At the end of the reporting period, the Group assesses whether there is any indication of impairment. If such indications exist, an analysis is performed to assess whether the carrying amount of the asset is fully recoverable. A write down is made if the carrying amount exceeds the recoverable amount. See accounting policy Note 6.5 on impairment of non-financial assets.

Gain and losses on disposals are determined by comparing net disposal proceeds with carrying amount and are included in profit or loss.

6.3 Investment properties

Investment properties, comprising principally freehold land and buildings and leasehold land, are held for long term rental yields or for capital appreciation or both, and are not occupied by the Group.

Investment property is measured initially at its cost, including related transaction costs.

After initial recognition, investment property is carried at fair value. Investment properties of the Group are measured at fair value except for investment properties under construction which are measured at cost until either the fair value becomes reliably determinable or when construction is completed, whichever is earlier. Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. If this information is not available, the Group uses alternative valuation methods, such as recent prices on less active markets or discounted cash flow projections. Valuations are performed as of the reporting date by professional valuers who hold recognised and relevant professional qualifications and have recent experience in the location and category of the investment property being valued.

The fair value of investment property reflects, among other things, rental income from current leases and other assumptions that market participants would make when pricing the property under current market conditions.

Subsequent expenditure is capitalised to the asset’s carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

6 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

6.3 Investment properties (continued)

Changes in fair values are recognised in profit or loss. Investment properties are derecognised either when they have been disposed of or when the investment property is permanently withdrawn from use.

Where the Group disposes of a property at fair value in an arm's length transaction, the carrying amount immediately prior to the sale is adjusted to the transaction price, and the adjustment is recorded in profit or loss as a net gain/loss from fair value adjustment on investment property.

If a property undergoes a change in use and becomes an investment property, any difference resulting between the carrying amount of the property and the fair value of such investment property at the date of transfer is recognised in accordance with the applicable MFRS. Its fair value at the date of reclassification becomes its cost for subsequent accounting purposes.

6.4 Goodwill

Goodwill arises from a business combination and represents the excess of the aggregate of fair value of consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of any previous equity interest in the acquiree over the fair value of the net identifiable assets acquired and liabilities assumed on the acquisition date. If the fair value of consideration transferred, the amount of non-controlling interest and the fair value of previously held interest in the acquiree are less than the fair value of the net identifiable assets of the acquiree, the resulting gain is recognised in profit or loss.

Goodwill is not amortised but it is tested for impairment annually and whenever there is an indication that it might be impaired. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash generating units ("CGUs"), or groups of CGUs, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at operating segment level. The carrying amount of goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognised immediately as an expense and is not subsequently reversed.

6.5 Impairment of non-financial assets

Assets that have an indefinite useful life, for example goodwill or intangible assets not ready to use, are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the non-financial asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For purposes of impairment testing, cash generating units to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

The impairment loss is charged to profit or loss. Impairment loss on goodwill is not reversed. In respect of other assets, any subsequent increase in recoverable amount is recognised in profit or loss.

6 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

6.6 Leases

(a) Accounting by lessee

Leases are recognised as right-of-use ("ROU") assets and a corresponding liability at the date on which the leased assets are available for use by the Group.

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

Lease term

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

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

ROU assets

ROU assets are initially measured at cost comprising the following:

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

ROU assets that are not investment properties are subsequently measured at cost, less accumulated depreciation and accumulated impairment. The ROU assets are generally depreciated over the shorter of the lease term on a straight-line basis.

The lease term of the right-of-use assets are determined as follows:

Leasehold land	40 - 99 years
Buildings and improvements	1 - 6 years
Plant and machinery	2 - 4 years

6 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

6.6 Leases (continued)

(a) Accounting by lessee (continued)

If the Group is reasonably certain to exercise a purchase option, the ROU asset is depreciated over the underlying asset's useful life. In addition, the ROU assets are adjusted for certain remeasurement of the lease liabilities.

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

The Group applies the fair value model to ROU assets that meet the definition of investment property of MFRS 140 consistent with those investment property owned by the Group (refer to Note 6.3 on investment properties).

Lease liabilities

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

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- the exercise price under a purchase option that the Group is reasonably certain to exercise; and
- penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

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

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

The Group presents the lease liabilities as a separate line item in the statement of financial position. Finance cost on the lease liability is presented within the interest expense in profit or loss.

Reassessment of lease liabilities

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

6 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

6.6 Leases (continued)

(a) Accounting by lessee (continued)

Short term leases and leases of low value assets

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

(b) Accounting by lessor

As a lessor, the Group determines at lease inception whether each lease is a finance lease or an operating lease. To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset to the lessee. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

Finance leases

The Group classifies a lease as a finance lease if the lease transfers substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee.

The Group derecognises the underlying asset and recognises a receivable at an amount equal to the net investment in a finance lease. Net investment in a finance lease is measured at an amount equal to the sum of the present value of lease payments from lessee and the unguaranteed residual value of the underlying asset. Initial direct costs are also included in the initial measurement of the net investment. The net investments is subject to MFRS 9 impairment (refer to Note 6.22 on impairment of financial assets and financial guarantee contracts). In addition, the Group reviews regularly the estimated unguaranteed residual value.

Lease income is recognised over the term of the lease using the net investment method so as to reflect a constant periodic rate of return. The Group revises the lease income allocation if there is a reduction in the estimated unguaranteed residual value.

When assets are leased out under a finance lease, the present value of the lease payments is recognised as a receivable. The difference between the gross receivable and the present value of the receivable is recognised as unearned finance income. Lease income is recognised over the term of the lease using the net investment method so as to reflect a constant periodic rate of return on the balance outstanding.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. It assesses the lease classification of a sublease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset.

Operating leases

The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of “revenue”.

6 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

6.7 Inventories

6.7.1 Land held for property development

Land held for property development consist of land on which no significant development work has been undertaken or where development activities are not expected to be completed within the normal operating cycle. Such land is classified as non-current asset and is carried at the lower of cost and net realisable value.

The cost of land held for property development consists of cost associated with the acquisition of land. These costs include the purchase price of the land, professional fees, stamp duties, commissions, conversion fees and other relevant levies.

Land held for property development is transferred to property development costs under current assets when development activities have commenced and where the development activities can be completed within the Group's normal operating cycle.

6.7.2 Property development costs

Property development costs comprise costs associated with the acquisition of land and all costs directly attributable to development activities less cumulative amounts recognised as expense in the profit or loss for property under development are carried in the statement of financial position as property development costs. The property development cost is subsequently recognised as an expense in profit or loss as and when the control of the asset is transferred to the customer.

Property development cost of unsold unit is transferred to completed development properties once the development is completed.

6.7.3 Completed development properties

The cost of completed development properties is stated at the lower of cost and net realisable value. Cost includes cost associated with the acquisition of land, all related costs incurred subsequent to the acquisition necessary to prepare the land for its intended use, related development costs to projects, direct building costs and other costs of bringing the development properties to their present location and condition.

6.7.4 Finished goods, raw materials and consumable stores

Finished goods, raw materials and consumable stores are stated at the lower of cost and net realisable value. Cost is determined on a weighted average basis. Cost comprises the original cost of purchase plus the cost of bringing the inventories to their intended location and condition. The cost of produce and finished goods includes the cost of raw materials, direct labour and a proportion of production overheads.

Net realisable value is the estimated selling price in the ordinary course of business, less costs to completion and the estimated costs necessary to make the sale.

6 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

6.8 Trade and other receivables

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

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment (refer to Note 6.22 on impairment of financial assets and financial guarantee contracts).

6.9 Contract assets and contract liabilities

Contract asset is the right to consideration for goods or services transferred to the customers. In the context of property development and construction contracts, contract asset is the excess of cumulative revenue earned over the billings to date. Contract asset is stated at cost less accumulated impairment.

Contract liability is the obligation to transfer goods or services to the customer for which the Group has received the consideration or billed the customer. In the context of property development and construction contracts, contract liability is the excess of the billings to date over the cumulative revenue earned. Contract liabilities include club membership fees, down payments received from customers and other deferred income where the Group and the Company have billed or collected the payment before the goods are delivered or services are provided to the customers.

6.10 Cash and cash equivalents

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

6.11 Share capital

6.11.1 Classification

Ordinary shares and non-redeemable preference shares with discretionary dividends are classified as equity.

6.11.2 Share issue costs

Costs directly attributable to the issue of new shares or options are deducted against equity.

6.11.3 Dividend distribution

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

Distributions to holders of an equity instrument is recognised directly in equity.

6 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

6.11 Share capital (continued)

6.11.4 Purchase of own shares

Where any company within the Group purchases the Company's equity instruments as a result of a share buy-back, the consideration paid, including any directly attributable costs, net of tax, is deducted from equity attributable to the owners of the Company as treasury shares until the shares are cancelled, reissued. Where such ordinary shares are subsequently reissued, any consideration received, net of any directly attributable transaction costs and the related tax effects, is included in equity attributable to the owners of the Company.

6.11.5 Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares; and
- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year and excluding treasury shares.

Diluted earnings per share

Diluted earnings per share adjusts the figures in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares; and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

6.12 Trade payables

Trade payables represent liabilities for goods or services provided to the Group and the Company prior to the end of financial year which are unpaid. Trade payables are classified as current liabilities when the Group and the Company expect to settle the liability in its normal operating cycle and the Group and the Company have no unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period. If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

6 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

6.13 Borrowings and borrowing costs

6.13.1 Borrowings

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

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

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

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

6.13.2 Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the assets for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or completed.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

6 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

6.14 Current and deferred tax

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

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Group's subsidiaries, joint ventures and associates operate and generate taxable income.

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

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

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

Current and deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis. Unutilised investment tax allowance, being tax incentive that is not a tax base of an asset, is recognised as a deferred tax asset to the extent that it is probable that the future taxable profits will be available against which the unutilised tax incentive can be utilised.

6 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

6.15 Employee benefits

6.15.1 Short term employee benefits

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

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

6.15.2 Defined contribution plans

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees benefits relating to employee service in the current and prior periods. The Company and its subsidiaries incorporated in Malaysia make contributions to a statutory provident fund and its foreign subsidiaries make contributions to their respective countries' statutory pension schemes.

The Group's contributions to defined contribution plans are charged to profit or loss in the period to which they relate. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

6.15.3 Share based payments

Employee options

The Group operates an equity-settled, share-based compensation plan under which the entity receives services from employees as consideration for equity instruments (options) of the Group. The fair value of the options granted in exchange for the services of the employees are recognised as employee benefit expense with a corresponding increase to share option reserve within equity. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions (for example, an entity's share price);
- excluding the impact of any service and non-market performance vesting conditions (for example, profitability, sales growth targets and remaining an employee of the entity over a specified time period); and
- including the impact of any non-vesting conditions (for example, the requirement for employees to save or holding of shares for a specific period of time).

Non-market vesting conditions and service conditions are included in assumptions about the number of options that are expected to vest.

6 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

6.15 Employee benefits (continued)

6.15.3 Share based payments (continued)

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of the reporting period, the Group revises its estimates of the number of options that are expected to vest based on the non-market vesting conditions and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to share option reserve in equity.

In circumstances where employees provide services in advance of the grant date, the grant date fair value is estimated for the purposes of recognising the expense during the period between service commencement period and grant date.

When the options are exercised, the Company issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital. When options are not exercised and lapsed, the share option reserve is transferred to retained earnings.

In its separate financial statements of the Company, the grant by the Company of options over its equity instruments to the employees of subsidiary in the Group is treated as a capital contribution to the subsidiary. The fair value of options granted to employees of the subsidiary in exchange for the services of the employees to the subsidiary are recognised as investment in subsidiary, with a corresponding credit to equity of the Company.

6.16 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions. Under the capital approach, government grants relating to investment properties are credited to investment properties when the costs for which the benefit of the grant is intended to compensate are incurred.

Government grants relating to development costs are netted against its relevant development expenditure when the benefit of the grant is intended to compensate are incurred.

6 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

6.17 Provisions

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

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

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

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

6.18 Contingent assets and liabilities

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

A contingent asset is a possible asset that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group. The Group does not recognise contingent assets but discloses its existence where inflows of economic benefits are probable, but not virtually certain.

6 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

6.19 Revenue recognition

6.19.1 Revenue from contracts with customers

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

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

(a) Revenue from property development and construction contracts

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

Contracts with customers include multiple promises to customers and therefore accounted for as separate performance obligations. In this case, the transaction price will be allocated to each performance obligation based on the stand-alone selling prices. When these are not directly observable, they are estimated based on expected cost plus margin.

Revenue is recognised as and when control of the asset is transferred to the customer and it is probable that the Group would collect the consideration to which it will be entitled in exchange for the asset that would be transferred to the customer. Depending on the terms of the contract and the laws that apply to the contract, control of the asset may transfer over time or at a point in time. Control of the asset is transferred over time if the performance of the Group does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

If control of the asset transfers over time, revenue is recognised over the period of the contract using the input method by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the asset.

The Group recognises revenue over time using the input method, which is based on the actual costs incurred to date on the property development project bear to the estimated costs for the respective development projects.

6 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

6.19 Revenue recognition (continued)

6.19.1 Revenue from contracts with customers (continued)

(b) Sales of completed development properties

The Group recognises sales at a point in time for the sale of completed development properties, when the control of the properties has been transferred to the purchasers, being when the properties have been completed and delivered to the customers and it is probable that the Group will collect the considerations to which it would be entitled to in exchange for the assets sold.

(c) Hotel operations

Hotel revenue represent income derived from room rentals, sales of food and beverage and other hotel related income are recognised net of discount upon delivery of products and customer acceptance, if any, or performance of services.

(d) Club subscription fees

Club subscription fees, which are not refundable, are recognised over time as income when earned.

(e) Sales of goods, services and rights of enjoyment

Revenue from sale of goods is recognised based on invoice value of goods sold and revenue from services is recognised net of discounts as and when services are performed.

Entrance fees collected for rights of enjoyment of facilities are recognised when services are rendered.

(f) Others

Other revenue comprises of management fees, building maintenance fees, landscaping services and sales of plantation produce. Revenue are recognised when services are rendered or upon delivery of products and customer acceptance.

6.19.2 Lease income

Lease income from operating leases is recognised on a straight-line basis over the lease term. The aggregate cost of incentives provided to the lessee is recognised as a reduction of rental income over the lease term on a straight-line basis.

6 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

6.19 Revenue recognition (continued)

6.19.3 Dividend income

Dividend income is recognised when shareholder's right to receive payment is established.

6.19.4 Interest income

Interest income is recognised using the effective interest method.

6.20 Foreign currencies

6.20.1 Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The financial statements are presented in Ringgit Malaysia, which is the Company's functional and presentation currency.

6.20.2 Translation and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss. However, exchange differences are deferred in other comprehensive income when they arose from qualifying cash flow or net investment hedges or are attributable to items that form part of the net investment in a foreign operation.

6.20.3 Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;

- income and expenses for each statement of profit or loss and statement of comprehensive income are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and

- all resulting exchange differences are recognised as a separate component of other comprehensive income.

6 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

6.20 Foreign currencies (continued)

6.20.3 Group companies (continued)

Goodwill and fair value adjustments arising on the acquisitions of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Exchange differences arising are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income.

On the disposal of a foreign operation (that is, a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, a disposal involving loss of joint control over a joint venture that includes a foreign operation, or a disposal involving loss of significant influence over an associate that includes a foreign operation), all of the exchange differences relating to that foreign operation recognised in other comprehensive income and accumulated in the separate component of equity are reclassified to profit or loss, as part of the gain or loss on disposal. In the case of a partial disposal that does not result in the Group losing control over a subsidiary that includes a foreign operation, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (that is, reductions in the Group's ownership interest in associates or joint ventures that do not result in the Group losing significant influence or joint control) the proportionate share of the accumulated exchange difference is reclassified to profit or loss.

6.21 Financial instruments

6.21.1 Financial assets

(a) Classification

The Group and the Company classify their financial assets in the following measurement categories:

(i) those be measured subsequently at fair value (either through other comprehensive income or through profit or loss); and

(ii) those to be measured at amortised costs

The Group and the Company reclassify debt investments when and only when their business model for managing those assets changes.

(b) Recognition and initial measurement

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

6 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

6.21 Financial instruments (continued)

6.21.1 Financial assets (continued)

(c) Measurement

At initial recognition, the Group and the Company measure a financial asset at its fair value plus, in the case of financial asset not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to the acquisition of the financial assets. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's and the Company's business model for managing the asset and the cash flow characteristics of the asset. The Group and the Company reclassified debt investments when and only when their business model for managing those assets changes.

The Group and the Company classify their debt instruments at amortised cost. Assets that are held for collection of contractual cash flows where those cash flows represent solely payment of principal and interest are measured at amortised cost. Interest income from these financial assets is included in other income using the effective interest rate method. Any gain or loss arising from derecognition is recognised directly in profit or loss together with foreign currency exchange gains or losses. Impairment losses are recognised in the statement of profit or loss.

Equity instruments

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

Changes in the fair value of financial assets at FVTPL are recognised in profit or loss as applicable.

6 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

6.21 Financial instruments (continued)

6.21.2 Financial liabilities

Financial liabilities are initially recognised at fair value plus directly attributable transaction costs. The Group and the Company classify financial instruments as liabilities or equity in accordance with the substance of the contractual arrangement. A financial liability is classified into financial liabilities after initial recognition for the purpose of subsequent measurement:

(i) Financial liabilities

Financial liabilities comprise non-derivative financial liabilities that are neither held for trading nor initially designated as fair value through profit or loss.

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

A financial liability is derecognised when, and only when, it is extinguished, i.e. when the obligation specified in the contract is discharged or cancelled or expired. An exchange between an existing borrower and lender of debt instruments with substantially different terms are accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

Any difference between the carrying amount of a financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

All financial liabilities of the Group and of the Company are measured at amortised cost except for financial liabilities at fair value through profit or loss, which are held for trading (including derivatives) or designated at fair value through profit or loss upon initial recognition.

At the end of each reporting period, the Group and the Company shall assess whether their recognised insurance liabilities are adequate, using current estimates of future cash flows under their insurance contracts. If this assessment shows that the carrying amount of the insurance liabilities is inadequate, the entire deficiency shall be recognised in profit or loss.

6.21.3 Financial guarantee contracts

The Group and the Company designate corporate guarantees given to banks for credit facilities granted to subsidiaries as insurance contracts as defined in MFRS 4 ‘Insurance Contracts’. The Group and the Company recognise these insurance contracts as insurance liabilities when there is a present obligation, legal or constructive, as a result of a past event, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

6 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

6.21 Financial instruments (continued)

6.21.4 Offsetting financial instruments

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

6.21.5 Derivative and hedging activities

(i) Derivative financial instruments and hedging activities

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group and the Company designate certain derivatives as hedges of a particular risk associated with the cash flows of recognised assets and liabilities and highly probable forecast transactions (cash flow hedges).

The Group and the Company document at the inception of the hedging transaction, the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The Group and the Company also document its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions have been and will continue to be highly effective in offsetting changes in fair values or cash flows of hedged items.

A derivative financial instrument is carried as an asset when the fair value is positive and as a liability when the fair value is negative. The fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than twelve (12) months, and as a current asset or liability when the remaining maturity of the hedged item is less than twelve (12) months.

(ii) Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated in cash flow hedge reserve in equity. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss.

Amounts accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss.

When a hedging instrument expires or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately reclassified to profit or loss.

6 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

6.22 Impairment of financial assets and financial guarantee contracts

The Group and the Company recognise loss allowance for expected credit losses on financial assets measured at amortised cost, debt investments measured at fair value through other comprehensive income, contract assets, financial guarantee contracts. Expected credit losses ("ECL") are probability-weighted estimate of credit losses.

ECL represent a probability-weighted estimate of the difference between present value of cash flow according to contract and present value of cash flows that the Group and the Company expect to receive, over the remaining life of the financial instrument. For financial guarantee contracts, the ECL is the difference between the expected payments to reimburse the holder of the guaranteed debt instrument less any amounts that the Group and the Company expect to receive from the holder, the debtor or any other party.

The measurement of ECL reflects:

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

(a) General 3-stage approach for other receivables, amounts due from subsidiaries, amounts due from joint ventures and amount due from associate

At each reporting date, the Group and the Company measure ECL through loss allowance at an amount equal to 12 months ECL if credit risk on a financial instrument or a group of financial instruments has not increased significantly since initial recognition. For all other financial instruments, a loss allowance at an amount equal to lifetime ECL is required.

(b) Simplified approach for trade receivables and contract assets

The Group and the Company apply the MFRS 9 simplified approach to measure ECL which uses a lifetime ECL for all trade receivables and contract assets.

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

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit loss, the Group and the Company consider reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's and the Company's historical experience and informed credit assessment and including forward-looking information, where available.

6 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

6.22 Impairment of financial assets and financial guarantee contracts (continued)

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of the asset, while 12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within the 12 months after the reporting date. The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group and the Company are exposed to credit risk.

An impairment loss in respect of financial assets measured at amortised cost is recognised in profit or loss and the carrying amount of the asset is reduced through the use of an allowance account.

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

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

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

6.23 Segment reporting

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

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

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

6 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

6.24 Fair value measurements

The fair value of an asset or a liability, (except for lease transactions) is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

The Group measures the fair value of an asset or a liability by taking into account the characteristics of the asset or liability if market participants would take these characteristics into account when pricing the asset or liability. The Group has considered the following characteristics when determining fair value:

(a) The condition and location of the asset; and

(b) Restrictions, if any, on the sale or use of the assets.

The fair value measurement for a non-financial asset takes into account the ability of the market participant to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The fair value of a financial or non-financial liability or an entity's own equity instrument assumes that:

(a) A liability would remain outstanding and the market participant transferee would be required to fulfil the obligation. The liability would not be settled with the counterparty or otherwise extinguished on the measurement date; and

(b) An entity's own equity instrument would remain outstanding and the market participant transferee would take on the rights and responsibilities associated with the instrument. The instrument would not be cancelled or otherwise extinguished on the measurement date.

6.25 Reorganisation debit reserve

Reorganisation debit reserve arose from the reverse acquisition of the Company by IOI Properties Berhad in the previous financial years pursuant to MFRS 3.

7 REVENUE

	Group		Company	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Revenue from contracts with customers (Note 7.1)	2,201,921	1,795,550	-	-
Revenue from other sources				
- Lease income	286,690	320,796	-	-
- Dividend income	-	-	140,297	11,000
Total revenue	2,488,611	2,116,346	140,297	11,000

7.1 Disaggregation of revenue from contracts with customers

Revenue from contracts with customers is disaggregated in the table below by primary geographical market, major products and service lines and timing of revenue recognition.

	Group	
	2021	2020
	RM'000	RM'000
Primary geographical markets		
Malaysia	1,307,980	990,879
People's Republic of China	879,147	789,402
Singapore	14,794	15,269
Revenue from contracts with customers	2,201,921	1,795,550
Major products and service lines		
Revenue from property development		
- Ongoing development properties	1,314,763	1,125,617
- Completed development properties	794,822	512,836
	2,109,585	1,638,453
Revenue from hospitality and leisure		
- Hotel and hospitality services	66,847	126,883
- Leisure	16,718	23,187
	83,565	150,070
Others		
- Management fees	6,519	5,007
- Others	2,252	2,020
	8,771	7,027
Revenue from contracts with customers	2,201,921	1,795,550

7 REVENUE (CONTINUED)

7.1 Disaggregation of revenue from contracts with customers (continued)

	Group	
	2021	2020
	RM'000	RM'000
Timing of revenue recognition		
- Over time	1,321,282	1,130,624
- Point in time	880,639	664,926
Revenue from contracts with customers	2,201,921	1,795,550

Revenue from contracts with customers of the Group includes RM295,702,000 (2020: RM239,431,000) that was included in contract liabilities at the beginning of the reporting period.

8 OPERATING PROFIT/(LOSS)

	Group		Company	
	2021	2020	2021	2020
	RM'000	RM'000 Restated	RM'000	RM'000
Operating profit/(loss) has been arrived at after charging:				
Auditors' remuneration - statutory audit				
- PricewaterhouseCoopers PLT	922	915	144	148
- Member firms of PricewaterhouseCoopers International Limited	160	221	-	-
- Firms other than member firms of PricewaterhouseCoopers International Limited	132	57	-	-
Non-audit services				
- PricewaterhouseCoopers PLT	347	393	4	4
- Member firms of PricewaterhouseCoopers International Limited	-	19	-	-
- Firms other than member firms of PricewaterhouseCoopers International Limited	409	45	-	-
Bad debts written off	635	20	-	-
Depreciation of property, plant and equipment (Note 15)	42,464	42,873	-	-
Fair value loss on investment properties (Note 17)	71,061	54,386	-	-
Impairment losses on:				
- interests in subsidiaries	-	-	5,333	410,603
- investment properties	-	84,189	-	-
- receivables	3,935	2,523	-	-
Inventories written down	-	3,100	-	-
Inventories written off	-	1	-	-

NOTES TO THE FINANCIAL STATEMENTS - 30 JUNE 2021 (CONTINUED)

8 OPERATING PROFIT/(LOSS) (CONTINUED)

	Group		Company	
	2021	2020	2021	2020
	RM'000	RM'000 Restated	RM'000	RM'000
Operating profit/(loss) has been arrived at after charging: (continued)				
Loss on disposal of investment properties	88	-	-	-
Management fees to:				
- a subsidiary	-	-	1,068	1,056
- an affiliate	7,473	8,980	-	-
Property development costs written down (Note 23)	108,852	24,755	-	-
Property, plant and equipment written off (Note 15)	16	2,615	-	-
Property development costs*	1,125,066	717,500	-	-
Realised loss on foreign currency on:-				
- subscription of ordinary shares in a subsidiary	-	-	-	18
- others	-	92	-	-
Unrealised loss on foreign currency translations	-	283	18	-

* The cost of inventories of the Group recognised as an expense during the financial year amounted to RM422,078,000 (2020: RM241,103,000) was included in property development costs of the Group.

	Group		Company	
	2021	2020	2021	2020
	RM'000	RM'000 Restated	RM'000	RM'000
Operating profit/(loss) has been arrived at after crediting:				
Bad debts recovered	-	24	-	-
Dividend income from subsidiaries in Malaysia	-	-	140,297	11,000
Gain on disposal of:				
- land from compulsory acquisitions	-	206	-	-
- property, plant and equipment	140	214	-	-
Fair value gain on short term funds	176	717	176	717
Property project management services from:				
- affiliates	2,290	826	-	-
- a joint venture	563	634	-	-

8 OPERATING PROFIT/(LOSS) (CONTINUED)

	Group		Company	
	2021	2020	2021	2020
	RM'000	RM'000 Restated	RM'000	RM'000
Operating profit/(loss) has been arrived at after crediting: (continued)				
Reversal of impairment losses on receivables	776	138	-	-
Realised gain on foreign currency translations:				
- redemption of redeemable preference shares of subsidiaries	-	-	2,978	50,107
- subscription of redeemable preference shares in subsidiaries	-	-	2,590	636
- others	298	-	633	4
Unrealised gain on foreign currency translations	1	-	-	295

9 STAFF COSTS

The staff costs of the Group and of the Company are as follows:

	Group		Company	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Wages, salaries and others	162,775	153,584	1,310	1,282
Defined contribution plan	16,474	16,227	-	-
	179,249	169,811	1,310	1,282

Included in staff costs are remuneration of the key management personnel of the Group and of the Company as disclosed in Note 37.3 to the financial statements.

10 INTEREST INCOME

	Group		Company	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Interest income from:				
- Deposits with financial institutions	3,625	9,554	822	4,973
- Short term funds	8,083	14,469	2,052	7,979
- Subsidiaries	-	-	7,013	12,188
- Joint ventures	7,574	10,514	-	-
- Housing development accounts	2,711	3,151	-	-
- Current accounts	9,694	7,813	141	414
- Stakeholders	2,245	3,210	-	-
- Others	797	1,429	-	-
	34,729	50,140	10,028	25,554

11 INTEREST EXPENSE

	Group		Company	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Interest expenses on:				
- Borrowings	120	-	6,246	17,110
- Lease liabilities	113	145	-	-
- Subsidiaries	-	-	14,823	25,785
Amortisation of banking facilities fee	67	-	196	345
	300	145	21,265	43,240

The Group's total interest expense and facilities fees charged by the banks of RM334,758,000 and RM14,007,000 (2020: RM369,289,000 and RM13,271,000) has been capitalised as part of the costs of qualifying assets as disclosed in Notes 15, 16, 17 and 23 to the financial statements.

12 TAXATION

	Group		Company	
	2021	2020	2021	2020
	RM'000	RM'000 Restated	RM'000	RM'000
Current year tax expense				
- Malaysian income taxation	134,258	123,346	599	-
- Foreign taxation	686,718	65,643	-	-
- Deferred taxation* (Note 22)	(398,709)	235,686	-	-
	422,267	424,675	599	-
Prior years				
- Malaysian income taxation	1,736	1,706	520	(345)
- Foreign taxation	(264)	30,108	-	-
- Deferred taxation (Note 22)	(9,052)	(18,324)	-	-
	(7,580)	13,490	520	(345)
Tax expense/(credit)	414,687	438,165	1,119	(345)

* Arising from the completion of one of the Group's development projects in China, the tax obligation for that development has crystalised and will be finalised in the next 12 months.

NOTES TO THE FINANCIAL STATEMENTS - 30 JUNE 2021 (CONTINUED)

12 TAXATION (CONTINUED)

A numerical reconciliation between the tax at applicable tax rate to tax expense of the Group and of the Company are as follows:

	Group		Company	
	2021	2020	2021	2020
	RM'000	RM'000 Restated	RM'000	RM'000
Profit/(Loss) before taxation	1,078,000	946,804	124,667	(368,462)
Tax calculated at the Malaysian tax rate of 24%	258,720	227,233	29,920	(88,431)
Tax effects in respect of:				
Non-allowable expenses	64,532	38,202	6,225	107,014
Non-taxable income	(10,819)	(4,520)	(35,546)	(18,583)
Different tax rates arising from loss from real property investments	9,928	7,614	-	-
Different tax rates in foreign jurisdictions	165,076	189,297	-	-
Unutilised tax losses and unabsorbed capital allowances not recognised in loss-making subsidiaries	5,853	8,266	-	-
Utilisation of previously unrecognised tax losses and capital allowances	(29)	(144)	-	-
Tax incentives and allowances	(2,701)	(2,521)	-	-
Share of post-tax result of an associate	(8,394)	(4,709)	-	-
Share of post-tax results of joint ventures	(59,899)	(34,043)	-	-
	422,267	424,675	599	-
(Over)/Under provision in prior years	(7,580)	13,490	520	(345)
Tax expense/(credit)	414,687	438,165	1,119	(345)

Malaysian income tax is calculated at the statutory tax rate of 24% (2020: 24%) of the estimated assessable profit for the financial year. Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions. Deferred tax is calculated on temporary differences between the tax base of assets and liabilities and their carrying amounts in the financial statements using tax rates that are expected to apply when the related deferred tax is settled.

13 EARNINGS PER SHARE

(a) Basic

The basic earnings per ordinary share for the financial year is calculated based on the profit for the financial year attributable to owners of the Company divided by the weighted average number of ordinary shares in issue during the financial year, after taking into consideration of treasury shares held by the Company.

	Group	
	2021	2020
	RM'000	RM'000 Restated
Profit attributable to owners of the Company	660,209	504,695

The adjusted weighted average number of ordinary shares for the computation of earnings per ordinary share is arrived at as follows:

	Group	
	2021	2020
	'000	'000 Restated
Weighted average number of ordinary shares in issue after deducting the treasury shares	5,506,145	5,506,145
Basic earnings per ordinary share (sen)	11.99	9.17

(b) Diluted

Diluted earnings per ordinary share equals basic earnings per ordinary share.

NOTES TO THE FINANCIAL STATEMENTS - 30 JUNE 2021 (CONTINUED)

14 DIVIDENDS

Dividends declared and paid by the Company are as follows:

	Company	
	2021	2020
	RM'000	RM'000
Interim single tier dividend in respect of financial year ended 30 June 2020 of 1.5 sen per ordinary share, paid on 23 October 2020	82,592	-
Interim single tier dividend in respect of financial year ended 30 June 2019 of 3.0 sen per ordinary share, paid on 27 September 2019	-	165,184
	82,592	165,184

On 26 August 2021, the Directors had declared an interim single tier dividend of 2.0 sen per ordinary share, amounting to RM110,122,908 in respect of the financial year ended 30 June 2021. The dividend will be payable on 24 September 2021 to shareholders whose names appear in the Record of Depositors and Register of Members of the Company at the close of business on 14 September 2021.

NOTES TO THE FINANCIAL STATEMENTS - 30 JUNE 2021 (CONTINUED)

15 PROPERTY, PLANT AND EQUIPMENT

	Freehold land	Golf course development expenditure	Plantation expenditure	Buildings and improve-ments	Plant and machinery	Motor vehicles	Furniture, fittings and equipment	Right-of-use assets	Construction-in-progress	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Group										
2021										
At Cost										
At beginning of financial year	130,379	75,234	4,044	937,786	71,345	14,069	86,220	74,810	274,406	1,668,293
Additions	-	483	795	7,594	6,327	3,558	5,475	573	110,373	135,178
Transfer from/(to) investment properties (Note 17)	-	-	-	-	6,570	-	-	-	(95)	6,475
Written off	-	-	-	-	(36)	(104)	(574)	-	-	(714)
Disposals	-	-	-	(15)	-	(1,391)	(142)	-	-	(1,548)
Foreign currency translation differences	-	-	-	741	-	143	220	4,160	5,633	10,897
At end of financial year	130,379	75,717	4,839	946,106	84,206	16,275	91,199	79,543	390,317	1,818,581

NOTES TO THE FINANCIAL STATEMENTS - 30 JUNE 2021 (CONTINUED)

15 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Golf course development expenditure	Plantation expenditure	Buildings and improve-ments	Plant and machinery	Motor vehicles	Furniture, fittings and equipment	Right-of-use assets	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Group								
2021								
Less: Accumulated Depreciation								
At beginning of financial year	14,661	473	103,359	48,327	11,764	51,518	16,212	246,314
Current year depreciation charge	1,592	129	21,860	5,447	1,117	8,388	3,931	42,464
Written off	-	-	-	(34)	(104)	(560)	-	(698)
Disposals	-	-	-	-	(1,271)	(113)	-	(1,384)
Foreign currency translation differences	-	-	80	-	122	52	959	1,213
At end of financial year	16,253	602	125,299	53,740	11,628	59,285	21,102	287,909

NOTES TO THE FINANCIAL STATEMENTS - 30 JUNE 2021 (CONTINUED)

15 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Freehold land	Golf course development expenditure	Plantation expenditure	Buildings and improve-ments	Plant and machinery	Motor vehicles	Furniture, fittings and equipment	Right-of-use assets	Construction-in-progress	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Group										
2020										
At Cost										
At beginning of financial year	130,379	78,565	2,591	924,303	83,457	15,691	85,545	71,041	146,924	1,538,496
Additions	-	518	1,453	13,656	1,411	125	5,205	3,367	127,177	152,912
Transfer to investment properties (Note 17)	-	-	-	(231)	(12,985)	-	(1,768)	-	-	(14,984)
Written off	-	(3,849)	-	-	(538)	(127)	(1,399)	-	-	(5,913)
Disposals	-	-	-	-	-	(1,630)	(1,375)	-	-	(3,005)
Foreign currency translation differences	-	-	-	58	-	10	12	402	305	787
At end of financial year	130,379	75,234	4,044	937,786	71,345	14,069	86,220	74,810	274,406	1,668,293

15 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Golf course development expenditure	Plantation expenditure	Buildings and improve-ments	Plant and machinery	Motor vehicles	Furniture, fittings and equipment	Right-of-use assets	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Group								
2020								
Less: Accumulated Depreciation								
At beginning of financial year	14,268	300	80,192	49,527	12,119	46,930	12,386	215,722
Current year depreciation charge	1,676	173	23,265	4,786	1,269	7,957	3,747	42,873
Transfer to investment properties (Note 17)	-	-	(106)	(5,452)	-	(687)	-	(6,245)
Written off	(1,283)	-	-	(534)	(127)	(1,354)	-	(3,298)
Disposals	-	-	-	-	(1,506)	(1,330)	-	(2,836)
Foreign currency translation differences	-	-	8	-	9	2	79	98
At end of financial year	14,661	473	103,359	48,327	11,764	51,518	16,212	246,314

15 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Group	
	2021	2020
	RM'000	RM'000
Carrying Amount		
Freehold land	130,379	130,379
Golf course development expenditure	59,464	60,573
Plantation expenditure	4,237	3,571
Buildings and improvements	820,807	834,427
Plant and machinery	30,466	23,018
Motor vehicles	4,647	2,305
Furniture, fittings and equipment	31,914	34,702
Right-of-use assets	58,441	58,598
Construction-in-progress	390,317	274,406
	1,530,672	1,421,979

The hospitality and leisure segment was impacted by the challenging market conditions caused by the COVID-19 pandemic. As a result of this, the Group performed impairment assessments on its hotel properties. The recoverable amounts of the Group's hotel properties were determined based on the value-in-use method and they were in excess of its carrying amounts as at the reporting date.

The value-in-use was prepared based on approved cash flow projection. The projection reflects management's expectation of revenue growth, operating costs and margin for the hotel properties based on past experience and future outlook. The discount rate applied is benchmarked against peers at the reporting date. The assumptions have been applied in the value-in-use for current financial year is average growth in occupancy rates and pre-tax discount rate of 3% and 9% per annum respectively.

15.1 Right-of-use assets

	Leasehold land	Buildings and improvements	Plant and machinery	Total
	RM'000	RM'000	RM'000	RM'000
Group				
2021				
At Cost				
At beginning of financial year	69,741	4,441	628	74,810
Additions	-	573	-	573
Foreign currency translation differences	4,122	38	-	4,160
At end of financial year	73,863	5,052	628	79,543
Less: Accumulated Depreciation				
At beginning of financial year	14,585	1,407	220	16,212
Current year depreciation charge	2,192	1,526	213	3,931
Foreign currency translation differences	939	20	-	959
At end of financial year	17,716	2,953	433	21,102
Carrying amount	56,147	2,099	195	58,441
2020				
At Cost				
At beginning of financial year	69,347	1,358	336	71,041
Additions	-	3,075	292	3,367
Foreign currency translation differences	394	8	-	402
At end of financial year	69,741	4,441	628	74,810
Less: Accumulated Depreciation				
At beginning of financial year	12,386	-	-	12,386
Current year depreciation charge	2,122	1,405	220	3,747
Foreign currency translation differences	77	2	-	79
At end of financial year	14,585	1,407	220	16,212
Carrying amount	55,156	3,034	408	58,598

15.2 Additions to property, plant and equipment

	Group	
	2021	2020
	RM'000	RM'000
Additions	135,178	152,912
Financed by lease liabilities	(573)	(3,367)
Interest expenses capitalised	(11,497)	(818)
Total cash outflow	123,108	148,727

16 LAND HELD FOR PROPERTY DEVELOPMENT

	Freehold land	Long term leasehold land	Development costs	Total
	RM'000	RM'000	RM'000	RM'000
Group				
2021				
At Cost				
At beginning of financial year	2,925,285	572,852	1,349,521	4,847,658
Additions	-	-	175,502	175,502
Transfer from property development costs (Note 23)	140	-	45,025	45,165
Transfer from investment properties (Note 17)	-	102,000	-	102,000
At end of financial year	2,925,425	674,852	1,570,048	5,170,325
2020				
At Cost				
At beginning of financial year	2,937,233	574,436	1,130,495	4,642,164
Additions	-	-	245,997	245,997
Transfer to property development costs (Note 23)	(11,948)	(1,584)	(26,971)	(40,503)
At end of financial year	2,925,285	572,852	1,349,521	4,847,658

Included in additions to land held for property development of the Group are interest expense and facilities fees capitalised during the financial year amounting to RM107,019,000 and RM6,940,000 (2020: RM155,170,000 and RM6,235,000) respectively. In the previous financial year, included in additions to land held for property development of the Group was reversal of provision related to affordable housing amounting to RM26,185,000 as disclosed in the Note 35.3 to the financial statements.

Included in land held for property development of the Group are plantation land of RM698,855,000 (2020: RM666,775,000), which are intended to be used for property development. Currently, the subsidiaries are harvesting oil palm crops from the said land.

Certain titles of freehold land amounting to RM420,052,000 (2020: RM417,070,000), whereby the Group is the beneficiary owner, are registered under the name of the affiliate. The Group is in the midst of perfecting the land titles.

17 INVESTMENT PROPERTIES

	Freehold land and buildings	Leasehold land and buildings	Total
	RM'000	RM'000	RM'000
Group			
2021			
At beginning of financial year	4,366,129	9,968,574	14,334,703
Additions	176,012	469,431	645,443
Disposal	(1,180)	-	(1,180)
Transfer to property, plant and equipment (Note 15)	(6,475)	-	(6,475)
Transfer to land held for property development (Note 16)	-	(102,000)	(102,000)
Transfer from inventories	3,003	-	3,003
Fair value adjustments	(70,818)	(243)	(71,061)
Foreign currency translation differences	-	93,112	93,112
At end of financial year	4,466,671	10,428,874	14,895,545
2020			
At beginning of financial year	4,287,343	9,385,067	13,672,410
Additions	127,292	602,883	730,175
Disposal	(2,859)	-	(2,859)
Impairment loss	-	(84,189)	(84,189)
Transfer from property, plant and equipment (Note 15)	8,739	-	8,739
Transfer from inventories	-	23,840	23,840
Fair value adjustments	(54,386)	-	(54,386)
Foreign currency translation differences	-	40,973	40,973
At end of financial year	4,366,129	9,968,574	14,334,703

Included in the above are:

	Group	
	2021	2020
	RM'000	RM'000
At fair value:		
Freehold land and buildings	4,096,760	4,163,820
Leasehold land and buildings	25,029	125,840
	4,121,789	4,289,660
At cost:		
Investment properties under construction	10,773,756	10,045,043
At end of the financial year	14,895,545	14,334,703

17 INVESTMENT PROPERTIES (CONTINUED)

Included in additions to investment properties of the Group are interest expense and facilities fees capitalised during the financial year amounting to RM207,109,000 and RM7,067,000 (2020: RM206,594,000 and RM7,036,000) respectively.

In the previous financial year, the Group recognised impairment loss amounting to RM84,189,000 due to the recoverable amount (categorised as Level 3 in the fair value hierarchy) of the investment property being lower than its carrying amount as a result of challenging market conditions caused by the COVID-19 pandemic.

Right-of-use assets included in investment properties are leasehold land and buildings amounting to RM10,428,874,000 (2020: RM9,968,574,000).

Rental income generated from and direct operating expenses incurred on investment properties are as follows:

	Group	
	2021	2020
	RM'000	RM'000
Rental income	286,690	320,796
Direct operating expenses	96,718	91,589

The fair values of the above investment properties were estimated based on valuations by independent registered valuers, which were based on:

(i) market evidence of transaction prices for similar properties for certain properties in which the values are adjusted for differences in key attributes such as property size, location and quality of interior fittings under the comparison method.
(ii) receipts of contractual rentals, expected future market rentals, current market yields, void periods and maintenance requirements and approximate capitalisation rates under the investment method.
(iii) aggregate amount of the value of land component by comparison method, and the gross replacement cost of the buildings and other site improvements, allowing for depreciation under cost method.

The Group uses assumptions that are mainly based on market conditions existing at the end of each reporting period. The valuation updates by independent registered valuers are endorsed by the Board of Directors on an annual basis.

Fair value is determined through various valuation methodologies using Level 3 inputs (defined as unobservable inputs for asset or liability) in the fair value hierarchy of MFRS 13 Fair Value Measurement. Changes in fair value are recognised in the statement of profit or loss during the reporting period in which they are reviewed.

17 INVESTMENT PROPERTIES (CONTINUED)

The Level 3 inputs or unobservable inputs include:

Term yield	-	the rate of return that the investment properties are expected to generate based on current passing rental including revision upon renewal of tenancies during the financial year;
Reversion yield	-	the rate of return that the investment properties are expected to generate upon expiry of term rental; and
Price per square foot (psf)	-	estimated price psf for which a property should exchange on the date of valuation between a willing buyer and a willing seller.

Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement	Impact of changes in key inputs to fair value*	
		2021 RM'000	2020 RM'000
Term and reversion yield	Higher term and reversion yield rates, lower fair value	297,034	265,861
Price per square foot	Higher price per square foot, higher fair value	62,744	72,460

* Changes in term and reversion yield rates by 50 basis points (2020: 50 basis points) and price per square foot by 10% (2020: 10%) are used as these are the key inputs subjected to changes in market conditions.

17 INVESTMENT PROPERTIES (CONTINUED)

The fair value measurements as at 30 June 2021 and 30 June 2020 are as follows:

			Significant unobservable inputs		
	Valuation methodology	Fair value	Term yield	Reversion yield	Price per sq foot
		RM'000	%	%	RM/psf
Group					
2021					
Completed investment properties					
Malls	Investment method	2,186,300	6.25 - 6.50	6.75 - 7.00	-
Office buildings	Investment method	1,195,000	4.75 - 5.50	5.25 - 6.00	-
Others	Comparison method	463,150	-	-	56 - 640
	Investment method	131,239	3.00 - 6.00	3.50 - 7.50	-
	Cost method	146,100	-	-	3 - 330
		4,121,789			
2020					
Completed investment properties					
Malls	Investment method	2,183,870	6.25 - 6.50	6.75 - 7.00	-
Office buildings	Investment method	1,240,000	5.00 - 6.25	5.50 - 6.50	-
Others	Comparison method	586,330	-	-	18 - 670
	Investment method	131,060	4.50 - 6.00	5.00 - 7.50	-
	Cost method	148,400	-	-	3 - 330
		4,289,660			

18 GOODWILL ON CONSOLIDATION

	Group	
	2021	2020
	RM'000	RM'000
At beginning/end of financial year	11,472	11,472

For the purpose of impairment testing, goodwill is allocated to the Group's CGUs identified according to the operating segments as follows:

	Group	
	2021	2020
	RM'000	RM'000
Property development	3,802	3,802
Hospitality and leisure	7,670	7,670
	11,472	11,472

Goodwill is tested for impairment on an annual basis by comparing the carrying amount with the recoverable amount of the CGUs based on value-in-use. Value-in-use is determined by discounting the cash flows projections based on the financial budgets approved by the management. The discount rate used is 5.3% (2020: 4.1%) per annum.

19 SUBSIDIARIES

	Company	
	2021	2020
	RM'000	RM'000
At Cost		
Unquoted shares in Malaysia (Note 19.1)	14,789,402	14,876,298
Unquoted shares outside Malaysia (Note 19.1)	3,538,971	3,496,002
Equity contribution (Note 19.2)	1,032,267	953,784
	19,360,640	19,326,084
Less: Accumulated impairment losses (Note 19.3)	(475,967)	(484,193)
	18,884,673	18,841,891

19 SUBSIDIARIES (CONTINUED)

19.1 Interests in subsidiaries

Unquoted shares include redeemable preference shares ("RPS") issued by subsidiaries (some of which are also issued to non-controlling interests), which are redeemable at the option of issuer and entitle the Company to receive dividend out of profits of the issuer at a rate to be determined by the issuer.

Details of the subsidiaries are set out in Note 43 to the financial statements.

2021

During the financial year, the Company incorporated new subsidiaries, acquired and subscribed for additional shares in its subsidiaries as follows:

Incorporation of new subsidiaries

On 5 January 2021, the Company had incorporated a wholly-owned subsidiary, namely Premier Landmark Limited ("PLL"). PLL was incorporated in Hong Kong as a private limited company under the Companies Ordinance (Chapter 622) with share capital of HK$2 divided into 2 ordinary shares. PLL's intended principal activity is investment holding.

On 19 January 2021, the Company had incorporated a wholly-owned subsidiary, namely Boulevard View Pte Ltd ("BVPL"). BVPL was incorporated in Singapore as a private limited company under the Companies Act, (Cap.50) with share capital of S$2 divided into 2 ordinary shares. BVPL's intended principal activity is investment holding.

On 18 May 2021, the Company had incorporated a wholly-owned subsidiary, namely IOI Materials Trading Sdn Bhd ("IMTSB") under the Companies Act 2016 with share capital of RM2 divided into 2 ordinary shares. IMTSB will be principally involved in trading of construction materials.

IOI (Xiamen) Business Management Co Ltd ("IBMC"), an indirect subsidiary of the Company, had on 18 March 2021 incorporated a wholly-owned subsidiary known as Xiamen Palm City Sports Technology Co. Ltd ("XPCST") in Xiamen, the People's Republic of China with a total registered capital of RMB10 million. XPCST's intended principal activity is leisure and entertainment activities. On 5 June 2021, IBMC had entered into a joint venture agreement (the "JVA") with Xiamen Bowling Boy Education Technology Co. Ltd ("XBBET"), a private limited company registered in People's Republic of China, to operate indoor leisure and entertainment activities in IOI Palm City Mall, Xiamen, measuring 2,750 square metres. Upon completion of the JVA, IBMC holds 60% equity stake in XPCST, while XBBET holds the remaining 40% equity interest.

Strike off of a subsidiary

On 14 July 2020, IOI Properties Capital (L) Berhad ("IPC"), a wholly-owned subsidiary of the Company, had received a notification from Labuan Financial Services Authority ("LFSA") informing that the name of IPC had been struck off from the register of LFSA under Section 151 of the Labuan Companies Act 1990. The Company has recorded an impairment loss of RM52,000 arising from the said strike off.

19 SUBSIDIARIES (CONTINUED)

19.1 Interests in subsidiaries (continued)

2021 (continued)

Subscription of additional shares

Company	Type of shares	No. of shares '000	Amount RM'000
IOI Business Hotel Sdn. Bhd. ("IBH")	RPS at an issue price of RM1.00 each	2,273	2,273
Wealthy Link Pte. Ltd. ("WLPL")	RPS at an issue price of SGD1.00 each	65,600	202,802
Club IOI Loyalty Sdn. Bhd. ("CIL")	RPS at an issue price of RM1.00 each	387	387

The above subscriptions of additional shares were settled by cash.

Redemption of shares

Company	Type of shares	No. of shares '000	Amount RM'000
Commercial Wings Sdn. Bhd. ("CWSB")	RPS at a redemption price of RM1.00 each	16,900	16,900
IOI Harbour Front Sdn. Bhd. ("IOIHarbour")	RPS at a redemption price of RM1.00 each	5,149	5,149
Jutawan Development Sdn. Bhd. ("JDSB")	RPS at a redemption price of RM1.00 each	36,000	36,000
IOI City Tower Two Sdn. Bhd. ("IOICT2")	RPS at a redemption price of RM1.00 each	8,000	8,000
IOI Consolidated (Singapore) Pte. Ltd. ("IOIConso")	RPS at a redemption price of SGD1.00 each	52,670	159,833
Palmex Industries Sdn. Bhd. ("Palmex")	RPS at a redemption price of RM1.00 each	10,000	10,000

The above redemption of shares was redeemed at RM238,860,000 by cash. Accordingly, the Company had recorded a realised foreign exchange gain on redemption of RM2,978,000

19 SUBSIDIARIES (CONTINUED)

19.1 Interests in subsidiaries (continued)

2020

In the previous financial year, the Company acquired and subscribed for additional shares in its subsidiaries as follows:

Acquisition of new subsidiary

On 13 February 2020, the Company acquired 2 ordinary shares of CIL for a nominal sum of RM2 only, representing the entire share capital of CIL (the "Acquisition"). Following the Acquisition, CIL has become a wholly-owned subsidiary of the Company. The intended principal activity of CIL is to manage and operate IOI Group's loyalty programme.

Subscriptions of additional shares

Company	Type of shares	No. of shares '000	Amount RM'000
Fortune Premiere Sdn. Bhd. ("FPSB")	RPS at an issue price of RM1.00 each	60	60
IBH	RPS at an issue price of RM1.00 each	4,603	4,603
IOI Properties Empire Sdn. Bhd. ("IOIPE")	RPS at an issue price of RM1.00 each	319	319
Progressive View Pte. Ltd. ("PVPL")	Ordinary shares at an issue price of SGD1.00 each	650	1,964
WLPL	RPS at an issue price of SGD1.00 each	91,300	278,374

The above subscriptions were settled by cash and had no impact on the Group's financial statements. Accordingly, the Company had recorded a realised foreign exchange gain on subscription of RM618,000.

In the previous financial year, the Company also acquired 4,000 ordinary shares in IOI Properties Berhad ("IOIPB") at an average price of RM4.00 per IOIPB share for cash consideration of RM16,000.

19 SUBSIDIARIES (CONTINUED)

19.1 Interests in subsidiaries (continued)

2020 (continued)

Redemption of shares

Company	Type of shares	No. of shares '000	Amount RM'000
CWSB	RPS at a redemption price of RM1.00 each	30,200	30,200
IOI City Hotel Sdn. Bhd. ("IOICH")	RPS at a redemption price of RM1.00 each	1,750	1,750
IOICT2	RPS at a redemption price of RM1.00 each	3,200	3,200
IOIConso	RPS at a redemption price of SGD1.00 each	204,220	572,143
IOIHarbour	RPS at a redemption price of RM1.00 each	6,029	6,029
IOI Lavender Sdn. Bhd. ("IOILav")	RPS at a redemption price of RM1.00 each	13,547	13,547
IOI Medini Sdn. Bhd. ("IOIMedini")	RPS at a redemption price of RM1.00 each	42,411	42,411
IOI Mulberry Sdn. Bhd. ("IOIMulberry")	RPS at a redemption price of RM1.00 each	67,516	67,516
IOI Prima Property Sdn. Bhd. ("IOIPP")	RPS at a redemption price of RM1.00 each	73,863	73,863
IOIP Capital Management Sdn. Bhd. ("IOIPCM")	RPS at a redemption price of RM1.00 each	84,446	84,446
Nusa Properties Sdn. Bhd. ("NPSB")	RPS at a redemption price of RM1.00 each	12,160	12,160
Palmex	RPS at a redemption price of RM1.00 each	11,400	11,400
Property Skyline Sdn. Bhd. ("PSSB")	RPS at a redemption price of RM1.00 each	53	53
Resort Villa Development Sdn. Bhd. ("RVD")	RPS at a redemption price of RM100.00 each	47	4,700

The above redemption of shares was redeemed at RM973,525,000 by cash. Accordingly, the Company had recorded a realised foreign exchange gain on redemption of RM50,107,000.

19 SUBSIDIARIES (CONTINUED)

19.2 Equity contribution

Equity contribution represents capital contribution to subsidiaries for their working capital and repayment of borrowing costs.

19.3 Accumulated impairment losses

The Company performed impairment assessment on its investments in subsidiaries as at 30 June 2021. The recoverable amounts of these investments in subsidiaries, which are involved in the property development, hospitality and leisure businesses, are derived based on either the fair value less costs to sell or value in use methods. These recoverable amounts are categorised as Level 3 in the fair value hierarchy. Based on the assessments performed, impairment loss amounting to RM5,333,000 (2020: RM410,603,000) had been recognised in profit or loss during the current financial year mainly due to the challenging market conditions caused by the COVID-19 pandemic.

19.4 Amounts due from/(to) subsidiaries

The current amounts due from subsidiaries represent payments made on behalf and repayable upon demand. In the previous financial year, the current amounts due from subsidiaries represented outstanding amounts arising from advances. These amounts were unsecured, bore interest rates ranging from 5.18% to 5.26% per annum.

The non-current amount due to a subsidiary represents advances which are unsecured, bear interest ranging from 5.01% to 5.05% per annum (2020: 5.04% to 5.21%) and is repayable on 30 June 2024.

The current amounts due to subsidiaries represent advances and payments made on behalf, which are unsecured, bear interest ranging from 1.93% to 3.09% (2020: 2.76% to 3.83%) per annum except for RM41,606,000 (2020: RM35,154,000) which is non-interest bearing and is payable upon demand in cash and cash equivalents.

19 SUBSIDIARIES (CONTINUED)

19.5 Material non-controlling interests

As at 30 June 2021, the total non-controlling interests are RM160,339,000 (2020: RM155,401,000), of which RM101,291,000 (2020: RM86,180,000), and RM27,197,000 (2020: RM29,613,000) are attributable to PINE MJR Development Sdn. Bhd. ("PINE MJR") and Legend Advance Sdn. Bhd. ("Legend") respectively. The other non-controlling interests are not material to the Group.

Set out below are the summarised financial information for PINE MJR and Legend that has non-controlling interests that are material to the Group. The below financial information is based on amounts before inter-company eliminations.

	PINE MJR		Legend	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000 Restated
Proportion of ordinary shares held by non-controlling interests (%)	45.1%	45.1%	30.1%	30.1%
Summarised statements of comprehensive income:				
Revenue	6,648	-	15,392	17,338
(Loss)/Profit and total comprehensive (loss)/income for the financial year	(1,417)	(2,271)	1,941	4,030
(Loss)/Profit and total comprehensive (loss)/ income attributable to non-controlling interests	(639)	(1,024)	584	1,213
Dividend paid to non-controlling interests	-	-	3,000	3,000

NOTES TO THE FINANCIAL STATEMENTS - 30 JUNE 2021 (CONTINUED)

19 SUBSIDIARIES (CONTINUED)

19.5 Material non-controlling interests (continued)

Set out below are the summarised financial information for PINE MJR and Legend that has non-controlling interests that are material to the Group. The below financial information is based on amounts before inter-company eliminations. (continued)

	PINE MJR		Legend	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000 Restated
Summarised statements of financial position:				
Current assets	263,632	196,945	53,546	61,787
Current liabilities	(20,406)	(10,223)	(5,857)	(6,069)
Non-current assets	1,347	-	35,958	35,988
Non-current liabilities	(24,268)	-	-	-
Net assets	220,305	186,722	83,647	91,706
Summarised cash flows:				
Cash flows (used in)/from operating activities	(57,710)	(79,187)	10,456	13,185
Cash flows from investing activities	108	246	704	1,058
Cash flows from/(used in) financing activities	59,101	70,584	(14,649)	(11,900)
Net increase/(decrease) in cash and cash equivalents during the financial year	1,499	(8,357)	(3,489)	2,343
Cash and cash equivalents at beginning of the financial year	6,014	14,371	6,568	4,225
Cash and cash equivalents at end of the financial year	7,513	6,014	3,079	6,568

There was a dividend of RM2,596,000 (2020: RM2,952,000) paid to immaterial non-controlling interests during the financial year.

20 ASSOCIATE

	Group		
	30.6.2021	30.6.2020	1.7.2019
	RM'000	RM'000	RM'000
Unquoted shares, at cost	23,601	23,601	23,601
Redeemable preference shares, at cost	5,232	-	-
Share of post-acquisition results and reserves	22,716	32,852	22,642
	51,549	56,453	46,243
Redeemable preference shares, at amortised cost	-	53,070	53,070
	51,549	109,523	99,313

20.1 Investment in an associate

The redeemable preference shares ("RPS") issued by the associate confer on the holders the right to receive out of the profits of the associate, a cumulative preference dividend at a rate of 900% per annum. Such dividend is calculated on the amount being paid-up from the date of subscription up to 30 April 2015. These cumulative RPS ("CRPS") are redeemable at RM0.01 plus a premium of RM0.99 per share in accordance with the Articles of Association of the associate ("AoA"). The maturity of the CRPS had expired on 30 April 2015 and had not been extended. During the financial year, the directors of the associate has amended the terms of CRPS to redeemable of CRPS need not be in apportion to the number of CRPS held by each CRPS holder and entitle the Group to receive dividend out of profits of the issuer at the rate to be determined by issuer.

During the financial year, the associate has redeemed total shares of 47,838,000 for RM47,838,000 from both equity holders pursuant to the amendment to its AoA.

The associate of the Group is accounted for using the equity method in the consolidated financial statements. Details of the associate is set out in Note 43 to the financial statements.

20.2 Summary of financial information of the associate is as follows:

	GLM Emerald Industrial Park (Jasin) Sdn. Bhd.	
	2021	2020
	RM'000	RM'000
Assets and liabilities		
Total current assets	26,870	120,794
Total non-current assets	150,064	235,574
Total current liabilities	(14,593)	(12,829)
Total non-current liabilities	(1,250)	(1,280)
Results		
Revenue	274,830	14,076
Profit and total comprehensive income for the financial year	109,291	61,319

During the financial year, the Company received dividend of RM45,109,000 (2020: RM9,412,000) from the associate.

20 ASSOCIATE (CONTINUED)

20.3 The reconciliation of net assets of the associate to the carrying amount of the investment in an associate is as follows:

	Group	
	2021	2020
	RM'000	RM'000
Net assets as at 30 June	161,091	176,416
Share of net assets of the Group/ Carrying amount in the statement of financial position	51,549	56,453
Share of profit of the Group	34,973	19,622

21 JOINT VENTURES

	Group		
	30.6.2021	30.6.2020	1.7.2019
	RM'000	RM'000 Restated	RM'000 Restated
Unquoted shares, at cost	409,850	409,850	409,850
Redeemable preference shares ("RPS") (Note 21.2)	3,288,918	3,451,988	4,074,372
Share of post-acquisition results and reserves	220,257	(46,577)	(200,351)
	3,919,025	3,815,261	4,283,871
Amounts due from joint ventures (Note 21.3)	515,182	564,114	583,075
	4,434,207	4,379,375	4,866,946

The joint arrangements of the Group are regarded as joint ventures pursuant to the contractual rights and obligations of the joint venture agreements that provide the Group with the rights to the net assets of the joint ventures. The joint ventures are accounted for using the equity method in the consolidated financial statements. Details of the joint ventures are set out in Note 43 to the financial statements.

21 JOINT VENTURES (CONTINUED)

21.1 Financial information of joint ventures

Set out below is the summarised financial information for joint ventures that are material to the Group, which are accounted for using the equity method.

(i) Summarised statements of financial position:

	Scottsdale Properties Pte. Ltd.	Pinnacle (Sentosa) Pte. Ltd.
	RM'000	RM'000
2021		
Non-current:		
Non-current assets	7,578,677	4,783
Current:		
Cash and cash equivalents	213,659	1,070
Other current assets	458,063	4,189,511
Total current assets	671,722	4,190,581
Total assets	8,250,399	4,195,364
Non-current:		
Financial liabilities (excluding trade and other payables and provisions)	-	1,188,957
Other liabilities (including trade and other payables and provisions)	82,818	-
Total non-current liabilities	82,818	1,188,957
Current:		
Financial liabilities (excluding trade and other payables and provisions)	3,699,696	464,105
Other liabilities (including trade and other payables and provisions)	280,914	13,724
Total current liabilities	3,980,610	477,829
Total liabilities	4,063,428	1,666,786
Net assets	4,186,971	2,528,578

21 JOINT VENTURES (CONTINUED)

21.1 Financial information of joint ventures (continued)

Set out below are the summarised financial information for joint ventures that are material to the Group, which are accounted for using the equity method. (continued)

(i) Summarised statements of financial position: (continued)

	Scottsdale Properties Pte. Ltd.	Pinnacle (Sentosa) Pte. Ltd.
	RM'000	RM'000
2020 (Restated)		
Non-current:		
Non-current assets	7,612,837	4,767
Current:		
Cash and cash equivalents	243,580	6,969
Other current assets	994,482	3,966,666
Total current assets	1,238,062	3,973,635
Total assets	8,850,899	3,978,402
Non-current:		
Financial liabilities (excluding trade and other payables and provisions)	-	1,679,059
Other liabilities (including trade and other payables and provisions)	39,862	-
Total non-current liabilities	39,862	1,679,059
Current:		
Financial liabilities (excluding trade and other payables and provisions)	4,190,681	-
Other liabilities (including trade and other payables and provisions)	292,505	21,426
Total current liabilities	4,483,186	21,426
Total liabilities	4,523,048	1,700,485
Net assets	4,327,851	2,277,917

21 JOINT VENTURES (CONTINUED)

21.1 Financial information of joint ventures (continued)

Set out below are the summarised financial information for joint ventures that are material to the Group, which are accounted for using the equity method. (continued)

(ii) Summarised statements of comprehensive income:

	Scottsdale Properties Pte. Ltd.	Pinnacle (Sentosa) Pte. Ltd.
	RM'000	RM'000
2021		
Revenue	1,059,473	88,263
Depreciation and amortisation	50,953	-
Interest income	120	9
Interest expense	(64,804)	(29,748)
Profit before taxation	208,700	240,057
Taxation	(42,414)	-
Profit and total comprehensive income for the financial year	166,286	240,057
2020 (Restated)		
Revenue	1,597,104	84,993
Depreciation and amortisation	29,073	-
Interest income	3,279	81
Interest expense	(108,068)	(39,747)
Profit before taxation	312,712	2,732
Taxation	(46,268)	-
Profit and total comprehensive income for the financial year	266,444	2,732

There was no dividend paid by the joint ventures in both the financial years.

21 JOINT VENTURES (CONTINUED)

21.1 Financial information of joint ventures (continued)

Set out below are the summarised financial information for joint ventures that are material to the Group, which are accounted for using the equity method. (continued)

(iii) Reconciliation of the summarised information presented to the carrying amounts of interest in joint ventures is set out below:

	Scottsdale Properties Pte. Ltd.	Pinnacle (Sentosa) Pte. Ltd.
	RM'000	RM'000
2021		
Net assets:		
As at 1 July 2020, as previously reported	4,434,511	2,277,917
Effects on adoption of IFRIC Agenda Decision	(106,660)	-
At beginning of financial year, as restated	4,327,851	2,277,917
Profit for the financial year	166,286	240,057
Movement in share capital	(326,795)	-
Foreign currency translation differences	19,629	10,604
As at 30 June 2021	4,186,971	2,528,578
Interest in joint ventures as at year end	49.9%	65.0%
Unquoted shares, at cost	405,172	2,025
Redeemable preference shares	1,085,924	2,182,993
Share of post-acquisition results and reserves	598,203	(541,442)
Total investments in joint ventures	2,089,299	1,643,576
2020 (Restated)		
Net assets:		
As at 1 July 2019, as previously reported	5,495,135	2,268,122
Effects on adoption of IFRIC Agenda Decision	(196,736)	-
At beginning of financial year, as restated	5,298,399	2,268,122
Profit for the financial year	266,444	2,732
Movement in share capital	(1,247,264)	-
Movement in other reserves	-	(2,466)
Foreign currency translation differences	10,272	9,529
As at 30 June 2020	4,327,851	2,277,917
Interest in joint ventures as at year end	49.9%	65.0%

NOTES TO THE FINANCIAL STATEMENTS - 30 JUNE 2021 (CONTINUED)

21 JOINT VENTURES (CONTINUED)

21.1 Financial information of joint ventures (continued)

Set out below are the summarised financial information for joint ventures that are material to the Group, which are accounted for using the equity method. (continued)

(iii) Reconciliation of the summarised information presented to the carrying amounts of interest in joint ventures is set out below: (continued)

	Scottsdale Properties Pte. Ltd.	Pinnacle (Sentosa) Pte. Ltd.
	RM'000	RM'000
2020 (Restated) (continued)		
Net assets: (continued)		
Unquoted shares, at cost	405,172	2,025
Redeemable preference shares	1,248,994	2,182,993
Share of post-acquisition results and reserves	505,432	(704,372)
Total investments in joint ventures	2,159,598	1,480,646

Set out below are the summarised information of all individually immaterial joint ventures on an aggregate basis.

	2021	2020
	RM'000	RM'000
Unquoted shares, redeemable preference shares and share of post-acquisition results and reserves	186,150	175,017
Amounts due from joint ventures	515,182	564,114
Total interests in joint ventures	701,332	739,131
Share of joint ventures' profits and total comprehensive income	10,567	7,114

There was no dividend paid by immaterial joint venture during the financial year.

21 JOINT VENTURES (CONTINUED)

21.2 Redeemable preference shares

RPS issued by joint ventures, which are redeemable at the option of issuer and entitle the Group to receive dividend out of profits of the issuer at a rate to be determined by the issuer. The RPS rank pari passu without any preference or priority among themselves and in priority over the ordinary shares in respect of:

(a) Payment of the preference dividend (when, as and if declared); and

(b) In the event of a winding up of or return of capital by the joint venture, payment of any preference dividend that has accrued to holder of preference shares and is unpaid (whether or not then due) as well as the subscription price paid for the preference shares.

During the financial year, a joint venture has redeemed total RPS amounting to RM163,070,000 (2020: RM620,923,000).

21.3 Amounts due from joint ventures

The non-current amounts due from joint ventures in the current financial year mainly represent outstanding amounts arising from the Group's subsidiaries' proportionate share in the advances and working capital to the joint ventures for the acquisition of land and its development properties in Singapore. The amounts due from joint ventures are unsecured and interest bearing at rates ranging from 1.00% to 1.50% (2020: 1.50% to 4.87%) per annum.

The current amount due from a joint venture represents mainly advances to a joint venture in Malaysia. The amount is unsecured and interest bearing at rates ranging from 3.26% to 3.64%. In the previous financial year, the current amount due from a joint venture represents interest receivables on advances to joint venture.

22 DEFERRED TAXATION

	Group	
	2021	2020
	RM'000	RM'000 Restated
At beginning of financial year, as previously reported	(885,655)	(667,301)
Effects on adoption of IFRIC Agenda Decision (Note 44)	36,773	37,257
At beginning of financial year, as restated	(848,882)	(630,044)
Recognised in the profit or loss (Note 12):		
- Current year	398,709	(235,686)
- Prior years	9,052	18,324
	407,761	(217,362)
Foreign currency translation differences	(12,127)	(1,476)
At end of financial year	(453,248)	(848,882)

NOTES TO THE FINANCIAL STATEMENTS - 30 JUNE 2021 (CONTINUED)

22 DEFERRED TAXATION (CONTINUED)

The following amounts, determined after appropriate offsetting, are shown in the consolidated statement of financial position:

	Group		
	30.6.2021	30.6.2020	1.7.2019
	RM'000	RM'000 Restated	RM'000 Restated
Deferred tax assets	209,016	187,280	169,504
Deferred tax liabilities	(662,264)	(1,036,162)	(799,548)
	(453,248)	(848,882)	(630,044)

22.1 The amount of the deferred tax income or expenses recognised in the consolidated statement of profit or loss during the financial year are as follows:

	Group	
	2021	2020
	RM'000	RM'000 Restated
At beginning of financial year, as previously reported	(885,655)	(667,301)
Effects on adoption of IFRIC Agenda Decision (Note 44)	36,773	37,257
At beginning of financial year, as restated	(848,882)	(630,044)
Recognised in profit or loss (Note 12):		
Temporary differences on:		
- Capital allowances	(4,518)	(9,236)
- Fair value adjustment on investment properties	10,581	5,439
- Profit from sales of development properties	364,856	(225,914)
- Accruals and provisions	(756)	2,013
- Development properties	1,681	3,639
- Unabsorbed capital allowances	4,846	(3,183)
- Unrealised profits	24,635	14,061
- Unutilised investment tax allowance	-	1,336
- Unutilised tax losses	674	1,886
- Other deductible temporary differences	5,762	(7,403)
	407,761	(217,362)
Foreign currency translation differences	(12,127)	(1,476)
At end of financial year	(453,248)	(848,882)

22 DEFERRED TAXATION (CONTINUED)

22.2 The components of deferred tax liabilities and assets at the end of the reporting period comprise the tax effects of:

	Group		
	30.6.2021	30.6.2020	1.7.2019
	RM'000	RM'000 Restated	RM'000 Restated
Deferred tax assets			
Accruals and provisions	14,939	15,695	13,682
Profit from sales of development properties	61,906	74,838	65,769
Unutilised tax losses	4,628	3,954	2,068
Unabsorbed capital allowances	7,765	2,919	6,102
Unrealised profits	80,183	55,548	41,487
Unutilised investment tax allowance	40,957	40,957	39,621
Other deductible temporary differences	10,886	4,071	11,176
Deferred tax assets (before off-setting)	221,264	197,982	179,905
Off-setting	(12,248)	(10,702)	(10,401)
Deferred tax assets (after off-setting)	209,016	187,280	169,504
Deferred tax liabilities			
Fair value adjustment on investment properties	215,752	225,364	230,670
Capital allowances	107,064	102,546	93,310
Profit from sales of development properties	1,976	367,553	130,929
Development properties*	349,720	351,401	355,040
Deferred tax liabilities (before off-setting)	674,512	1,046,864	809,949
Off-setting	(12,248)	(10,702)	(10,401)
Deferred tax liabilities (after off-setting)	662,264	1,036,162	799,548

* Comprises mainly of deferred tax adjustments on temporary differences arising from land held for property development, property development costs and inventories.

The following are the unutilised tax losses and unabsorbed capital allowances for which deferred tax assets have not been recognised, at gross:

	Group	
	2021	2020
	RM'000	RM'000
Unutilised tax losses	47,034	25,739
Unaborbed capital allowances	2,995	25
	50,029	25,764

22 DEFERRED TAXATION (CONTINUED)

Deferred tax assets of certain subsidiaries have not been recognised in respect of these items as it is not probable that taxable profit of the subsidiaries will be available against which the deductible temporary differences can be utilised.

The unutilised tax losses of the Malaysian subsidiaries will only be available for carry forward for a period of 7 consecutive years. Upon expiry of the 7 years, the unutilised losses will be disregarded.

	Group	
	2021	2020
	RM'000	RM'000
Unutilised tax losses expire in year of assessments		
2025	18,875	18,875
2026	13,229	13,229
2027	9,099	9,099
2028	18,249	-
	59,452	41,203

23 PROPERTY DEVELOPMENT COSTS

	Freehold land	Long term leasehold land	Development costs	Accumulated cost charged to profit or loss	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
Group					
2021					
At Cost					
At beginning of financial year, as previously reported	245,629	1,767,335	1,863,441	(704,272)	3,172,133
Effects on adoption of IFRIC Agenda Decision (Note 44)	-	-	(63,950)	20,819	(43,131)
At beginning of financial year, as restated	245,629	1,767,335	1,799,491	(683,453)	3,129,002
Costs incurred	-	-	541,264	-	541,264
Written down	-	-	(108,852)	-	(108,852)
Transfer to land held for property development (Note 16)	(140)	-	(45,025)	-	(45,165)
Transfer to inventories	(16,665)	(74,127)	(602,954)	-	(693,746)
Foreign currency translation differences	-	95,780	25,942	(17,531)	104,191
Recognised as part of cost of sales in profit or loss	-	-	-	(702,988)	(702,988)
Completed projects	(19,926)	(293,233)	(411,021)	724,180	-
At end of financial year	208,898	1,495,755	1,198,845	(679,792)	2,223,706

23 PROPERTY DEVELOPMENT COSTS (CONTINUED)

	Freehold land	Long term leasehold land	Development costs	Accumulated cost charged to profit or loss	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
Group					
2020					
At Cost					
At beginning of financial year as previously reported	246,122	1,764,692	1,937,261	(380,527)	3,567,548
Effects on adoption of IFRIC Agenda Decision (Note 44)	-	-	(30,140)	(35,774)	(65,914)
At beginning of financial year, as restated	246,122	1,764,692	1,907,121	(416,301)	3,501,634
Costs incurred	438	-	512,159	-	512,597
Written down	-	-	(24,755)	-	(24,755)
Transfer from land held for property development (Note 16)	11,948	1,584	26,971	-	40,503
Transfer to inventories	(9,783)	(5,188)	(457,404)	-	(472,375)
Foreign currency translation differences	-	10,185	2,979	(1,143)	12,021
Recognised as part of cost of sales in profit or loss	-	-	-	(440,623)	(440,623)
Completed projects	(3,096)	(3,938)	(167,580)	174,614	-
At end of financial year	245,629	1,767,335	1,799,491	(683,453)	3,129,002

Included in costs incurred in property development of the Group are interest expense capitalised during the financial year amounting to RM9,133,000 (2020: RM6,707,000).

24 INVENTORIES

	Group		
	30.6.2021	30.6.2020	1.7.2019
	RM'000	RM'000 Restated	RM'000 Restated
At Cost			
Completed development properties	2,409,197	2,129,201	1,954,534
Others	2,955	4,306	4,219
	2,412,152	2,133,507	1,958,753

25 TRADE AND OTHER RECEIVABLES

	Group		
	30.6.2021	30.6.2020	1.7.2019
	RM'000	RM'000	RM'000
Trade receivables (Note 25.1)	258,970	222,656	192,087
Other receivables, deposits and prepayments (Note 25.2)	135,439	161,042	161,487
Lease receivables	4,302	3,677	-
Amounts due from contract customers	-	-	963
Contract costs (Note 25.3)	13,784	5,112	3,373
	412,495	392,487	357,910

	Company	
	2021	2020
	RM'000	RM'000
Other receivables, deposits and prepayments (Note 25.2)	15,640	236

25.1 Trade receivables

	Group		
	30.6.2021	30.6.2020	1.7.2019
	RM'000	RM'000	RM'000
Trade receivables	266,589	227,551	195,644
Less: Accumulated impairment losses	(7,619)	(4,895)	(3,557)
	258,970	222,656	192,087

(a) Included in trade receivables of the Group are amounts due from affiliates of RM9,057,000 (2020: RM2,377,000) for property project management services, provision of landscaping services and related costs provided by subsidiaries, which are unsecured and payable within the credit period in cash and cash equivalents.

(b) The normal trade credit terms granted by the Group range from 7 to 90 days (2020: 7 to 90 days) from date of invoice and progress billing. They are recognised at their original invoiced amounts, which represent their fair values on initial recognition.

25 TRADE AND OTHER RECEIVABLES (CONTINUED)

25.1 Trade receivables (continued)

(c) The reconciliation of movements in provision for impairment losses on trade receivables are as follows:

	Group	
	2021	2020
	RM'000	RM'000
At beginning of financial year	4,895	3,557
Charge for the financial year	3,283	1,497
Reversal	(545)	(138)
Written off	(14)	(21)
At end of financial year	7,619	4,895

25.2 Other receivables, deposits and prepayments

			Group
	30.6.2021	30.6.2020	1.7.2019
	RM'000	RM'000	RM'000
Other receivables	69,379	112,121	100,007
Less: Accumulated impairment losses	(3,656)	(3,245)	(2,246)
	65,723	108,876	97,761
Deposits	52,941	34,732	39,455
Prepayments	16,775	17,434	24,271
	135,439	161,042	161,487

	Company	
	2021	2020
	RM'000	RM'000
Other receivables	20	170
Deposits	15,570	15
Prepayments	50	51
	15,640	236

Included in other receivables of the Group are receivable of RM375,000 (2020: RM4,700,000) in relation to a government grant for the infrastructure costs of certain development projects undertaken by the Group.

Included in deposits of the Group is an amount of RM2,774,000 (2020: RM2,774,000) paid for new land acquisitions.

25 TRADE AND OTHER RECEIVABLES (CONTINUED)

25.2 Other receivables, deposits and prepayments (continued)

(a) The reconciliation of movements in provision for impairment losses on other receivables are as follows:

	Group	
	2021	2020
	RM'000	RM'000
At beginning of financial year	3,245	2,246
Charge for the financial year	652	1,026
Reversal	(231)	-
Written off	(10)	(27)
At end of financial year	3,656	3,245

25.3 Contract costs

	Group		
	30.6.2021	30.6.2020	1.7.2019
	RM'000	RM'000	RM'000
Cost to obtain a contract	13,784	5,112	3,373

Cost to obtain a contract primarily comprises incremental sales commission fees paid to intermediaries as a result of obtaining property development contracts.

Capitalised sales commission fees are amortised when the related revenue is recognised. During the current financial year, the amount of amortisation was RM15,622,000 (2020: RM10,224,000).

The Group applies the practical expedient in paragraph 94 of MFRS 15 and recognises the incremental costs of obtaining contracts as an expense when incurred if the amortisation period of the assets that the Group otherwise would have recognised is one year or less.

26 CONTRACT ASSETS AND CONTRACT LIABILITIES

	Group		
	30.6.2021	30.6.2020	1.7.2019
	RM'000	RM'000	RM'000
Contract assets			
- Property development contracts	109,958	164,994	113,924
- Stakeholder sums	52,765	55,265	102,667
	162,723	220,259	216,591
Contract liabilities			
- Property development contracts	(186,682)	(348,096)	(341,508)
	(23,959)	(127,837)	(124,917)

(a) Property development contracts and stakeholder sums

Contracts assets and contracts liabilities represent the timing differences in revenue recognition and the milestone billings. The milestone billings are structured and/or negotiated with customers to reflect physical completion of the contracts.

Contract assets are transferred to trade receivables when the rights to economic benefits become unconditional. This usually occurs when the Group issues billing to the customer. Contract liabilities are recognised as revenue when performance obligations are satisfied.

Stakeholder sums are payable upon expiry of defect liability period up to 24 months (2020: up to 24 months).

(b) The movements in the contract assets and contract liabilities from property development contracts are as follow:

	Group	
	2021	2020
	RM'000	RM'000
Balance as at 1 July	(183,102)	(227,584)
Net property development revenue recognised	1,314,763	1,125,617
Net progress billing during the financial year	(1,194,259)	(1,080,253)
Foreign currency translation differences	(14,126)	(882)
Balance as at 30 June	(76,724)	(183,102)

26 CONTRACT ASSETS AND CONTRACT LIABILITIES (CONTINUED)

(c) The movement of stakeholder sums

	Group	
	2021	2020
	RM'000	RM'000
Balance as at 1 July	55,265	102,667
Additions	31,951	9,137
Amount transferred to trade receivables	(34,451)	(56,539)
Balance as at 30 June	52,765	55,265

(d) Unsatisfied performance obligations

The following table shows revenue from performance obligations that are unsatisfied (or partially unsatisfied) at the reporting date.

	Group	
	2021	2020
	RM'000	RM'000
Revenue from property development activities		
- Within one year	607,629	560,545
- More than one year	147,324	175,310
	754,953	735,855

27 CASH AND BANK BALANCES

Included in the Group's cash and bank balances are amounts of:

(i) RM156,639,000 (2020: RM118,599,000) held under the Housing Development Account pursuant to Section 7A of the Housing Development (Control and Licensing) Act, 1966 in Malaysia, as amended by the Housing Developers (Housing Development Account) (Amendment) Regulation, 2002 in Malaysia, which can only be used for property development activities.

(ii) RMB93,679,000 (2020: RMB232,035,000), equivalent to approximately RM60,198,000 (2020: RM140,613,000) held under Housing Developers (Project Account) Rules, Fujian Province, Administration of Pre-sale of Commodity Premises Regulations (Revised), in People's Republic of China ("PRC"), which can only be used for property development activities.

28 DEPOSITS WITH FINANCIAL INSTITUTIONS

	Group			Company	
	30.6.2021	30.6.2020	1.7.2019	2021	2020
	RM'000	RM'000	RM'000	RM'000	RM'000
Deposits with financial institutions	277,082	479,891	455,086	100,695	315,014

As at 30 June 2021, the effective interest rates of the Group's and of the Company's short term deposits range from 0.06% to 3.10% and 0.08% to 1.00% per annum (2020: 0.08% to 3.28% and 0.08% to 1.90% per annum) respectively. All short term deposits have average maturity less than three (3) months.

29 SHORT TERM FUNDS

	Group and Company		
	30.6.2021	30.6.2020	1.7.2019
	RM'000	RM'000	RM'000
Investments in fixed income trust funds in Malaysia	263,698	80,588	41

Investments in fixed income trust funds represent investments in highly liquid money market instrument and deposits with financial institution in Malaysia with maturity of less than three (3) months. These short term funds are subject to an insignificant risk of changes in value. The distribution income from these funds is tax exempted.

30 SHARE CAPITAL

	Group and Company			
	2021		2020	
	Number of shares '000	Amount RM'000	Number of shares '000	Amount RM'000
Issued and fully paid-up:				
Ordinary shares with no par value				
At beginning/end of financial year	5,506,145	18,514,233	5,506,145	18,514,233

31 RESERVES

	Group		
	30.6.2021	30.6.2020	1.7.2019
	RM'000	RM'000	RM'000
		Restated	Restated
Foreign currency translation reserve (Note 31.1)	(51,088)	(157,968)	(188,651)
Cash flow hedge reserve (Note 31.2)	(120,658)	(212,312)	(51,217)
Share-based payment reserve (Note 31.3)	-	-	11,775
	(171,746)	(370,280)	(228,093)

	Company	
	2021	2020
	RM'000	RM'000
Cash flow hedge reserve (Note 31.2)	-	(1,075)

31 RESERVES (CONTINUED)

31.1 Foreign currency translation reserve

The foreign currency translation reserve is used to record foreign currency 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.

31.2 Cash flow hedge reserve

The cash flow hedge reserve represents the deferred fair value gains/(losses) relating to derivative financial instruments used to hedge floating rate and certain foreign currency denominated borrowings of the Group.

Movement in the cash flow hedge reserve during the financial year is as follows:

	Group		Company	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
At beginning of financial year	(212,312)	(51,217)	(1,075)	(1,951)
Fair value gain/(loss) on derivatives	93,769	(161,412)	1,754	7,610
Reclassifications (from)/to profit and loss				
- Interest rate differences	(795)	5,683	(446)	88
- Foreign exchange rate differences	(1,320)	(5,366)	(233)	(6,822)
	(2,115)	317	(679)	(6,734)
At end of financial year	(120,658)	(212,312)	-	(1,075)

31.3 Share-based payment reserve

The share-based payment reserve represents the fair value of the equity-settled share options granted to employees. This reserve is made up of the cumulative value of services received from employees recorded on the grant date of share options. In the previous financial year, the Group has transferred the share-option reserve to retained earnings following the expiry of the ESOS on 8 May 2020.

32 BORROWINGS

	Group			Company	
	30.6.2021	30.6.2020	1.7.2019	2021	2020
	RM'000	RM'000	RM'000	RM'000	RM'000
Non-current liabilities					
Unsecured					
Term loans	8,436,108	7,473,761	8,145,209	-	-
Revolving credit	-	-	125,000	-	-
Sukuk Murabahah	2,240,000	2,240,000	1,880,000	-	-
	10,676,108	9,713,761	10,150,209	-	-
Current liabilities					
Unsecured					
Term loans	334,003	1,056,415	649,184	-	99,571
Revolving credit	-	125,000	127,146	-	125,000
Sukuk Murabahah	-	-	399,922	-	-
	334,003	1,181,415	1,176,252	-	224,571
Total borrowings	11,010,111	10,895,176	11,326,461	-	224,571

The range of contractual interest rate per annum as at 30 June 2021 for borrowings are as below:

	Group		Company	
	2021	2020	2021	2020
Term loans	0.98% to 4.85%	0.99% to 5.08%	-	2.19% to 3.78%
Revolving credit	-	4.82%	-	4.82%
Sukuk Murabahah	3.90% to 5.05%	3.90% to 5.05%	-	-

NOTES TO THE FINANCIAL STATEMENTS - 30 JUNE 2021 (CONTINUED)

32 BORROWINGS (CONTINUED)

The maturity profile of borrowings is as follows:

	Fixed interest rate					Floating interest rate					
	< 1 year RM'000	1 - 2 years RM'000	2 - 3 years RM'000	3 - 4 years RM'000	> 4 years RM'000	< 1 year RM'000	1 - 2 years RM'000	2 - 3 years RM'000	3 - 4 years RM'000	> 4 years RM'000	Total RM'000
Group											
2021											
Unsecured:											
Term loans denominated in:											
- Ringgit Malaysia ("RM")	-	-	-	-	-	55,593	-	10,789	57,549	179,078	303,009
- Singapore Dollar ("SGD")*	-	-	-	-	-	-	6,262,044	-	-	617,760	6,879,804
- US Dollar ("USD")*	-	-	-	-	-	276,513	-	-	-	-	276,513
- Renminbi ("RMB")	-	926,731	260,063	-	-	1,897	122,094	-	-	-	1,310,785
	-	926,731	260,063	-	-	334,003	6,384,138	10,789	57,549	796,838	8,770,111
Sukuk Murabahah denominated in:											
- RM	-	350,000	530,000	160,000	1,200,000	-	-	-	-	-	2,240,000
	-	1,276,731	790,063	160,000	1,200,000	334,003	6,384,138	10,789	57,549	796,838	11,010,111

* The Group has entered into interest rate swaps for borrowings of RM276,513,000 (equivalent to USD66.7 million) and RM5,010,034,000 (equivalent to SGD1.6 billion) to hedge against fluctuation in interest rate.

NOTES TO THE FINANCIAL STATEMENTS - 30 JUNE 2021 (CONTINUED)

32 BORROWINGS (CONTINUED)

The maturity profile of borrowings was as follows: (continued)

	Fixed interest rate					Floating interest rate					
	< 1 year RM'000	1 - 2 years RM'000	2 - 3 years RM'000	3 - 4 years RM'000	> 4 years RM'000	< 1 year RM'000	1 - 2 years RM'000	2 - 3 years RM'000	3 - 4 years RM'000	> 4 years RM'000	Total RM'000
Group											
2020											
Unsecured:											
Term loans denominated in:											
- RM	-	-	-	-	-	56,345	56,602	-	-	-	112,947
- SGD*	-	-	-	-	-	615,040	-	6,225,890	-	-	6,840,930
- USD*	-	-	-	-	-	383,819	285,154	-	-	-	668,973
- RMB	-	-	841,878	-	-	1,212	4,848	59,388	-	-	907,326
	-	-	841,878	-	-	1,056,416	346,604	6,285,278	-	-	8,530,176
Revolving credit denominated in:											
- RM	125,000	-	-	-	-	-	-	-	-	-	125,000
Sukuk Murabahah denominated in:											
- RM	-	-	350,000	530,000	1,360,000	-	-	-	-	-	2,240,000
	125,000	-	1,191,878	530,000	1,360,000	1,056,416	346,604	6,285,278	-	-	10,895,176

* Included borrowing of RM99,571,000 (equivalent to USD23.3 million), which the Group has entered into a cross currency interest rate swap, and interest rate swap for borrowings of RM571,362,000 (equivalent to USD133.3 million) and RM4,987,974,000 (equivalent to SGD1.6 billion) to hedge against fluctuation in exchange rate and interest rate.

NOTES TO THE FINANCIAL STATEMENTS - 30 JUNE 2021 (CONTINUED)

32 BORROWINGS (CONTINUED)

The maturity profile of term loans was as follows: (continued)

	Fixed interest rate					Floating interest rate					
	< 1 year	1 - 2 years	2 - 3 years	3 - 4 years	> 4 years	< 1 year	1 - 2 years	2 - 3 years	3 - 4 years	> 4 years	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Company											
2020											
Unsecured:											
Term loans denominated in:											
- USD*	-	-	-	-	-	99,571	-	-	-	-	99,571
Revolving credit denominated in:											
- RM	125,000	-	-	-	-	-	-	-	-	-	125,000
	125,000	-	-	-	-	99,571	-	-	-	-	224,571

* Included borrowings of RM99,571,000 (equivalent to USD23.3 million), which the Company has entered into a cross currency interest rate swap to hedge against fluctuation in exchange rate and interest rate.

33 LEASE LIABILITIES

	Group		
	30.6.2021	30.6.2020	1.7.2019
	RM'000	RM'000	RM'000
Non-current liabilities			
Due later than 1 year	740	2,037	684
Current liabilities			
Due not later than 1 year	1,629	1,453	1,010
	2,369	3,490	1,694

The underlying assets of the lease liabilities are included in property, plant and equipment in Note 15 to the financial statements. Lease contracts are typically entered for fixed periods and the terms are negotiated on an individual basis and contains a wide range of different terms and conditions. The maturity periods of the lease liabilities are disclosed in Note 39.4.2 to the financial statements.

33.1 Leases not included in lease liabilities

Lease liabilities do not include leases of low-value assets and short-term leases. Details of these leases which are charged to profit or loss and included in cash flows from operating activities in the current financial year are as follows:

	Group	
	2021	2020
	RM'000	RM'000
Short-term leases	-	50
Leases of the low-value assets	178	155
	178	205

34 DERIVATIVE FINANCIAL LIABILITIES

The Group's and the Company's derivative financial liabilities are as follows:

	Group			Company	
	30.6.2021	30.6.2020	1.7.2019	2021	2020
	RM'000	RM'000	RM'000	RM'000	RM'000
Derivative designated in hedging relationship					
Non-current liabilities					
- CCIRS as cash flow hedge on a USD denominated borrowing	-	-	(3,581)	-	-
- IRS as cash flow hedge on a USD denominated borrowing	-	(2,241)	(721)	-	-
- IRS as cash flow hedge on a SGD denominated borrowing	(45,426)	(126,523)	(39,212)	-	-
	(45,426)	(128,764)	(39,933)	-	-
	(45,426)	(128,764)	(43,514)	-	-
Current liabilities					
- CCIRS as cash flow hedge on a USD denominated borrowing	-	(1,754)	(5,783)	-	(1,754)
- IRS as cash flow hedge on a USD denominated borrowing	(2,230)	(6,247)	2,569	-	-
- IRS as cash flow hedge on a SGD denominated borrowing	(79,304)	(82,526)	(10,953)	-	-
	(81,534)	(88,773)	(8,384)	-	-
	(81,534)	(90,527)	(14,167)	-	(1,754)

34 DERIVATIVE FINANCIAL LIABILITIES (CONTINUED)

The details of the CCIRS are set out as below:

Commencement/ Maturity date	Contract/Notional amount		Exchange rate	Interest rate
	2021 RM'000	2020 RM'000		
27 January 2016/ 26 January 2021	-	100,000	The Group and the Company pay RM in exchange for receiving USD at predetermined exchange rate of RM4.295/USD according to the scheduled principal and quarterly interest repayment of the USD borrowing as disclosed in Note 32 to the financial statements	The Group and the Company pay a fixed interest rate of 4.78% per annum in exchange for receiving LIBOR plus a spread on the outstanding principal amount.

The details of the IRS are set out as below:

Commencement/ Maturity date	Contract/Notional amount		Interest rate
	2021 RM'000	2020 RM'000	
18 May 2017/ 1 December 2021	276,513	571,362	The Group pays a fixed interest rate of 2.95% per annum in exchange for receiving LIBOR plus a spread on the outstanding principal amount as disclosed in Note 32 to the financial statements.
3 December 2018/ 8 March 2023	1,544,400	1,537,600	The Group pays a fixed interest rate of 3.00% per annum in exchange for receiving SOR plus a spread on the contract amount as disclosed in Note 32 to the financial statements.
7 December 2018/ 8 March 2023	617,760	615,040	The Group pays a fixed interest rate of 2.98% per annum in exchange for receiving SOR plus a spread on the contract amount as disclosed in Note 32 to the financial statements.
9 January 2019/ 8 March 2023	926,640	922,560	The Group pays a fixed interest rate of 2.88% per annum in exchange for receiving SOR plus a spread on the contract amount as disclosed in Note 32 to the financial statements.
13 December 2019/ 8 March 2023	1,544,400	1,537,600	The Group pays a fixed interest rate of 2.28% per annum in exchange for receiving SOR plus a spread on the contract amount as disclosed in Note 32 to the financial statements.
13 March 2020/ 8 March 2023	376,834	375,174	The Group pays a fixed interest rate of 2.28% per annum in exchange for receiving SOR plus a spread on the contract amount as disclosed in Note 32 to the financial statements.

34 DERIVATIVE FINANCIAL LIABILITIES (CONTINUED)

The settlement dates of the CCIRS and IRS coincide with the dates on which principal and interest are payable on the underlying borrowing and settlement.

35 TRADE AND OTHER PAYABLES

	Group			Company	
	30.6.2021	30.6.2020	1.7.2019	2021	2020
	RM'000	RM'000	RM'000	RM'000	RM'000
Non-current					
Trade payables (Note 35.1)	38,903	30,704	29,709	-	-
Current					
Trade payables and accruals (Note 35.1)	887,896	923,291	847,928	-	-
Other payables and accruals (Note 35.2)	192,969	152,764	135,793	925	2,366
Provisions (Note 35.3)	-	-	41,390	-	-
	1,080,865	1,076,055	1,025,111	925	2,366

35.1 Trade payables and accruals

	Group		
	30.6.2021	30.6.2020	1.7.2019
	RM'000	RM'000	RM'000
Current			
Trade payables	344,723	365,682	409,250
Accruals	488,740	498,939	374,976
Deposits	54,433	58,670	63,702
	887,896	923,291	847,928

The Group's non-current trade payables are in relation to deposits received from tenants. The discounting impact is immaterial.

Included in trade payables of the Group are retention monies of RM188,175,000 (2020: RM223,685,000). The retention monies are repayable upon expiry of the defect liability period up to 24 months (2020: up to 24 months).

35 TRADE AND OTHER PAYABLES (CONTINUED)

35.2 Other payables and accruals

	Group			Company	
	30.6.2021	30.6.2020	1.7.2019	2021	2020
	RM'000	RM'000	RM'000	RM'000	RM'000
Current					
Other payables	69,562	38,094	51,028	4	-
Accruals	123,407	114,670	84,765	921	2,366
	192,969	152,764	135,793	925	2,366

35.3 Provisions

	Group	
	2021	2020
	RM'000	RM'000
As at 1 July	-	41,390
Reversal during the financial year	-	(26,185)
Utilisation during the financial year	-	(15,205)
As at 30 June	-	-

The provision was in relation to the present obligation to provide affordable housing where the unavoidable costs of meeting the obligation exceed the economic benefits expected to be recovered from the purchasers of the affordable housing.

In the previous financial year, the Group has reversed its provision for statutory development following the issuance of an Addendum to FRSIC Consensus 17 - Development of Affordable Housing by the Malaysian Institute of Accountants.

36 CASH AND CASH EQUIVALENTS

Cash and cash equivalents at end of financial year comprise:

	Group			Company	
	30.6.2021	30.6.2020	1.7.2019	2021	2020
	RM'000	RM'000	RM'000	RM'000	RM'000
Cash and bank balances (Note 27)	1,307,428	911,506	1,121,758	91,861	94,554
Deposits with financial institutions (Note 28)	277,082	479,891	455,086	100,695	315,014
Short term funds (Note 29)	263,698	80,588	41	263,698	80,588
	1,848,208	1,471,985	1,576,885	456,254	490,156

37 SIGNIFICANT RELATED PARTY DISCLOSURES

37.1 Identities of related parties

Parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Related parties of the Group include:

i. Vertical Capacity Sdn. Bhd. ("VCSB") is the ultimate holding company;
ii. Direct and indirect subsidiaries as disclosed in Note 43 to the financial statements;
iii. Direct and indirect subsidiaries of the ultimate holding company;
iv. Associate and joint ventures as disclosed in Note 43 to the financial statements;
v. Key management personnel which is the Directors and officers of the Company whom having authority and responsibility for planning, directing and controlling the activities of the Group and of the Company directly or indirectly; and
vi. Affiliates, companies in which the Directors who are also the substantial shareholders of the Company have substantial shareholdings interest, including IOI Corporation Berhad and its subsidiaries.

37.2 Significant related party transactions

In addition to the transactions detailed elsewhere in the financial statements, the Group and the Company had undertaken the following transactions with related parties during the financial year:

	Group	
	2021	2020
	RM'000	RM'000
Affiliates		
Property project management services	2,290	826
Rental income	4,777	5,187
Sales of plant and landscaping services	462	547
Sales of palm products	45,149	29,132
Agency fees expense	(2,169)	(1,603)
Management services fee	(7,473)	(8,980)
Rental expenses	(179)	(165)
Associate		
Dividend income	45,109	9,412

37 SIGNIFICANT RELATED PARTY DISCLOSURES (CONTINUED)

37.2 Significant related party transactions (continued)

In addition to the transactions detailed elsewhere in the financial statements, the Group and the Company had undertaken the following transactions with related parties during the financial year: (continued)

	Group	
	2021	2020
	RM'000	RM'000
Joint ventures		
Interest income	7,574	10,514
Property project management services	563	634
Sales of plant and landscaping services	-	14

	Company	
	2021	2020
	RM'000	RM'000
Subsidiaries		
Dividend income	140,297	11,000
Interest income	7,013	12,188
Interest expense	(14,823)	(25,785)
Management fees	(1,068)	(1,056)

The related party transactions described above were carried out on terms and conditions negotiated and agreed between the parties.

Information regarding outstanding balances arising from related party transactions as at 30 June 2021 are disclosed in Notes 19.2, 19.4, 21.3 and 25.1 to the financial statements.

37 SIGNIFICANT RELATED PARTY DISCLOSURES (CONTINUED)

37.3 Key management personnel compensation

The remuneration of key management personnel during the financial year is as follows:

	Group		Company	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Directors				
Fees	1,200	1,190	1,200	1,190
Salaries and bonuses	11,581	9,711	110	101
Defined contribution plan	1,311	1,153	-	-
Estimated monetary value of benefits-in-kind	234	208	-	-
	14,326	12,262	1,310	1,291
Officers				
Salaries and bonuses	5,878	2,716	-	-
Defined contribution plan	703	323	-	-
Estimated monetary value of benefits-in-kind	44	54	-	-
	6,625	3,093	-	-
	20,951	15,355	1,310	1,291

38 CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that entities of the Group are able to continue as going concern while maximising the return to shareholders through the optimisation of the debt and equity mix.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. Capital of the Group comprises equity and borrowings. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the financial years ended 30 June 2021 and 30 June 2020.

The Group and the Company use the gearing ratio to assess the appropriateness of its debt level. The ratio is calculated as total debt divided by equity attributable to owners of the Company.

	Group		Company	
	2021	2020	2021	2020
	RM'000	RM'000 Restated	RM'000	RM'000
Borrowings (Note 32)	11,010,111	10,895,176	-	224,571
Less: Cash and cash equivalents (Note 36)	(1,848,208)	(1,471,985)	(456,254)	(490,156)
Net debt/(Net cash)	9,161,903	9,423,191	(456,254)	(265,585)
Equity	19,558,369	18,782,218	18,976,165	18,934,134
Gearing ratio	0.47	0.50	*	*

* Not applicable as the Company's cash and cash equivalents exceeds its borrowings.

The Group and the Company are subject to certain externally imposed requirements in the form of loan covenants. The Group and the Company monitor gearing ratios and compliance with loan covenants based on the terms of the respective loan agreements. The Group and the Company have complied with loan covenants during and as at the financial year.

39 FINANCIAL INSTRUMENTS

Financial risk management objectives and policies

The Group's activities expose it to a variety of financial risks such as market risk (including foreign currency exchange risk and interest rate risk), credit risk and liquidity and cash flow risk. The Group's overall financial risk management objective is to ensure that the Group creates value for its shareholders whilst minimising 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 the Group's financial risk management policies. The management regularly reviews these risks and approves the treasury policies, which covers the management of these risks.

39 FINANCIAL INSTRUMENTS (CONTINUED)

39.1 Foreign currency risk

The Group operates internationally and is exposed to various currencies, mainly Singapore Dollar ("SGD"), US Dollar ("USD") and Renminbi ("RMB"). Foreign currency denominated assets and liabilities give rise to foreign currency exposures.

The Group's foreign currency risk management objective is to minimise foreign currency exposure that gives rise to economic impact, both at transaction and reporting period translation levels.

39.1.1 Risk management approach

The Group maintains a natural hedge, whenever possible, by borrowing in the currency of the country, in which the property or investment is located or by borrowing in currencies that match the future revenue stream to be generated from its investments.

CCIRS is used to hedge the volatility in the cash flow attributable to variability in the foreign currency denominated borrowings from the inception to maturity of the borrowings.

Foreign currency exposures in transactional currencies other than functional currencies of the operating entities are kept to an acceptable level.

39.1.2 Foreign currency risk exposure

The Group and the Company are not exposed to significant foreign currency risk as the majority of the Group's and the Company's transactions, assets and liabilities are denominated in the functional currencies of the respective entities within the Group except for the SGD deposits, USD borrowings and intercompany advances.

As defined by MFRS 7 'Financial Instruments: Disclosure', currency risks arise on account of monetary assets and liabilities being denominated in a currency that is not the functional currency.

39 FINANCIAL INSTRUMENTS (CONTINUED)

39.1 Foreign currency risk (continued)

39.1.2 Foreign currency risk exposure (continued)

As at 30 June 2021, the Group's and the Company's net monetary (liabilities)/assets are as tabled below.

The effects to the Group's and the Company's profit before tax, had these foreign currencies denominated net monetary (liabilities)/assets strengthened by 5% against RM, are as follows:

	Group		Company	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Net monetary (liabilities)/ assets denominated in				
- USD	(270,596)	(562,853)	122	128
- SGD	217,136	326,320	188,608	315,344
(Decrease)/Increase in profit or loss if the currency had strengthened by 5% (2020: 5%)				
- USD	(13,530)	(28,143)	6	6
- SGD	10,857	16,316	9,430	15,767
Net exposure	(2,673)	(11,827)	9,436	15,773

Except as disclosed above, other foreign currency exchange risks exposures are not material and did not have any significant impact on the financial statements of the Group and of the Company as at 30 June 2021, hence sensitivity analysis is not presented.

39.2 Interest rate risk

The Group's interest rate risk arises from its interest-bearing financial instruments that could impact fair value and future cash flows due to fluctuation in market interest rates.

The Group's objective on interest rate risk management is to achieve a balance in repricing risks and the optimisation of its cost of funds whilst ensuring sufficient liquidity to meet funding needs.

39 FINANCIAL INSTRUMENTS (CONTINUED)

39.2 Interest rate risk (continued)

39.2.1 Risk management approach

The Group actively reviews its debt portfolio, taking into account the nature and requirements of its businesses as well as the current business and economic environment. This strategy allows it to achieve an optimum cost of capital whilst locking in long term funding rates for long term investments.

Funds held for liquidity purposes and temporary surpluses are placed in short term interest-bearing financial instruments.

39.2.2 Interest rate risk exposure

The exposure of the Group to interest rate risk arises primarily from cash held in Housing Development Accounts, short term deposits with financial institutions and investments in fixed income trust funds. The Group considers the risk of significant changes to interest rates on those deposits to be unlikely.

The exposure of the Group and of the Company to interest risk arises primarily from their borrowings and loans. The Group and the Company manage their interest rate exposure by monitoring a mix of fixed and floating rate borrowings. The Group and the Company also entered into CCIRS and IRS to hedge the floating rate interest payable on borrowings as disclosed in Note 34 to the financial statements.

As at 30 June 2021, after taking into account the effect of IRS, the borrowings of the Group of RM2,296,770,000 (2020: RM2,029,391,000) are at floating interest rates.

As at 30 June 2021, the net amounts due to subsidiaries of the Company of RM361,292,000 (2020: RM158,460,000) are at floating interest rates.

39.2.3 Sensitivity analysis

Sensitivity analysis on interest rate is applied on floating rate financial instruments only, as the carrying amount of fixed rate financial instruments are measured at amortised cost.

A 50 basis points movement in interest rates of the borrowings would increase or decrease the additions to land held for property development, property development costs, property, plant and equipment and investment properties arising from capitalised borrowing costs of the Group by approximately RM11,484,000 (2020: RM10,147,000). The interest expense would be charged to profit or loss based on percentage of completion method. The interest rate risk exposure to the profit or loss is deemed immaterial to the Group, hence sensitivity analysis is not presented.

A 50 basis points movement in interest rates of the net amounts due to subsidiaries would decrease or increase the profit or loss of the Company by approximately RM1,806,000 (2020: RM792,000).

39 FINANCIAL INSTRUMENTS (CONTINUED)

39.3 Credit risk

The Group's credit risk exposure is mainly related to external counter-party credit risk on monetary financial assets and trade credits. Credit risk is managed at the business unit level, but macro group-wide policies on the granting of credit and credit control are issued and monitored centrally, such as those relating to credit risk concentration, adequacy of formal credit rating and evaluation of counter parties, credit impairment and unit level credit control performance.

The Group's objective on credit risk management is to avoid significant exposure to any individual customer or counter party and to minimise concentration of credit risk.

39.3.1 Risk management approach

Credit risk or financial loss from the failure of customers or counter parties to discharge their financial and contractual obligations from trade credits is managed through the application of credit approvals, credit limits, insurance programmes and monitoring procedures on an on-going basis. If necessary, the Group may obtain collateral from counter parties as a mean of mitigating losses in the event of default.

The Group's credit risk varies with the different classes of counter-parties as outlined below:

(i) Property

Generally, property units sold are progressively invoiced and settled by end-buyers' financiers posing minimal credit risk. Property investment, hospitality and leisure segments for which sales are generally cash settled; and the rental property sub-segment which poses a certain degree of collection risk in correlation with the macroeconomic environment.

Policies and procedures

(a) Tail-end progress billings on property units sold that serve as retention sum are closely monitored and claimed upon expiry of defect liability period;

(b) Credit granted for corporate clients in the hospitality segment are duly assessed and selectively approved with established limits;

(c) All tenants of its investment properties are subjected to deposits requirement averaging one (1) to five (5) months rental; and

(d) Credit exposure is monitored on limits and aging, managed and reviewed periodically. Debtors with emerging credit problems are identified early and remedial actions are taken promptly to minimise further exposure and to restore past due status.

39 FINANCIAL INSTRUMENTS (CONTINUED)

39.3 Credit risk (continued)

39.3.1 Risk management approach (continued)

(i) Property (continued)

Collateral and credit enhancement

In general, a combination of:

(a) Title retention and conveyance on clearance for property development;

(b) Security deposits for rental segment; and

(c) Cash deposits/advance for hospitality segment.

(ii) Financial institutions and exchanges

The Group places its working capital and surplus funds in current accounts, money market, time-deposits with financial institutions; and investment in fixed income trust fund managed by licensed financial institutions. Beyond the minimal deposit guarantee offered by certain sovereign nation's deposit insurance schemes, the Group is exposed to a degree of counter-parties' credit risk in times of severe economic or financial crisis.

Policies and procedures

(a) Funds are mainly placed with licensed financial institutions with credit rating of "A- and above"; and

(b) Funds placements are centrally monitored, and where applicable are spread out based on location need.

Collateral and credit enhancement

In general, a combination of:

(a) National deposit insurance; and

(b) Fidelity guarantee.

In general, all business units of the Group have a comprehensive policy that governs the need for formal credit rating system and evaluation on counter parties prior to any contractual arrangement that would result in credit risk exposure. Besides exposure amount, credit risk is also measured and monitored by way of credit quality segregation, past due aging analysis, and limits breach alerts.

39 FINANCIAL INSTRUMENTS (CONTINUED)

39.3 Credit risk (continued)

39.3.2 Credit risk exposures and concentration

(i) Exposure to credit risk – trade and other receivables and contract assets

The Group does not have any significant credit risk from its property development activities as sale of development properties are made to large number of property purchasers with end financing facilities from reputable end-financiers, and the ownership and rights to the properties revert to the Group in the event of default.

Credit risk arising from the Group's property investment segment is limited as all tenants of its investment properties are subjected to security deposits requirement averaging one (1) to five (5) months rental.

The other receivables and contract assets impairment are assessed individually to determine whether there was objective evidence that an impairment had been incurred but not yet identified. The Group's other receivables mainly comprise of deposits placed with utilities companies and local authorities. The Group applies the 3-stage approach, which utilises three (3) categories (performing, under-performing and non-performing) to reflect the credit risk and how loss allowance is determined for each of the categories. The Group has determined that the other receivables are performing, and there is no indication that the amounts are not collectible and therefore the ECL allowance is immaterial.

(ii) Exposure to credit risk - cash and cash equivalents

Credit risk from cash and cash equivalents is generally low as the counter-parties involved are reputable financial institutions.

(iii) Exposure to credit risk – related party balances

Credit risk with respect to amounts due from joint ventures and subsidiaries are assessed to be low as the significant amounts due are from companies which have sufficient liquid assets to repay the loan if demanded. Hence, the impact of ECL is immaterial.

At the end of the reporting period, the maximum exposure of the Group and of the Company to credit risk is represented by the carrying amount of each class of financial assets recognised on the statement of financial position.

Credit risk concentration profile

Concentrations of credit risk with respect of trade and other receivables are limited due to the Group's large number of customers, who are dispersed over a broad spectrum of industries and businesses.

39 FINANCIAL INSTRUMENTS (CONTINUED)

39.3 Credit risk (continued)

39.3.2 Credit risk exposures and concentration (continued)

The credit risk concentration of the Group is mainly in the "receivables" class of assets, except for non-refundable deposits, prepayments, contract costs, goods and services tax and value added tax, and this is further analysed below to reveal the credit risk concentration by geographic location and business segment.

	Property development		Property investment		Hospitality & leisure and others		Total	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Group								
2021								
Malaysia	171,768	52%	31,270	99%	8,705	91%	211,743	57%
Asia (excluding Malaysia)	161,508	48%	258	1%	875	9%	162,641	43%
	333,276	100%	31,528	100%	9,580	100%	374,384	100%
2020								
Malaysia	103,998	40%	24,176	99%	10,881	93%	139,055	47%
Asia (excluding Malaysia)	156,424	60%	262	1%	850	7%	157,536	53%
	260,422	100%	24,438	100%	11,731	100%	296,591	100%

39 FINANCIAL INSTRUMENTS (CONTINUED)

39.3 Credit risk (continued)

39.3.2 Credit risk exposures and concentration (continued)

The following table provides information about the Group's and Company's exposure of credit risk and expected credit losses for trade and other receivables (excluding non-refundable deposits, prepayments, contract costs, goods and services tax and value added tax) and contract assets as at 30 June 2021 which are grouped together as they are expected to have similar risk nature.

		Past due			
	Not past due	Less than 90 days	Between 91 to 120 days	More than 120 days	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
Group					
2021					
Trade and other receivables	292,260	50,902	-	42,497	93,399
Contract assets	162,723	-	-	-	-
Amounts due from joint ventures	538,551	-	-	-	-
	993,534	50,902	-	42,497	93,399
Individual impairment	-	-	-	(11,275)	(11,275)
Net total	993,534	50,902	-	31,222	82,124

NOTES TO THE FINANCIAL STATEMENTS - 30 JUNE 2021 (CONTINUED)

39 FINANCIAL INSTRUMENTS (CONTINUED)

39.3 Credit risk (continued)

39.3.2 Credit risk exposures and concentration (continued)

The following table provides information about the Group's and Company's exposure of credit risk and expected credit losses for trade and other receivables (excluding non-refundable deposits, prepayments, contract costs, goods and services tax and value added tax) and contract assets as at 30 June 2021 which are grouped together as they are expected to have similar risk nature. (continued)

		Past due			
	Not past due	Less than 90 days	Between 91 to 120 days	More than 120 days	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
Group					
2020					
Trade and other receivables	232,680	37,506	846	33,699	72,051
Contract assets	220,259	-	-	-	-
Amounts due from joint ventures	564,595	-	-	-	-
Interest in redeemable preference shares in an associate	53,070	-	-	-	-
	1,070,604	37,506	846	33,699	72,051
Individual impairment	-	-	-	(8,140)	(8,140)
Net total	1,070,604	37,506	846	25,559	63,911

39 FINANCIAL INSTRUMENTS (CONTINUED)

39.3 Credit risk (continued)

39.3.2 Credit risk exposures and concentration (continued)

The following table provides information about the Group's and Company's exposure of credit risk and expected credit losses for trade and other receivables (excluding non-refundable deposits, prepayments, contract costs, goods and services tax and value added tax) and contract assets as at 30 June 2021 which are grouped together as they are expected to have similar risk nature. (continued)

	Company	
	2021	2020
	RM'000	RM'000
Not past due		
Trade and other receivables	15,590	185
Amounts due from subsidiaries	5	232,853
Net total	15,595	233,038

39 FINANCIAL INSTRUMENTS (CONTINUED)

39.4 Liquidity and cash flow risk

Liquidity and cash flow risk arise when financial resources are insufficient to meet financial obligations as and when they fall due, or have to be met at excessive cost.

The Group's liquidity risk management objective is to ensure that all foreseeable funding commitments can be met as and when due in a cost-effective manner.

39.4.1 Risk management approach

The Group leverages on IOI Properties Group Berhad ("IOIPG") as the public listed parent company whereby treasury related activities are centralised and where the optimal weighted average costs of funds is managed. The Company, as a parent company plays a central liquidity management role where the Group's longer term funding requirements are managed based on business and liquidity needs, whilst the day-to-day operational liquidity needs are decentralised at the business unit level. The Group practises an arm's-length market based policy with regard to funding costs.

The Group actively manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure all operating, investing and financing needs are met. To mitigate liquidity risk, management measures and forecasts its cash commitments, monitors and maintains a level of cash and cash equivalents deemed adequate to finance the Group's operations and investment activities. In addition, the Group strives to maintain available banking facilities at a reasonable level against its overall debt position. As at 30 June 2021, the Group has undrawn banking facilities of RM10,503,950,000 (2020: RM10,330,716,000).

The Group manages its liquidity risk with a combination of the following methods:

(i) Maintain a balanced contractual maturity profile of financial assets to meet financial liabilities (particularly on near and immediate term maturity);

(ii) Maintain a diversified range of funding sources with adequate back-up facilities;

(iii) Maintain debt financing and servicing plan; and

(iv) Maintain medium to long term cash flow planning incorporating funding positions and requirements of all its subsidiaries.

39 FINANCIAL INSTRUMENTS (CONTINUED)

39.4 Liquidity and cash flow risk (continued)

39.4.1 Risk management approach (continued)

As a group's policy, all business units conform to the following processes in ensuring its liquidity profiles are balanced and that all its obligations can be met when due:

(i) Perform annual cash flow budgeting and medium term cash flow planning, in which the timing of operational cash flows and its resulting surplus or deficit are reasonably determined. The aggregation of these allows for an overview of the Group's forecast cash flow and liquidity position, which in turn facilitates further consolidated cash flow planning;

(ii) Manage contingent liquidity commitment and exposures;

(iii) Monitor liquidity ratios against internal thresholds;

(iv) Manage working capital for efficient use of funds and optimise cash conversion cycle; and

(v) Manage concentration and maturity profile of both financial and non-financial liabilities.

39 FINANCIAL INSTRUMENTS (CONTINUED)

39.4 Liquidity and cash flow risk (continued)

39.4.2 Liquidity risk exposure

The following table details the maturity profile of the Group's and of the Company's financial liabilities at the end of the reporting period based on contractual undiscounted repayment obligations:

	Less than 1 year	1 - 2 years	2 - 3 years	3 - 4 years	More than 4 years	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Group						
2021						
Financial liabilities						
Trade and other payables*	1,072,099	38,903	-	-	-	1,111,002
Borrowings	649,497	7,925,403	893,720	294,526	2,040,279	11,803,425
Lease liabilities	1,640	587	91	73	-	2,391
Derivative financial liabilities	81,654	45,664	-	-	-	127,318
	1,804,890	8,010,557	893,811	294,599	2,040,279	13,044,136
2020						
Financial liabilities						
Trade and other payables*	1,075,524	30,704	-	-	-	1,106,228
Borrowings	1,413,632	560,610	7,672,586	602,995	1,442,606	11,692,429
Lease liabilities	1,560	1,424	536	67	67	3,654
Derivative financial liabilities	90,637	78,764	50,655	-	-	220,056
	2,581,353	671,502	7,723,777	603,062	1,442,673	13,022,367

* Includes retention monies of RM188,175,000 (2020: RM223,685,000) which are repayable within the normal operating cycle i.e. upon expiry of the defect liability period of up to 24 months (2020: up to 24 months).

NOTES TO THE FINANCIAL STATEMENTS - 30 JUNE 2021 (CONTINUED)

39 FINANCIAL INSTRUMENTS (CONTINUED)

39.4 Liquidity and cash flow risk (continued)

39.4.2 Liquidity risk exposure (continued)

The following table details the maturity profile of the Group's and of the Company's financial liabilities at the end of the reporting period based on contractual undiscounted repayment obligations: (continued)

	Less than 1 year	1 - 2 years	2 - 3 years	3 - 4 years	More than 4 years	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Company						
2021						
Financial liabilities						
Amounts due to subsidiaries	308,518	5,027	104,769	-	-	418,314
Trade and other payables	925	-	-	-	-	925
	309,443	5,027	104,769	-	-	419,239
2020						
Financial liabilities						
Amounts due to subsidiaries	159,051	13,646	13,646	284,409	-	470,752
Trade and other payables	2,366	-	-	-	-	2,366
Borrowings	229,747	-	-	-	-	229,747
Derivative financial liability	1,761	-	-	-	-	1,761
	392,925	13,646	13,646	284,409	-	704,626

Financial liabilities contractual maturity periods exceeding 12 months are within comfortable levels, and should be well covered by its annual free cash flow to be generated from its operations.

39 FINANCIAL INSTRUMENTS (CONTINUED)

39.5 Fair values

(a) Methods and assumptions used to estimate fair value

The fair values of financial assets and financial liabilities are determined as follows:

(i) Financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value.

Except as otherwise disclosed, the carrying amounts of the current financial assets and liabilities are disclosed at reasonable approximation of its fair value due to their short term nature.

(ii) Fixed rate borrowings

The fair value of these financial instruments are estimated by discounting expected future cash flows at market incremental lending rate for similar types of borrowing at the end of each reporting period.

(b) Fair value hierarchy

Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the end of the reporting period.

Level 3 fair value measurements are those derived from inputs for the asset or liability that are not based on observable market data (unobservable inputs).

39 FINANCIAL INSTRUMENTS (CONTINUED)

39.5 Fair values (continued)

(b) Fair value hierarchy (continued)

The following tables set out the financial instruments carried at fair value and those not carried at fair value for which fair value is disclosed, together with their fair values and carrying amounts shown in the statement of financial position.

	Fair value of financial instruments carried at fair value				Fair value of financial instruments not carried at fair value				Total fair value	Carrying amount
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Group										
2021										
Financial assets										
Amortised costs										
- Amounts due from joint ventures	-	-	-	-	-	515,182	-	515,182	515,182	515,182
Fair value through profit or loss										
- Short term funds	263,698	-	-	263,698	-	-	-	-	263,698	263,698
	263,698	-	-	263,698	-	515,182	-	515,182	778,880	778,880
Financial liabilities										
Financial liabilities carried at amortised costs										
- Borrowings	-	-	-	-	-	11,004,386	-	11,004,386	11,004,386	11,010,111
- Trade and other payables	-	-	-	-	-	38,903	-	38,903	38,903	38,903
Fair value through profit or loss										
- Derivative financial liabilities	-	126,960	-	126,960	-	-	-	-	126,960	126,960
	-	126,960	-	126,960	-	11,043,289	-	11,043,289	11,170,249	11,175,974

39 FINANCIAL INSTRUMENTS (CONTINUED)

39.5 Fair values (continued)

(b) Fair value hierarchy (continued)

The following tables set out the financial instruments carried at fair value and those not carried at fair value for which fair value is disclosed, together with their fair values and carrying amounts shown in the statement of financial position. (continued)

	Fair value of financial instruments carried at fair value				Fair value of financial instruments not carried at fair value				Total fair value	Carrying amount
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Group										
2020										
Financial assets										
Amortised costs										
- Interest in redeemable preference shares in an associate	-	-	-	-	-	53,070	-	53,070	53,070	53,070
- Amounts due from joint ventures	-	-	-	-	-	564,114	-	564,114	564,114	564,114
Fair value through profit or loss										
- Short term funds	80,588	-	-	80,588	-	-	-	-	80,588	80,588
	80,588	-	-	80,588	-	617,184	-	617,184	697,772	697,772
Financial liabilities										
Financial liabilities carried at amortised costs										
- Borrowings	-	-	-	-	-	11,018,411	-	11,018,411	11,018,411	10,895,176
- Trade and other payables	-	-	-	-	-	30,704	-	30,704	30,704	30,704
Fair value through profit or loss										
- Derivative financial liabilities	-	219,291	-	219,291	-	-	-	-	219,291	219,291
	-	219,291	-	219,291	-	11,049,115	-	11,049,115	11,268,406	11,145,171

NOTES TO THE FINANCIAL STATEMENTS - 30 JUNE 2021 (CONTINUED)

39 FINANCIAL INSTRUMENTS (CONTINUED)

39.5 Fair values (continued)

(b) Fair value hierarchy (continued)

The following tables set out the financial instruments carried at fair value and those not carried at fair value for which fair value is disclosed, together with their fair values and carrying amounts shown in the statement of financial position. (continued)

	Fair value of financial instruments carried at fair value				Fair value of financial instruments not carried at fair value				Total fair value	Carrying amount
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Company										
2021										
Financial assets										
Fair value through profit or loss										
- Short term funds	263,698	-	-	263,698	-	-	-	-	263,698	263,698
	263,698	-	-	263,698	-	-	-	-	263,698	263,698
Financial liabilities										
Financial liabilities carried at amortised costs										
- Amount due to a subsidiary	-	-	-	-	-	99,742	-	99,742	99,742	99,742
	-	-	-	-	-	99,742	-	99,742	99,742	99,742

NOTES TO THE FINANCIAL STATEMENTS - 30 JUNE 2021 (CONTINUED)

39 FINANCIAL INSTRUMENTS (CONTINUED)

39.5 Fair values (continued)

(b) Fair value hierarchy (continued)

The following tables set out the financial instruments carried at fair value and those not carried at fair value for which fair value is disclosed, together with their fair values and carrying amounts shown in the statement of financial position. (continued)

	Fair value of financial instruments carried at fair value				Fair value of financial instruments not carried at fair value				Total fair value	Carrying amount
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Company										
2020										
Financial assets										
Fair value through profit or loss										
- Short term funds	80,588	-	-	80,588	-	-	-	-	80,588	80,588
	80,588	-	-	80,588	-	-	-	-	80,588	80,588
Financial liabilities										
Financial liabilities carried at amortised costs										
- Borrowings	-	-	-	-	-	225,166	-	225,166	225,166	224,571
- Amount due to a subsidiary	-	-	-	-	-	270,763	-	270,763	270,763	270,763
Fair value through profit or loss										
- Derivative financial liability	-	1,754	-	1,754	-	-	-	-	1,754	1,754
	-	1,754	-	1,754	-	495,929	-	495,929	497,683	497,088

39 FINANCIAL INSTRUMENTS (CONTINUED)

39.6 Classification of financial instruments

The financial assets and liabilities are classified into the following categories after initial recognition for the purpose of subsequent measurement:

	Amortised costs	Fair value through profit or loss	Total
	RM'000	RM'000	RM'000
Financial assets			
Group			
2021			
Trade and other receivables, net of goods and service tax, non-refundable deposits and prepayments	374,384	-	374,384
Amounts due from joint ventures	538,551	-	538,551
Short term funds	-	263,698	263,698
Deposits with financial institutions	277,082	-	277,082
Cash and bank balances	1,307,428	-	1,307,428
	2,497,445	263,698	2,761,143
2020			
Trade and other receivables, net of goods and service tax, non-refundable deposits and prepayments	296,591	-	296,591
Amounts due from joint ventures	564,595	-	564,595
Interest in redeemable preference shares in an associate	53,070	-	53,070
Short term funds	-	80,588	80,588
Deposits with financial institutions	479,891	-	479,891
Cash and bank balances	911,506	-	911,506
	2,305,653	80,588	2,386,241

39 FINANCIAL INSTRUMENTS (CONTINUED)

39.6 Classification of financial instruments (continued)

The financial assets and liabilities are classified into the following categories after initial recognition for the purpose of subsequent measurement: (continued)

	Amortised costs	Fair value through profit or loss	Total
	RM'000	RM'000	RM'000
Financial assets			
Company			
2021			
Trade and other receivables, net of prepayments	15,590	-	15,590
Amount due from a subsidiary	5	-	5
Short term funds	-	263,698	263,698
Deposits with financial institutions	100,695	-	100,695
Cash and bank balances	91,861	-	91,861
	208,151	263,698	471,849
2020			
Trade and other receivables, net of prepayments	185	-	185
Amounts due from subsidiaries	232,853	-	232,853
Short term funds	-	80,588	80,588
Deposits with financial institutions	315,014	-	315,014
Cash and bank balances	94,554	-	94,554
	642,606	80,588	723,194

39 FINANCIAL INSTRUMENTS (CONTINUED)

39.6 Classification of financial instruments (continued)

The financial assets and liabilities are classified into the following categories after initial recognition for the purpose of subsequent measurement: (continued)

	Financial liabilities at amortised costs	Fair value through profit or loss	Total
	RM'000	RM'000	RM'000
Financial liabilities			
Group			
2021			
Borrowings	11,010,111	-	11,010,111
Trade and other payables*	1,111,002	-	1,111,002
Derivative financial liabilities	-	126,960	126,960
Lease liabilities	2,369	-	2,369
	12,123,482	126,960	12,250,442
2020			
Borrowings	10,895,176	-	10,895,176
Trade and other payables*	1,106,228	-	1,106,228
Derivative financial liabilities	-	219,291	219,291
Lease liabilities	3,490	-	3,490
	12,004,894	219,291	12,224,185
Company			
2021			
Trade and other payables	925	-	925
Amounts due to subsidiaries	402,898	-	402,898
	403,823	-	403,823
2020			
Borrowings	224,571	-	224,571
Trade and other payables	2,366	-	2,366
Amounts due to subsidiaries	426,467	-	426,467
Derivative financial liability	-	1,754	1,754
	653,404	1,754	655,158

*Excludes provisions and goods and services tax.

40 COMMITMENTS

40.1 Capital commitments

	Group	
	2021	2020
	RM'000	RM'000
Authorised capital expenditure not provided for in the financial statements		
- Contracted		
Additions of land held for property development	81,359	81,359
Additions of property, plant and equipment	221,820	324,189
Additions of investment properties	1,486,246	1,805,647
	1,789,425	2,211,195

40.2 Operating lease commitments

40.2.1 The Group as lessor

The future minimum lease payments receivable under operating leases contracted for as at end of reporting period but not recognised as receivables are as follows:

	Group	
	2021	2020
	RM'000	RM'000
Not later than one (1) year	244,200	215,368
One (1) year to two (2) years	199,532	129,445
Two (2) years to three (3) years	118,011	83,505
Three (3) years to four (4) years	65,846	58,004
Four (4) years to five (5) years	32,009	38,532
More than five (5) years	117,452	168,076
	777,050	692,930

The Group entered into non-cancellable operating lease agreements on its investment properties and unsold properties. These leases have remaining non-cancellable lease terms of between one (1) to fifteen (15) years (2020: one (1) to twenty (20) years).

41 SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

There was no significant event during the financial year.

42 SEGMENTAL INFORMATION

The Group has four (4) reportable operating segments that are organised and managed separately according to the nature of products and services, specific expertise and technological requirements, which require different business and marketing strategies. The reportable segments are summarised as follows:

Property development	Development of residential, commercial and industrial properties
Property investment	Investments in shopping malls, office buildings, office complexes and other properties
Hospitality and leisure	Management and operation of hotels, resorts, golf course and amusement park
Other operations	Project and building services management, landscape services and other operations which are not sizeable to be reported separately

The Group's chief operating decision maker monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which, in certain aspects as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements. The Group's financing (including interest expense) and income taxes are managed on a group basis and are not allocated to operating segments.

The transactions between segments are carried out on terms and conditions negotiated and agreed between the parties.

Segment assets exclude current tax assets, deferred tax assets, derivative financial assets and assets used primarily for corporate purposes such as goodwill on consolidation, short term funds and deposits with financial institutions.

Segment liabilities exclude current tax liabilities, deferred tax liabilities, borrowings and derivative financial liabilities that are managed under centralised treasury function.

Details are provided in the reconciliations from segment assets and liabilities to the Group position.

42 SEGMENTAL INFORMATION (CONTINUED)

	Property development RM'000	Property investment RM'000	Hospitality & leisure RM'000	Other operations RM'000	Elimination RM'000	Total RM'000
2021						
Revenue						
External	2,109,585	286,690	83,565	8,771	-	2,488,611
Inter-segment	-	4,224	-	135,080	(139,304)	-
Total revenue	2,109,585	290,914	83,565	143,851	(139,304)	2,488,611
Results						
Segment operating profit/(loss)	790,063	129,512	(29,815)	4,341	-	894,101
Property development costs written down	(108,852)	-	-	-	-	(108,852)
Fair value loss on investment properties	-	(71,061)	-	-	-	(71,061)
Share of result of an associate	34,973	-	-	-	-	34,973
Share of results of joint ventures	243,360	36,441	(30,220)	-	-	249,581
Segment results	959,544	94,892	(60,035)	4,341	-	998,742

Included in the Group's share of results of joint ventures is reversal of write down value of a development properties in Singapore of RM136,224,000.

42 SEGMENTAL INFORMATION (CONTINUED)

	Property development RM'000	Property investment RM'000	Hospitality & leisure RM'000	Other operations RM'000	Total RM'000
2021					
Assets					
Operating assets	11,844,935	15,296,242	989,693	7,545	28,138,415
Investment in an associate	51,549	-	-	-	51,549
Interests in joint ventures	2,298,528	1,577,707	557,972	-	4,434,207
Segment assets	14,195,012	16,873,949	1,547,665	7,545	32,624,171
Liabilities					
Segment liabilities	915,737	368,424	21,244	3,414	1,308,819
Other information					
Capital expenditure	180,195	714,176	61,543	209	956,123
Depreciation and amortisation	6,777	10,715	24,880	92	42,464
Non-cash items other than depreciation and amortisation	108,636	74,498	74	-	183,208

42 SEGMENTAL INFORMATION (CONTINUED)

	Property development RM'000	Property investment RM'000	Hospitality & leisure RM'000	Other operations RM'000	Elimination RM'000	Total RM'000
2020						
Revenue						
External	1,638,453	320,796	150,070	7,027	-	2,116,346
Inter-segment	66,237	4,304	163	95,397	(166,101)	-
Total revenue	1,704,690	325,100	150,233	102,424	(166,101)	2,116,346
Results						
Segment operating profit/(loss)	773,758	165,671	(10,260)	2,891	-	932,060
Property development costs written down	(24,755)	-	-	-	-	(24,755)
Inventories written down	(3,100)	-	-	-	-	(3,100)
Fair value loss on investment properties	-	(54,386)	-	-	-	(54,386)
Impairment loss on investment properties	-	(84,189)	-	-	-	(84,189)
Share of result of an associate	19,622	-	-	-	-	19,622
Share of results of joint ventures	131,488	27,245	(16,887)	-	-	141,846
Segment results	897,013	54,341	(27,147)	2,891	-	927,098

Included in the Group's share of results of joint ventures was fair value and impairment losses on the properties in Singapore of RM20,958,000.

42 SEGMENTAL INFORMATION (CONTINUED)

	Property development RM'000	Property investment RM'000	Hospitality & leisure RM'000	Other operations RM'000	Total RM'000
2020					
Assets					
Operating assets	11,675,236	14,902,469	805,548	8,329	27,391,582
Investment in an associate	109,523	-	-	-	109,523
Interests in joint ventures	2,122,092	1,635,177	622,106	-	4,379,375
Segment assets	13,906,851	16,537,646	1,427,654	8,329	31,880,480
Liabilities					
Segment liabilities	1,030,797	403,104	21,581	2,863	1,458,345
Other information					
Capital expenditure	251,142	832,251	45,543	148	1,129,084
Depreciation and amortisation	6,956	9,747	26,132	38	42,873
Non-cash items other than depreciation and amortisation	28,772	105,465	2,621	(3)	136,855

42 SEGMENTAL INFORMATION (CONTINUED)

Reconciliation of reportable segment revenue, profit or loss, assets and liabilities to the Group's corresponding amounts are as follows:

	Group	
	2021	2020
	RM'000	RM'000
Profit or loss		
Segment results	998,742	927,098
Interest income	34,729	50,140
Interest expense	(300)	(145)
Net foreign currency translation gain/(loss) on:		
- borrowings	46,122	(35,025)
- deposits	(1,293)	4,736
Profit before taxation	1,078,000	946,804
Taxation	(414,687)	(438,165)
Profit after taxation	663,313	508,639
Assets		
Segment assets	32,624,171	31,880,480
Unallocated corporate assets	808,735	803,357
Total assets	33,432,906	32,683,837
Liabilities		
Segment liabilities	1,308,819	1,458,345
Unallocated corporate liabilities	12,405,379	12,287,873
Total liabilities	13,714,198	13,746,218

42 SEGMENTAL INFORMATION (CONTINUED)

Geographical segments

The Group's major businesses operate in the following principal geographical areas:

Malaysia	Development of residential, commercial and industrial properties. Investments in shopping mall, office building and other properties. Management and operation of hotels, resorts, golf course and amusement park. Project and building management services, landscape services and other operations.
Singapore	Development of residential and commercial properties. Investments in retail, hotel and office building.
PRC	Development of residential and commercial properties. Investments in shopping mall, hotel and office building.

	Malaysia RM'000	PRC RM'000	Singapore RM'000	Total RM'000
2021				
Revenue from external customers by location of customers	1,594,670	879,147	14,794	2,488,611
Segment operating profit	520,976	376,949	(3,824)	894,101
Non-current assets^	10,565,928	1,191,464	13,809,724	25,567,116
2020				
Revenue from external customers by location of customers	1,311,675	789,402	15,269	2,116,346
Segment operating profit	424,204	503,311	4,545	932,060
Non-current assets^	10,126,241	937,502	13,412,311	24,476,054

^ Excluding financial assets, deferred tax assets and goodwill on consolidation.

There is no single external customer from which the revenue generated exceeded 10% of the Group's revenue.

43 LIST OF SUBSIDIARIES, ASSOCIATE AND JOINT VENTURES

The subsidiaries, associate and joint ventures incorporated in Malaysia except otherwise stated, are as follows:

Name of Company	Effective Group Interest 2021 %	Effective Group Interest 2020 %	Principal Activities
Direct Subsidiaries			
Boulevard View Pte. Ltd. * *(Incorporated in Singapore)*	100.0	-	Investment holding
Bukit Kelang Development Sdn. Bhd.	100.0	100.0	Property development and cultivation of plantation produce
Club IOI Loyalty Sdn. Bhd. *(Formerly known as IOI LiVO Loyalty Sdn. Bhd.)*	100.0	100.0	Provision of management loyalty programme services
Fortune Growers Sdn. Bhd.	100.0	100.0	Property development and cultivation of plantation produce
Fortune Premiere Sdn. Bhd.	100.0	100.0	Provision of treasury services
IOIPG Capital Sdn. Bhd.	100.0	100.0	Provision of treasury management services
IOI Business Hotel Sdn. Bhd.	100.0	100.0	Provision of hotel and hospitality services
IOI City Mall Sdn. Bhd.	100.0	100.0	Property investment, property management and investment holding
IOI Consolidated (Singapore) Pte. Ltd. * *(Incorporated in Singapore)*	100.0	100.0	Investment holding
IOI Materials Trading Sdn. Bhd.	100.0	-	Trading of construction materials
IOI Properties Berhad	99.9	99.9	Property development, property investment and investment holding
IOI Properties Capital (L) Berhad ^ *(Incorporated in Labuan)*	-	100.0	Provision of treasury management services
IOI Properties Empire Sdn. Bhd.	100.0	100.0	Property development and property investment
IOIP Capital Management Sdn. Bhd.	100.0	100.0	Provision of treasury management services
Mayang Development Sdn. Bhd.	100.0	100.0	Property development, property investment and investment holding
Nice Skyline Sdn. Bhd.	99.9	99.9	Property development, investment holding and cultivation of plantation produce

43 LIST OF SUBSIDIARIES, ASSOCIATE AND JOINT VENTURES (CONTINUED)

The subsidiaries, associate and joint ventures incorporated in Malaysia except otherwise stated, are as follows: (continued)

Name of Company	Effective Group Interest 2021 %	Effective Group Interest 2020 %	Principal Activities
Direct Subsidiaries (continued)			
Novel Vortex Limited ** *(Incorporated in the British Virgin Islands)*	100.0	100.0	Provision of treasury services
Nusa Properties Sdn. Bhd.	100.0	100.0	Property development and property investment
Palmex Industries Sdn. Bhd.	100.0	100.0	Property development
PMX Bina Sdn. Bhd.	100.0	100.0	General contractor for the construction of real estate
Premier Landmark Limited # *(Incorporated in Hong Kong)*	100.0	-	Investment holding
Progressive View Pte. Ltd. * *(Incorporated in Singapore)*	100.0	100.0	Investment holding
Resort Villa Development Sdn. Bhd.	100.0	100.0	Property investment and provision of hotel and hospitality services
Resort Villa Golf Course Berhad	100.0	100.0	Property investment and management of a golf club known as Palm Garden Golf Club
Resort Villa Golf Course Development Sdn. Bhd.	100.0	100.0	Provision of hotel and hospitality services
Wealthy Link Pte. Ltd. * *(Incorporated in Singapore)*	100.0	100.0	Property investment
Emerald Property Services Sdn. Bhd.	100.0	100.0	Provision of management services
Dynamism Investments Limited ^^ *(Incorporated in Hong Kong)*	-	100.0	Investment holding
Vital Initiative Limited # *(Incorporated in Hong Kong)*	100.0	100.0	Investment holding
Subsidiaries of IOI Properties Berhad			
Cahaya Kota Development Sdn. Bhd.	99.9	99.9	Property development, property investment and investment holding
Commercial Wings Sdn. Bhd.	99.9	99.9	Property investment

43 LIST OF SUBSIDIARIES, ASSOCIATE AND JOINT VENTURES (CONTINUED)

The subsidiaries, associate and joint ventures incorporated in Malaysia except otherwise stated, are as follows: (continued)

Name of Company	Effective Group Interest 2021 %	Effective Group Interest 2020 %	Principal Activities
Subsidiaries of IOI Properties Berhad (continued)			
Dynamic Management Sdn. Bhd.	99.9	99.9	Property development, investment holding and provision of management services
Flora Development Sdn. Bhd.	99.9	99.9	Property development and property investment
Flora Horizon Sdn. Bhd.	99.9	99.9	Property development and cultivation of plantation produce
Hartawan Development Sdn. Bhd. @	99.9	99.9	Property development and cultivation of plantation produce
IOI Harbour Front Sdn. Bhd.	99.9	99.9	Property development and property investment
IOI Landscape Services Sdn. Bhd.	99.9	99.9	Landscape services, sale of ornamental plants and turfing grass
IOI Land Singapore Pte. Ltd. * *(Incorporated in Singapore)*	99.9	99.9	Investment holding
IOI Lavender Sdn. Bhd.	99.9	99.9	Property development and property investment
IOI Medini Sdn. Bhd.	99.9	99.9	Property development and property investment
IOI Medini Management Sdn. Bhd.	99.9	99.9	Provision of management services
IOI Mulberry Sdn. Bhd.	99.9	99.9	Property development and property investment
IOI PFCC Hotel Sdn. Bhd.	99.9	99.9	Provision of hotel and hospitality services
IOI Prima Property Sdn. Bhd.	99.9	99.9	Property development and property investment
IOI Properties (Singapore) Pte. Ltd. * *(Incorporated in Singapore)*	99.9	99.9	Property investment and investment holding
Jutawan Development Sdn. Bhd.	89.9	79.9	Property development and property investment

43 LIST OF SUBSIDIARIES, ASSOCIATE AND JOINT VENTURES (CONTINUED)

The subsidiaries, associate and joint ventures incorporated in Malaysia except otherwise stated, are as follows: (continued)

Name of Company	Effective Group Interest 2021 %	Effective Group Interest 2020 %	Principal Activities
Subsidiaries of IOI Properties Berhad (continued)			
Knowledge Vision Sdn. Bhd.	99.9	99.9	Property development and property investment
Multi Wealth (Singapore) Pte. Ltd. * *(Incorporated in Singapore)*	99.9	99.9	Investment holding
Palmy Max Limited # *(Incorporated in Hong Kong)*	99.9	99.9	Investment holding and provision of consultancy services
Paska Development Sdn. Bhd.	99.9	99.9	Property development and property investment
Pilihan Teraju Sdn. Bhd.	99.9	99.9	Property development and property investment
Pine Properties Sdn. Bhd.	99.9	99.9	Property development and property investment
Property Skyline Sdn. Bhd.	99.9	99.9	Provision of management services and investment holding
Speed Modulation Sdn. Bhd.	99.9	99.9	Property investment
Subsidiaries of IOI City Holdings Sdn. Bhd.			
IOI City Hotel Sdn. Bhd.	100.0	100.0	Provision of hotel and hospitality services
IOI City Park Sdn. Bhd.	100.0	100.0	Car park operator and provision of car park management services
IOI City Tower One Sdn. Bhd.	100.0	100.0	Property management and property investment
IOI City Tower Two Sdn. Bhd.	100.0	100.0	Property management and property investment

43 LIST OF SUBSIDIARIES, ASSOCIATE AND JOINT VENTURES (CONTINUED)

The subsidiaries, associate and joint ventures incorporated in Malaysia except otherwise stated, are as follows: (continued)

Name of Company	Effective Group Interest 2021 %	Effective Group Interest 2020 %	Principal Activities
Subsidiaries of Cahaya Kota Development Sdn. Bhd.			
IOI Building Services Sdn. Bhd.	99.9	99.9	Provision of building maintenance services
Lush Development Sdn. Bhd.	99.9	99.9	Property development and property investment
Riang Takzim Sdn. Bhd.	99.9	99.9	Investment holding
Tanda Bestari Development Sdn. Bhd.	99.9	99.9	Property development and property investment
Subsidiaries of Dynamic Management Sdn. Bhd.			
Legend Advance Sdn. Bhd.	69.9	69.9	Property development and property investment
Paksi Teguh Sdn. Bhd.	99.9	99.9	General contractor for the construction of real estate
Pilihan Megah Sdn. Bhd.	99.9	99.9	Property development, property investment and provision of management services
Subsidiary of IOI City Mall Sdn. Bhd.			
IOI City Holdings Sdn. Bhd.	100.0	100.0	Investment holding and property investment
Subsidiary of Multi Wealth (Singapore) Pte. Ltd.			
Clementi Development Pte. Ltd.* *(Incorporated in Singapore)*	87.9	87.9	Property development

43 LIST OF SUBSIDIARIES, ASSOCIATE AND JOINT VENTURES (CONTINUED)

The subsidiaries, associate and joint ventures incorporated in Malaysia except otherwise stated, are as follows: (continued)

Name of Company	Effective Group Interest 2021 %	Effective Group Interest 2020 %	Principal Activities
Subsidiaries of Property Skyline Sdn. Bhd.			
Nice Frontier Sdn. Bhd.	99.9	99.9	Property development, property investment and cultivation of plantation produce
Property Village Berhad	99.9	99.9	Property development, operations of golf club and provision of recreational services and investment holding
Trilink Pyramid Sdn. Bhd.	99.9	99.9	Property development and provision of management services
Wealthy Growth Sdn. Bhd.	99.9	99.9	Property development
Subsidiary of Property Village Berhad			
Baycrest Sdn. Bhd.	99.9	99.9	General contractor
Subsidiaries of Palmy Max Limited			
IOI (Xiamen) Business Management Co. Ltd. # *(Incorporated in the People's Republic of China)*	99.9	99.9	Business management, property management and procurement of construction materials
IOI (Xiamen) Properties Co. Ltd. # *(Incorporated in the People's Republic of China)*	99.9	99.9	Property development, property investment and provision of hotel and hospitality services
Prime Joy Investments Limited # *(Incorporated in Hong Kong)*	99.9	99.9	Investment holding
Subsidiary of Prime Joy Investments Limited			
Xiamen Double Prosperous Real Estate Development Co. Ltd. # *(Incorporated in the People's Republic of China)*	99.9	99.9	Property development and property management services

43 LIST OF SUBSIDIARIES, ASSOCIATE AND JOINT VENTURES (CONTINUED)

The subsidiaries, associate and joint ventures incorporated in Malaysia except otherwise stated, are as follows: (continued)

Name of Company	Effective Group Interest 2021 %	Effective Group Interest 2020 %	Principal Activities
Subsidiaries of IOI (Xiamen) Properties Co. Ltd.			
Xiamen Palm City Management Services Co. Ltd.# *(Incorporated in the People's Republic of China)*	99.9	99.9	Provision of management services
Xiamen Palm Kaiyue Real Estate Development Co. Ltd.# *(Incorporated in the People's Republic of China)*	99.9	99.9	Property development, property management and car park management
Subsidiary of IOI (Xiamen) Business Management Co. Ltd.			
Xiamen Palm City Sports Technology Co. Ltd.# *(Incorporated in the People's Republic of China)*	59.9	-	Leisure and entertainment activities
Subsidiary of Pine Properties Sdn. Bhd.			
PINE MJR Development Sdn. Bhd.	54.9	54.9	Property development
Associate of IOI Properties Berhad			
GLM Emerald Industrial Park (Jasin) Sdn. Bhd. #	32.0	32.0	Property development and operation of oil palm estate
Joint Venture of IOI Consolidated (Singapore) Pte. Ltd.			
Scottsdale Properties Pte. Ltd. # *(Incorporated in Singapore)*	49.9	49.9	Investment holding
Joint Venture of IOI Land Singapore Pte. Ltd.			
Seaview (Sentosa) Pte. Ltd. # *(Incorporated in Singapore)*	49.9	49.9	Property development
Joint Venture of IOI Properties Berhad			
PJ Midtown Development Sdn. Bhd.	49.9	49.9	Property development

43 LIST OF SUBSIDIARIES, ASSOCIATE AND JOINT VENTURES (CONTINUED)

The subsidiaries, associate and joint ventures incorporated in Malaysia except otherwise stated, are as follows: (continued)

Name of Company	Effective Group Interest 2021 %	Effective Group Interest 2020 %	Principal Activities
Joint Venture of IOI Properties (Singapore) Pte. Ltd.			
Pinnacle (Sentosa) Pte. Ltd. # *(Incorporated in Singapore)*	64.9	64.9	Property development
Joint Venture of Multi Wealth (Singapore) Pte. Ltd.			
Mergui Development Pte. Ltd. # *(Incorporated in Singapore)*	59.9	59.9	Property development

\# *Audited by a firm other than member firm of PricewaterhouseCoopers International Limited and PricewaterhouseCoopers PLT*
* *Audited by member firm of PricewaterhouseCoopers International Limited which is a separate and independent legal entity from PricewaterhouseCoopers PLT*
** *The subsidiary is not required by their local laws to appoint statutory auditors.*
^ *Struck off from the register of Labuan Financial Services Authority under Section 151 of the Labuan Companies Act 1990.*
^^ *Struck off pursuant to Section 750 of the Companies Ordinance.*
@ *Ceased to be a subsidiary on 9 August 2021 pursuant to the completion of disposal of 100% equity interest under the Sale of Shares Agreement.*

44 FINANCIAL IMPACTS ON ADOPTION OF IFRIC AGENDA DECISION ON IAS 23 BORROWING COSTS ELIGIBLE FOR CAPITALISATION

Change in accounting policy on borrowing cost

During the financial year, the Group has adopted the International Financial Reporting Standard Interpretation Committee ("IFRIC") agenda decision on IAS 23 Borrowing Costs on over time transfer of constructed goods which resulted in change in accounting policy. The detailed impact of change in accounting policy is set out below.

Effects of applying IFRIC AD on IAS 23 Borrowing Costs on over time transfer of constructed goods (IFRIC AD)

In March 2019, the IFRS Interpretations Committee ('IFRIC') published an Agenda Decision on borrowing costs confirming, receivables, contract assets and inventories for which revenue is recognised over time are non-qualifying assets. On 20 March 2019, the Malaysia Accounting Standard Board announced that an entity shall apply the change in accounting policy as a result of this Agenda Decision to financial statements of annual periods beginning on or after 1 July 2020.

In line with the IFRIC agenda decision, the Group has adopted the IFRIC Agenda Decision retrospectively in its financial position as at 1 July 2019 to exclude properties under development where control is transferred to customers over time, as qualifying assets for the purposes of borrowing cost capitalisation. Consequently, all borrowings costs incurred cease to be capitalised when the properties under development are ready for their intended sale and are expensed to profit or loss when incurred. Previously, the Group considered all properties under development as qualifying assets.

The change in accounting policy has been applied retrospectively where comparative information has been restated to reflect the new policy. The impact of the change to various line items is analysed below.

NOTES TO THE FINANCIAL STATEMENTS - 30 JUNE 2021 (CONTINUED)

44 FINANCIAL IMPACTS ON ADOPTION OF IFRIC AGENDA DECISION ON IAS 23 BORROWING COSTS ELIGIBLE FOR CAPITALISATION (CONTINUED)

In preparing the opening statements of financial position as at 1 July 2019, the Group adjusted amounts reported previously in the financial statements. The financial impacts arising from adoption of IFRIC Agenda Decision on MFRS 123 and changes in certain comparative amounts to conform with the current year financial statements presentation for the Group is set out as follows:

(a) Impact on consolidated statement of financial position

	As previously reported 2019 RM'000	Effects on adoption of IFRIC Agenda Decision RM'000	As restated 2019 RM'000
Group			
1.7.2019			
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	1,322,774	-	1,322,774
Land held for property development	4,642,164	-	4,642,164
Investment properties	13,672,410	-	13,672,410
Goodwill on consolidation	11,472	-	11,472
Investment in an associate	99,313	-	99,313
Interests in joint ventures	5,012,119	(145,173)	4,866,946
Deferred tax assets	133,854	35,650	169,504
	24,894,106	(109,523)	24,784,583
CURRENT ASSETS			
Property development costs	3,567,548	(65,914)	3,501,634
Inventories	2,047,991	(89,238)	1,958,753
Trade and other receivables	357,910	-	357,910
Contract assets	216,591	-	216,591
Amount due from a joint venture	560	-	560
Current tax assets	59,305	-	59,305
Short term funds	41	-	41
Deposits with financial institutions	455,086	-	455,086
Cash and bank balances	1,121,758	-	1,121,758
	7,826,790	(155,152)	7,671,638
TOTAL ASSETS	32,720,896	(264,675)	32,456,221

44 FINANCIAL IMPACTS ON ADOPTION OF IFRIC AGENDA DECISION ON IAS 23 BORROWING COSTS ELIGIBLE FOR CAPITALISATION (CONTINUED)

(a) Impact on consolidated statement of financial position (continued)

	As previously reported 2019 RM'000	Effects on adoption of IFRIC Agenda Decision RM'000	As restated 2019 RM'000
Group			
1.7.2019			
EQUITY AND LIABILITIES			
EQUITY			
Share capital	18,514,233	-	18,514,233
Reserves	(225,701)	(2,392)	(228,093)
Retained earnings	8,986,081	(258,974)	8,727,107
Reorganisation debit balance	(8,440,152)	-	(8,440,152)
Equity attributable to owners of the Company	18,834,461	(261,366)	18,573,095
Non-controlling interests	159,122	(1,702)	157,420
Total equity	18,993,583	(263,068)	18,730,515
LIABILITIES			
NON-CURRENT LIABILITIES			
Borrowings	10,150,209	-	10,150,209
Lease liabilities	684	-	684
Derivative financial liabilities	43,514	-	43,514
Trade and other payables	29,709	-	29,709
Deferred tax liabilities	801,155	(1,607)	799,548
	11,025,271	(1,607)	11,023,664
CURRENT LIABILITIES			
Borrowings	1,176,252	-	1,176,252
Lease liabilities	1,010	-	1,010
Derivative financial liabilities	14,167	-	14,167
Trade and other payables	1,025,111	-	1,025,111
Contract liabilities	341,508	-	341,508
Current tax liabilities	143,994	-	143,994
	2,702,042	-	2,702,042
Total liabilities	13,727,313	(1,607)	13,725,706
TOTAL EQUITY AND LIABILITIES	32,720,896	(264,675)	32,456,221

44 FINANCIAL IMPACTS ON ADOPTION OF IFRIC AGENDA DECISION ON IAS 23 BORROWING COSTS ELIGIBLE FOR CAPITALISATION (CONTINUED)

(a) Impact on consolidated statement of financial position (continued)

	As previously reported 2020 RM'000	Effects on adoption of IFRIC Agenda Decision RM'000	As restated 2020 RM'000
Group			
30.6.2020			
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	1,421,979	-	1,421,979
Land held for property development	4,847,658	-	4,847,658
Investment properties	14,334,703	-	14,334,703
Goodwill on consolidation	11,472	-	11,472
Investment in an associate	109,523	-	109,523
Interests in joint ventures	4,476,409	(97,034)	4,379,375
Deferred tax assets	152,114	35,166	187,280
	25,353,858	(61,868)	25,291,990
CURRENT ASSETS			
Property development costs	3,172,133	(43,131)	3,129,002
Inventories	2,244,444	(110,937)	2,133,507
Trade and other receivables	392,487	-	392,487
Contract assets	220,259	-	220,259
Amount due from a joint venture	481	-	481
Current tax assets	44,126	-	44,126
Short term funds	80,588	-	80,588
Deposits with financial institutions	479,891	-	479,891
Cash and bank balances	911,506	-	911,506
	7,545,915	(154,068)	7,391,847
TOTAL ASSETS	32,899,773	(215,936)	32,683,837

44 FINANCIAL IMPACTS ON ADOPTION OF IFRIC AGENDA DECISION ON IAS 23 BORROWING COSTS ELIGIBLE FOR CAPITALISATION (CONTINUED)

(a) Impact on consolidated statement of financial position (continued)

	As previously reported 2020 RM'000	Effects on adoption of IFRIC Agenda Decision RM'000	As restated 2020 RM'000
Group			
30.6.2020			
EQUITY AND LIABILITIES			
EQUITY			
Share capital	18,514,233	-	18,514,233
Reserves	(367,397)	(2,883)	(370,280)
Retained earnings	9,288,389	(209,972)	9,078,417
Reorganisation debit balance	(8,440,152)	-	(8,440,152)
Equity attributable to owners of the Company	18,995,073	(212,855)	18,782,218
Non-controlling interests	156,875	(1,474)	155,401
Total equity	19,151,948	(214,329)	18,937,619
LIABILITIES			
NON-CURRENT LIABILITIES			
Borrowings	9,713,761	-	9,713,761
Lease liabilities	2,037	-	2,037
Derivative financial liabilities	128,764	-	128,764
Trade and other payables	30,704	-	30,704
Deferred tax liabilities	1,037,769	(1,607)	1,036,162
	10,913,035	(1,607)	10,911,428
CURRENT LIABILITIES			
Borrowings	1,181,415	-	1,181,415
Lease liabilities	1,453	-	1,453
Derivative financial liabilities	90,527	-	90,527
Trade and other payables	1,076,055	-	1,076,055
Contract liabilities	348,096	-	348,096
Current tax liabilities	137,244	-	137,244
	2,834,790	-	2,834,790
Total liabilities	13,747,825	(1,607)	13,746,218
TOTAL EQUITY AND LIABILITIES	32,899,773	(215,936)	32,683,837

44 FINANCIAL IMPACTS ON ADOPTION OF IFRIC AGENDA DECISION ON IAS 23 BORROWING COSTS ELIGIBLE FOR CAPITALISATION (CONTINUED)

(b) Impact on consolidated statement of profit or loss

	As previously reported 2020 RM'000	Effects on adoption of IFRIC Agenda Decision RM'000	As restated 2020 RM'000
Group			
30.6.2020			
Revenue	2,116,346	-	2,116,346
Cost of sales	(920,985)	34,892	(886,093)
Gross profit	1,195,361	34,892	1,230,253
Other operating income	51,756	-	51,756
Marketing and selling expenses	(58,717)	-	(58,717)
Administration expenses	(156,487)	-	(156,487)
Other operating expenses*	(267,365)	(33,810)	(301,175)
Operating profit	764,548	1,082	765,630
Share of result of an associate	19,622	-	19,622
Share of results of joint ventures	93,217	48,629	141,846
Profit before interest and taxation	877,387	49,711	927,098
Interest income	50,140	-	50,140
Interest expense	(145)	-	(145)
Net foreign currency translation (loss)/gain on:			
- borrowings	(35,025)	-	(35,025)
- deposits	4,736	-	4,736
Profit before taxation	897,093	49,711	946,804
Taxation	(437,677)	(488)	(438,165)
Profit for the financial year	459,416	49,223	508,639
Profit attributable to:			
Owners of the Company	455,693	49,002	504,695
Non-controlling interests	3,723	221	3,944
	459,416	49,223	508,639
Earnings per ordinary share attributable to owners of the Company			
Basic earnings per share (sen)	8.28	0.89	9.17
Diluted earnings per share (sen)	8.28	0.89	9.17

* The amount of borrowing costs ceased to be capitalised in respect of expenditures on the property development costs was capitalised into qualifying assets classified as investment property. The capitalisation was subsequently recognised as an impairment loss on investment property to the extent of the recoverable amount.

44 FINANCIAL IMPACTS ON ADOPTION OF IFRIC AGENDA DECISION ON IAS 23 BORROWING COSTS ELIGIBLE FOR CAPITALISATION (CONTINUED)

(c) Impact on consolidated statement of comprehensive income

	As previously reported 2020 RM'000	Effects on adoption of IFRIC Agenda Decision RM'000	As restated 2020 RM'000
Group			
30.6.2020			
Profit for the financial year	459,416	49,223	508,639
Other comprehensive income that will be reclassified subsequently to profit or loss, net of tax			
Exchange differences on translation of foreign operations, net of tax	31,206	(484)	30,722
Net change in cash flow hedge	(161,105)	-	(161,105)
Other comprehensive income for the financial year, net of tax	(129,899)	(484)	(130,383)
Total comprehensive income for the financial year	329,517	48,739	378,256
Total comprehensive income attributable to:			
Owners of the Company	325,772	48,511	374,283
Non-controlling interests	3,745	228	3,973
	329,517	48,739	378,256

44 FINANCIAL IMPACTS ON ADOPTION OF IFRIC AGENDA DECISION ON IAS 23 BORROWING COSTS ELIGIBLE FOR CAPITALISATION (CONTINUED)

(d) Impact on consolidated statement of cash flows

There is no material impact on the consolidated statement of cash flows for the 12 months period ended 30 June 2020 other than working capital movements.

45 AUTHORISATION FOR ISSUE

The financial statements of the Group and of the Company for the financial year ended 30 June 2021 were authorised for issue by the Board of Directors on 15 September 2021.

Registration No.
201301005964 (1035807-A)

IOI PROPERTIES GROUP BERHAD
(Incorporated in Malaysia)

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

In the opinion of the Directors, the financial statements set out on pages 9 to 159 have been drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards, and the provisions of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2021 and of the financial performance and cash flows of the Group and of the Company for the financial year then ended.

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

LEE YEOW SENG
Director

LEE YOKE HAR
Director

15 September 2021

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

I, Shen Yan Chao (MIA 31632), being the officer primarily responsible for the financial management of IOI Properties Group Berhad, do solemnly and sincerely declare that the financial statements set out on pages 9 to 159 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.

Subscribed and solemnly declared)
by the abovenamed)
at Puchong, Selangor Darul Ehsan)
this 15 September 2021)

Before me

LOI KWONG FON
COMMISSIONER FOR OATHS
No. B567

Registration No.
201301005964 (1035807-A)



INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF IOI PROPERTIES GROUP BERHAD
(Incorporated in Malaysia)
Registration No. 201301005964 (1035807-A)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our opinion

In our opinion, the financial statements of IOI Properties Group Berhad ("the Company") and its subsidiaries ("the Group") give a true and fair view of the financial position of the Group and of the Company as at 30 June 2021, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

What we have audited

We have audited the financial statements of the Group and of the Company, which comprise the statements of financial position as at 30 June 2021 of the Group and of the Company, and the statements of profit or loss, statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 9 to 159.

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 opinion.

Independence and other ethical responsibilities
We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

PricewaterhouseCoopers PLT (LLP0014401-LCA & AF 1146), Chartered Accountants, Level 10, 1 Sentral, Jalan Rakyat, Kuala Lumpur Sentral, P.O. Box 10192, 50706 Kuala Lumpur, Malaysia
T: +60 (3) 2173 1188, F: +60 (3) 2173 1288, www.pwc.com/my



REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Our audit approach

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements of the Group and of the Company. In particular, we considered where the Directors made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the Group and of the Company, the accounting processes and controls, and the industry in which the Group and the Company operate.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters	**How our audit addressed the key audit matters**
1. Revenue recognition from property development activities Total revenue recognised for the Group on sale of development properties amounted to RM2,109.6 million for financial year ended 30 June 2021, of which RM1,314.8 million relates to ongoing projects.	We have performed the following procedures: • Reviewed the terms and conditions of the major sales transactions to determine that revenue recognised conforms with the Group policies and the requirements of MFRS 15 "Revenue from contracts with customers"; • Tested the key controls in respect of the budgeting process of total property development costs; • Tested controls over monitoring of costs incurred for work performed to date;



REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Key audit matters (continued)

Key audit matters	How our audit addressed the key audit matters
1. Revenue recognition from property development activities (continued) The Group recognises revenue from ongoing property development projects in the statements of profit or loss by reference to the stage of completion of the development activity at the end of the reporting period. The stage of completion is determined based on the actual costs certified by professional consultants as a percentage of total estimated costs. Given the nature of property development projects, we focused on this area as significant estimates and judgements are required in: • Determining the extent of property development costs accruals to reflect work performed up to the reporting date; • Determining the estimated total property development costs to completion; and • Determining the common costs allocation to the project phases from the total budgeted common costs attributable to the respective property development projects. *Refer to Note 5.1 (Significant Accounting Estimates and Judgements – Revenue and Cost Recognition from Property Development Activities), Note 6.19 (Significant Accounting Policies – Revenue Recognition), Note 7 (Revenue) and Note 23 (Property Development Costs)*	We have performed the following procedures: (continued) • Assessed the reasonableness of samples of estimated total property development costs on the property development projects by comparing to contracts, quotations from contractors and cost estimates from quantity surveyors for newly launched projects; • Assessed sample of revision of estimated total property development costs to supporting documentations such as quotation from contractors and variation orders received and approved by management for ongoing projects; • Evaluated variances between actual costs incurred and budgeted property development costs to assess whether total estimated costs to completion have been properly updated; • Assessed the reasonableness of allocation of total budgeted common costs to the project phases by comparing the budget to the approved master layout plan; • Tested samples of actual sales of development properties to signed sales and purchase agreements;



REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Key audit matters (continued)

Key audit matters	How our audit addressed the key audit matters
1. Revenue recognition from property development activities (continued)	We have performed the following procedures: (continued) • Tested samples of costs incurred to date to supporting documentations such as contractors' claim certificates or suppliers invoices. Where costs have not been billed or certified, assessed the adequacy of management's accruals of such costs by reviewing subsequent contractors' claims certificates, supplier invoices or approved architect's certificates; and • Recomputed the stage of completion by computing the proportion of property development costs incurred for work performed to date as a percentage of total estimated costs of the property development projects. Based on our work done, we did not identify any material exceptions.
2. Fair value of completed investment properties As at 30 June 2021, the Group's completed investment properties, which are carried at fair value, amounted to RM4,121.8 million. The valuations of the Group's completed investment properties were performed by independent external valuers based on Investment Method and Comparison Method. The valuers have considered factors related to the properties' overall condition and demand as a whole in arriving at the fair values.	**External valuations** We obtained and read the valuation reports obtained by management from independent external valuers. Based on these reports, we discussed the valuation methodologies and assumptions used in the valuation with the independent external valuers. We have assessed the independent external valuers' competency, capabilities and objectivity by checking the valuers' qualification and their registration to the respective boards of each country.



REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Key audit matters (continued)

Key audit matters	How our audit addressed the key audit matters
2. Fair value of completed investment properties (continued) We focused on this area due to complexities in determining the fair value of the investment properties, which involved significant estimates and judgements in determining the appropriate valuation methodologies and estimating the underlying assumptions to be applied. *Refer to Note 5.4 (Significant Accounting Estimates and Judgements - Fair Value of Investment Properties), Note 6.3 (Significant Accounting Policies - Investment Properties) and Note 17 (Investment Properties)*	**Valuation methodologies** We carried out the following procedures to assess the inputs underpinning the valuation of the properties: • Agreed rental rates, rental periods, net lettable area and outgoing expenses to the underlying tenancy agreements where applicable, and held discussions with valuers to understand the factors they have considered in adjusting the inputs, including any market factors; • Benchmarked the term yield, reversion yield and allowance for void used by the valuers to comparable properties; • Discussed with valuers to understand the basis of adjustments made to transacted price per square foot of comparable peers by considering factors related to the characteristics of each individual property, such as location, accessibility to the location, size, tenure and comparable transaction dates; and • Challenged the valuers on certain key inputs and estimates used in consideration of the current market condition. We have also assessed the sensitivity analysis prepared by management on the yields and price per square foot underpinning the valuation, where applicable. Based on the above procedures performed, we did not identify any material exceptions.

There are no key audit matters to report for the Company.



REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Information other than the financial statements and auditors' report thereon

The Directors of the Company are responsible for the other information. The other information comprises the Directors' Report and contents in the 2021 Annual Report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

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

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

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

Responsibilities of the Directors for the financial statements

The Directors of the Company are responsible for the preparation of the 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.



REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Auditors' responsibilities for the audit of the financial statements (continued)

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:

(a) 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.

(b) 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.

(c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

(d) Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or on 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.

(e) 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.



REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Auditors' responsibilities for the audit of the financial statements (continued)

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

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

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

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 43 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.

PRICEWATERHOUSECOOPERS PLT
LLP0014401-LCA & AF 1146
Chartered Accountants

NG GAN HOOI
02914/04/2023 J
Chartered Accountant

Kuala Lumpur
15 September 2021

Registration No.
201301005964 (1035807-A)

IOI PROPERTIES GROUP BERHAD
(Incorporated in Malaysia)

DIRECTORS' REPORT AND AUDITED FINANCIAL STATEMENTS

30 JUNE 2022

3019A9/sw

Registration No.
201301005964 (1035807-A)

IOI PROPERTIES GROUP BERHAD
(Incorporated in Malaysia)

DIRECTORS' REPORT

The Directors of IOI Properties Group Berhad have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 30 June 2022.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding.

The principal activities of the subsidiaries, associate and joint ventures are set out in Note 43 to the financial statements.

There have been no significant changes in the nature of the activities of the Group and of the Company during the financial year.

FINANCIAL RESULTS

The audited financial results of the Group and of the Company for the financial year ended 30 June 2022 are as follows:

	Group	Company
	RM'000	RM'000
Profit for the financial year	688,069	396,168
Attributable to:		
Owners of the Company	686,735	396,168
Non-controlling interests	1,334	-
	688,069	396,168

DIVIDENDS

Dividend declared and paid since the end of the previous financial year was as follows:

	Company
	RM'000
In respect of the financial year ended 30 June 2021:	
Interim single tier dividend of 2.0 sen per ordinary share, paid on 24 September 2021	110,123

On 23 September 2022, the Board of Directors proposed a first and final single tier dividend of 4.0 sen per ordinary share in respect of the financial year ended 30 June 2022 to be approved by the shareholders at the forthcoming Annual General Meeting of the Company. Based on the issued and paid-up ordinary shares of the Company as at 30 June 2022 of 5,506,145,375, the proposed first and final dividend amounts to RM220,245,815.

DIRECTORS' REPORT (CONTINUED)

ISSUE OF SHARES AND DEBENTURES

There was no issue of new shares or debentures by the Company during the financial year.

RESERVES AND PROVISION

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

OPTIONS GRANTED OVER UNISSUED SHARES

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

DIRECTORS

The Directors who have held office during the financial year until the date of this report are as follows:

Datuk Tan Kim Leong
Lee Yeow Seng
Dato' Lee Yeow Chor
Lee Yoke Har
Datuk Dr Tan Kim Heung
Datuk Lee Say Tshin
Chan Cha Lin
Tan Sri Dato' Sri Koh Kin Lip (Resigned on 30 November 2021)

DIRECTORS' REPORT (CONTINUED)

DIRECTORS' INTERESTS

The Directors holding office at the end of the financial year and their beneficial interests in the ordinary shares of the Company and of its related corporations during the financial year ended 30 June 2022 as recorded in the Register of Directors' Shareholdings kept by the Company under Section 59 of the Companies Act 2016 are as follows:

	As at 1 July 2021	Acquired	Disposed	As at 30 June 2022
The Company				
Direct Interest				
No. of ordinary shares				
Datuk Tan Kim Leong	13,125	-	-	13,125
Lee Yeow Seng	69,298,100	-	-	69,298,100
Dato' Lee Yeow Chor	6,837,500	-	-	6,837,500
Datuk Dr Tan Kim Heung	36,606,000	-	10,000,000	26,606,000
Chan Cha Lin	20,321,600	-	-	20,321,600
Lee Yoke Har	4,091,318	2,882,000	-	6,973,318
Indirect Interest				
No. of ordinary shares				
Datuk Tan Kim Leong	80,937	-	-	80,937
Lee Yeow Seng	3,616,063,741	-	-	3,616,063,741
Dato' Lee Yeow Chor	3,616,455,116	-	-	3,616,455,116
Datuk Lee Say Tshin	125,000	-	-	125,000
Chan Cha Lin	121,730,700	-	-	121,730,700
Lee Yoke Har	103,000	4,500	-	107,500
Datuk Dr Tan Kim Heung	-	10,000,000	-	10,000,000
Ultimate Holding Company				
Vertical Capacity Sdn. Bhd. ("VCSB")				
Direct Interest				
No. of ordinary shares				
Lee Yeow Seng	662,076,993	-	-	662,076,993
Dato' Lee Yeow Chor	192,215,901	-	-	192,215,901

By virtue of Lee Yeow Seng's and Dato' Lee Yeow Chor's interests in the ordinary shares of the Company and its ultimate holding company, they are also deemed to be interested in the shares of all the subsidiaries of the Company and its ultimate holding company to the extent that the Company and its ultimate holding company have an interest.

DIRECTORS' REPORT (CONTINUED)

DIRECTORS' BENEFITS

Since the end of the previous financial year, none of the Directors of the Company has received or become entitled to receive any benefit (other than the benefits as disclosed in Note 37 to the financial statements) 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 except for any benefits which may be deemed to have arisen by virtue of the significant related party transactions as disclosed in Note 37 to the financial statements.

During and at the end of the financial year, no arrangement subsisted to which the Company is a party, with the object or objects of enabling the Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

DIRECTORS' REMUNERATION

Details of Directors' remuneration are as follows:

	Group	Company
	RM'000	RM'000
Fees	1,280	1,280
Salaries and bonuses	13,505	116
Defined contribution plan	1,449	-
Estimated monetary value of benefits-in-kind	241	-
	16,475	1,396

INDEMNITY AND INSURANCE FOR DIRECTORS AND OFFICERS

The Company maintains a corporate liability insurance for the Directors and officers of the Group throughout the financial year, which provides appropriate insurance cover for the Directors and officers of the Group. The total amount of indemnity coverage and insurance premium paid by the Company for the financial year ended 30 June 2022 amounted to RM50,000,000 and RM75,000 respectively.

DIRECTORS' REPORT (CONTINUED)

STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS

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

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

(b) to ensure that any current assets, other than debts, which were unlikely to realise their book values in the ordinary course of business of the Group and of the Company have been written down to an amount which the current assets might be expected so to realise.

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

(a) which would render the amounts written off for bad debts or the amount of the provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent;

(b) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; and

(c) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

As at the date of this report, there does not exist:

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

(b) any contingent liability in respect of the Group or of the Company that has arisen since the end of the financial year.

No contingent or other liability has become enforceable, or is likely to become enforceable within the period of twelve (12) months after the end of the financial year, which in the opinion of the Directors, will or may substantially affect the ability of the Group or of the Company to meet their obligations as and when they fall due.

DIRECTORS' REPORT (CONTINUED)

OTHER STATUTORY INFORMATION

As 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 of the Company that would render any amount stated in the 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; and

(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 operations of the Group and of the Company for the financial year in which this report is made.

DIFFERENT FINANCIAL YEAR END OF SUBSIDIARIES

Due to local requirements of the following seven (7) indirect subsidiaries ("Foreign Subsidiaries") of the Company, the Foreign Subsidiaries are adopting 31 December as their statutory financial year end, which do not coincide with that of its holding company of the Foreign Subsidiaries.

(a) Subsidiaries of IOI Properties Berhad, which in turn, is a 99.9% owned subsidiary of the Company:

1. IOI (Xiamen) Business Management Co. Ltd.;
2. IOI (Xiamen) Properties Co. Ltd.;
3. Xiamen Double Prosperous Real Estate Development Co. Ltd.;
4. Xiamen Palm City Management Services Co. Ltd.;
5. Xiamen Palm Kaiyue Real Estate Development Co. Ltd.; and
6. Xiamen Palm City Sports Technology Co. Ltd.

(b) Subsidiary of Premier Landmark Limited, which in turn, is a wholly-owned subsidiary of the Company:

1. Shenzhen IOI Property Development Co. Ltd.

The Directors of IOI Properties Berhad and the Company have been granted approvals under Section 247(3) of the Companies Act 2016 by the Companies Commission of Malaysia for the Foreign Subsidiaries to have different financial year end from that of IOI Properties Berhad and the Company for the financial year ended 30 June 2022.

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

Significant events during the financial year are disclosed in Note 41 to the financial statements.

DIRECTORS' REPORT (CONTINUED)

AUDIT COMMITTEE

The Directors who serve as members of the Audit Committee are as follows:

Datuk Lee Say Tshin (Chairman)
Datuk Dr Tan Kim Heung
Chan Cha Lin (Appointed on 1 December 2021)
Datuk Tan Kim Leong (Resigned on 1 December 2021)

RISK MANAGEMENT COMMITTEE

The Directors who serve as members of the Risk Management Committee are as follows:

Chan Cha Lin (Chairman) (Redesignated on 1 December 2021)
Datuk Dr Tan Kim Heung (Redesignated on 1 December 2021)
Datuk Lee Say Tshin
Tan Sri Dato' Sri Koh Kin Lip (Resigned on 30 November 2021)

GOVERNANCE, NOMINATING AND REMUNERATION COMMITTEE

The Directors who serve as members of the Governance, Nominating and Remuneration Committee are as follows:

Datuk Dr Tan Kim Heung (Chairman) (Redesignated on 1 December 2021)
Datuk Lee Say Tshin (Appointed on 1 December 2021)
Chan Cha Lin (Appointed on 1 December 2021)
Datuk Tan Kim Leong (Resigned on 1 December 2021)
Tan Sri Dato' Sri Koh Kin Lip (Resigned on 30 November 2021)

WHISTLEBLOWING COMMITTEE

Whistleblowing Committee was established on 25 February 2022. The Directors who serve as members of the Whistleblowing Committee are as follows:

Dato' Lee Yeow Chor (Chairman)
Datuk Dr Tan Kim Heung
Chan Cha Lin

ULTIMATE HOLDING COMPANY

The ultimate holding company is Vertical Capacity Sdn. Bhd., a company incorporated in Malaysia.

DIRECTORS' REPORT (CONTINUED)

LIST OF DIRECTORS OF SUBSIDIARIES

Pursuant to Section 253 of the Companies Act 2016, the list of Directors of the subsidiaries during the financial year and up to the date of this report is as follows:

Chia Yi Li
Chong Voon Fooi
Chung Nyuk Kiong
Dato' Lee Yeow Chor
Dato' Voon Tin Yow
Ho Kwok Wing
Hsieh Yu-Ting
Lee Beng Hong
Lee Cheng Leang
Lee Yean Ping (Li YanPing)
Lee Yeow Seng
Lee Yoke Har^
Lee Yoke Hui
Lim Beng Yeang
Lim Cheok Leng
Masaya Ohta
Por Seng Guan^
Shen Yan Chao
Tan Keng Seng
Tan Kun Sin
Tan Swee Peng*
Teah Chin Guan @ Teh Chin Guan
Wong Peen Fook
Wong Wai Leong
Yuki Hikasa
Zheng Wen Liang

^ *Resigned during the financial year and up to the date of this report*
* *Appointed during the financial year and up to the date of this report*

SUBSIDIARIES

Details of subsidiaries are set out in Note 43 to the financial statements.

IOI PROPERTIES GROUP BERHAD
(Incorporated in Malaysia)

DIRECTORS' REPORT (CONTINUED)

AUDITORS' REMUNERATION

Details of auditors' remuneration are as follows:

	Group	Company
	RM'000	RM'000
PricewaterhouseCoopers PLT	1,022	201
Member firms of PricewaterhouseCoopers International Limited	213	-
Firms other than member firms of PricewaterhouseCoopers International Limited	140	-

AUDITORS

The auditors, PricewaterhouseCoopers PLT (LLP0014401-LCA & AF 1146), have expressed their willingness to continue in office.

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

LEE YEOW SENG
Director

LEE YOKE HAR
Director

23 September 2022

Registration No.
201301005964 (1035807-A)

IOI PROPERTIES GROUP BERHAD
(Incorporated in Malaysia)

STATEMENTS OF PROFIT OR LOSS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

	Note	Group		Company	
		2022	2021	2022	2021
		RM'000	RM'000	RM'000	RM'000
Revenue	7	2,590,332	2,488,611	368,878	140,297
Cost of sales		(1,517,084)	(1,412,179)	-	-
Gross profit		1,073,248	1,076,432	368,878	140,297
Other operating income		222,292	64,711	37,373	6,377
Marketing and selling expenses		(60,745)	(46,960)	(19)	(23)
Administration expenses		(179,122)	(155,961)	(3,803)	(3,793)
Other operating expenses		(138,137)	(224,034)	(874)	(5,536)
Operating profit	8	917,536	714,188	401,555	137,322
Share of result of an associate		2,124	34,973	-	-
Share of results of joint ventures		164,741	249,581	-	-
Profit before interest and taxation		1,084,401	998,742	401,555	137,322
Interest income	10	42,962	34,729	5,670	10,028
Interest expense	11	(34,602)	(300)	(15,456)	(21,265)
Net foreign currency translation gain/(loss) on:					
- borrowings		4,273	46,122	-	-
- deposits		5,739	(1,293)	4,709	(1,418)
Profit before taxation		1,102,773	1,078,000	396,478	124,667
Taxation	12	(414,704)	(414,687)	(310)	(1,119)
Profit for the financial year		688,069	663,313	396,168	123,548
Profit attributable to:					
Owners of the Company		686,735	660,209	396,168	123,548
Non-controlling interests		1,334	3,104	-	-
		688,069	663,313	396,168	123,548
Earnings per ordinary share attributable to owners of the Company					
Basic earnings per share (sen)	13	12.47	11.99		
Diluted earnings per share (sen)	13	12.47	11.99		

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

Registration No.
201301005964 (1035807-A)

IOI PROPERTIES GROUP BERHAD
(Incorporated in Malaysia)

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Profit for the financial year	688,069	663,313	396,168	123,548
Other comprehensive income that will be reclassified subsequently to profit or loss				
Exchange differences on translation of foreign operations	186,662	106,908	-	-
Net change in cash flow hedge reserve	131,154	91,662	-	1,075
Other comprehensive income for the financial year	317,816	198,570	-	1,075
Total comprehensive income for the financial year	1,005,885	861,883	396,168	124,623
Total comprehensive income attributable to:				
Owners of the Company	1,004,366	858,743	396,168	124,623
Non-controlling interests	1,519	3,140	-	-
	1,005,885	861,883	396,168	124,623

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

Registration No.
201301005964 (1035807-A)

IOI PROPERTIES GROUP BERHAD
(Incorporated in Malaysia)

STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2022

	Note	Group		Company	
		2022	2021	2022	2021
		RM'000	RM'000	RM'000	RM'000
ASSETS					
NON-CURRENT ASSETS					
Property, plant and equipment	15	3,054,120	1,530,672	-	-
Land held for property development	16	9,076,819	5,170,325	-	-
Investment properties	17	15,778,422	14,895,545	-	-
Goodwill on consolidation	18	11,472	11,472	-	-
Investment in subsidiaries	19	-	-	19,089,783	18,884,673
Interest in an associate	20	53,673	51,549	-	-
Interests in joint ventures	21	4,390,152	4,434,207	-	-
Deferred tax assets	22	197,614	209,016	-	-
		32,562,272	26,302,786	19,089,783	18,884,673
CURRENT ASSETS					
Property development costs	23	568,462	2,223,706	-	-
Inventories	24	3,051,666	2,412,152	-	-
Derivative financial assets	34	7,785	-	-	-
Trade and other receivables	25	723,214	412,495	318	15,640
Contract assets	26	177,756	162,723	-	-
Amounts due from subsidiaries	19	-	-	544	5
Amount due from a joint venture	21	-	23,369	-	-
Current tax assets		59,130	47,467	23,225	23,416
Short term funds	27	735,444	263,698	-	263,698
Deposits with financial institutions	28	510,576	277,082	186,732	100,695
Cash and bank balances	29	1,105,064	1,307,428	341,806	91,861
		6,939,097	7,130,120	552,625	495,315
TOTAL ASSETS		39,501,369	33,432,906	19,642,408	19,379,988

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

IOI PROPERTIES GROUP BERHAD
(Incorporated in Malaysia)

STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2022 (CONTINUED)

	Note	Group		Company	
		2022	2021	2022	2021
		RM'000	RM'000	RM'000	RM'000
EQUITY AND LIABILITIES					
EQUITY					
Share capital	30	18,514,233	18,514,233	18,514,233	18,514,233
Reserves	31	145,885	(171,746)	-	-
Retained earnings		10,232,646	9,656,034	747,977	461,932
Reorganisation debit balance		(8,440,152)	(8,440,152)	-	-
Equity attributable to owners of the Company		20,452,612	19,558,369	19,262,210	18,976,165
Non-controlling interests	19	157,958	160,339	-	-
Total equity		20,610,570	19,718,708	19,262,210	18,976,165
LIABILITIES					
NON-CURRENT LIABILITIES					
Borrowings	32	3,330,735	10,676,108	-	-
Lease liabilities	33	1,882	740	-	-
Derivative financial liabilities	34	-	45,426	-	-
Trade and other payables	35	55,936	38,903	-	-
Deferred tax liabilities	22	668,428	662,264	-	-
Amount due to a subsidiary	19	-	-	12,582	99,742
		4,056,981	11,423,441	12,582	99,742
CURRENT LIABILITIES					
Borrowings	32	13,485,923	334,003	-	-
Lease liabilities	33	1,257	1,629	-	-
Derivative financial liabilities	34	-	81,534	-	-
Trade and other payables	35	1,116,533	1,080,865	964	925
Contract liabilities	26	101,999	186,682	-	-
Amounts due to subsidiaries	19	-	-	366,652	303,156
Current tax liabilities		128,106	606,044	-	-
		14,833,818	2,290,757	367,616	304,081
Total liabilities		18,890,799	13,714,198	380,198	403,823
TOTAL EQUITY AND LIABILITIES		39,501,369	33,432,906	19,642,408	19,379,988

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

Registration No.
201301005964 (1035807-A)

IOI PROPERTIES GROUP BERHAD
(Incorporated in Malaysia)

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

	Attributable to owners of the Company							
	Share capital	Foreign currency translation reserve	Cash flow hedge reserve	Reorgani-sation debit balance	Retained earnings	Total	Non-controlling interests	Total equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Group								
As at 1 July 2021	18,514,233	(51,088)	(120,658)	(8,440,152)	9,656,034	19,558,369	160,339	19,718,708
Profit for the financial year	-	-	-	-	686,735	686,735	1,334	688,069
Exchange differences on translation of foreign operation	-	186,479	-	-	-	186,479	183	186,662
Net change in cash flow hedge (Note 31.2)	-	-	131,152	-	-	131,152	2	131,154
Total comprehensive income	-	186,479	131,152	-	686,735	1,004,366	1,519	1,005,885
Changes in equity interests in subsidiaries	-	-	-	-	-	-	(411)	(411)
Dividend paid (Note 14)	-	-	-	-	(110,123)	(110,123)	(3,489)	(113,612)
Total transactions with owners	-	-	-	-	(110,123)	(110,123)	(3,900)	(114,023)
As at 30 June 2022	18,514,233	135,391	10,494	(8,440,152)	10,232,646	20,452,612	157,958	20,610,570

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

Registration No.
201301005964 (1035807-A)

IOI PROPERTIES GROUP BERHAD
(Incorporated in Malaysia)

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022 (CONTINUED)

	Attributable to owners of the Company							
	Share capital	Foreign currency translation reserve	Cash flow hedge reserve	Reorganisation debit balance	Retained earnings	Total	Non-controlling interests	Total equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Group								
As at 1 July 2020	18,514,233	(157,968)	(212,312)	(8,440,152)	9,078,417	18,782,218	155,401	18,937,619
Profit for the financial year	-	-	-	-	660,209	660,209	3,104	663,313
Exchange differences on translation of foreign operation	-	106,880	-	-	-	106,880	28	106,908
Net change in cash flow hedge (Note 31.2)	-	-	91,654	-	-	91,654	8	91,662
Total comprehensive income	-	106,880	91,654	-	660,209	858,743	3,140	861,883
Issuance of preference shares to non-controlling interests in a subsidiary	-	-	-	-	-	-	17,485	17,485
Changes in equity interests in a subsidiary	-	-	-	-	-	-	(10,091)	(10,091)
Dividend paid (Note 14)	-	-	-	-	(82,592)	(82,592)	(5,596)	(88,188)
Total transactions with owners	-	-	-	-	(82,592)	(82,592)	1,798	(80,794)
As at 30 June 2021	18,514,233	(51,088)	(120,658)	(8,440,152)	9,656,034	19,558,369	160,339	19,718,708

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

Registration No.
201301005964 (1035807-A)

IOI PROPERTIES GROUP BERHAD
(Incorporated in Malaysia)

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022 (CONTINUED)

	Attributable to owners of the Company			
	Share capital	Cash flow hedge reserve	Retained earnings	Total equity
	RM'000	RM'000	RM'000	RM'000
Company				
As at 1 July 2021	18,514,233	-	461,932	18,976,165
Profit for the financial year/Total comprehensive income	-	-	396,168	396,168
Dividend paid (Note 14)	-	-	(110,123)	(110,123)
Total transactions with owners	-	-	(110,123)	(110,123)
As at 30 June 2022	18,514,233	-	747,977	19,262,210
As at 1 July 2020	18,514,233	(1,075)	420,976	18,934,134
Profit for the financial year	-	-	123,548	123,548
Net change in cash flow hedge (Note 31.2)	-	1,075	-	1,075
Total comprehensive income	-	1,075	123,548	124,623
Dividend paid (Note 14)	-	-	(82,592)	(82,592)
Total transactions with owners	-	-	(82,592)	(82,592)
As at 30 June 2021	18,514,233	-	461,932	18,976,165

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

Registration No.
201301005964 (1035807-A)

IOI PROPERTIES GROUP BERHAD
(Incorporated in Malaysia)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

	Note	Group		Company	
		2022	2021	2022	2021
		RM'000	RM'000	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before taxation		1,102,773	1,078,000	396,478	124,667
Adjustments for:					
Bad debts written off		63	635	-	-
Depreciation of property, plant and equipment	15	49,742	42,464	-	-
Dividend income	7	-	-	(368,878)	(140,297)
Fair value (gain)/loss on investment properties	17	(48,924)	71,061	-	-
(Gain)/Loss on:					
- disposal of a subsidiary		(85,982)	-	-	-
- disposal of property, plant and equipment		(68)	(140)	-	-
- disposal of investment properties		-	88	-	-
- redemption of redeemable preference shares in subsidiaries		-	-	(27,425)	(2,978)
- subscription of redeemable preference shares in subsidiaries		-	-	(4,546)	(2,590)
Impairment losses on:					
- receivables		3,585	3,935	-	-
- interests in subsidiaries		-	-	-	5,333
Interest expense	11	34,602	300	15,456	21,265
Interest income	10	(42,962)	(34,729)	(5,670)	(10,028)
Property development costs written down	23	171,215	108,852	-	-
Property, plant and equipment written off	15	94	16	-	-
Reversal of impairment losses on receivables		(2,297)	(776)	-	-
Share of result of an associate		(2,124)	(34,973)	-	-
Share of results of joint ventures		(164,741)	(249,581)	-	-
Net foreign currency translations (gain)/loss		(5,170)	(45,128)	866	18
Operating profit/(loss) before working capital changes		1,009,806	940,024	6,281	(4,610)

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

IOI PROPERTIES GROUP BERHAD
(Incorporated in Malaysia)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022 (CONTINUED)

	Note	Group		Company	
		2022	2021	2022	2021
		RM'000	RM'000	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES (CONTINUED)					
Operating profit/(loss) before working capital changes (continued)		1,009,806	940,024	6,281	(4,610)
Changes in working capital:					
- Property development costs		(15,312)	170,857	-	-
- Inventories		942,184	422,891	-	-
- Contract assets		(15,033)	57,536	-	-
- Trade and other receivables		(301,766)	(12,895)	15,577	(15,566)
- Contract liabilities		(84,683)	(161,414)	-	-
- Trade and other payables		52,684	(21,520)	39	(9)
Cash generated from/(used in) operations		1,587,880	1,395,479	21,897	(20,185)
Tax paid		(922,137)	(379,577)	(120)	(385)
Tax refunded		28,550	2,850	-	6
Net cash from/(used in) operating activities		694,293	1,018,752	21,777	(20,564)

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

IOI PROPERTIES GROUP BERHAD
(Incorporated in Malaysia)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022 (CONTINUED)

	Note	Group		Company	
		2022	2021	2022	2021
		RM'000	RM'000	RM'000	RM'000
CASH FLOWS FROM INVESTING ACTIVITIES					
Deposit received from disposal of a subsidiary		-	7,902	-	-
Dividends received		-	45,109	368,878	140,297
Interest received		33,600	28,405	5,415	10,190
Proceeds from disposal of:					
- investment properties		-	1,092	-	-
- property, plant and equipment		168	304	-	-
- a subsidiary		101,592	-	-	-
Additional investments in subsidiaries		-	-	(341,873)	(202,872)
Redemption of redeemable preference shares of a joint venture		194,309	163,070	-	-
Redemption of redeemable preference shares of subsidiaries		-	-	217,222	238,860
Redemption of cumulative redeemable preference shares of an associate		-	47,838	-	-
Repayment from joint ventures		180,952	34,817	-	-
Repayment to non-controlling interests in a subsidiary		(2,157)	-	-	-
Additions to:					
- property, plant and equipment	15.2	(1,521,967)	(123,108)	-	-
- land held for property development		(3,788,663)	(61,543)	-	-
- investment properties		(406,476)	(431,267)	-	-
Equity contribution to subsidiaries		-	-	-	(59,216)
Advances to joint venture		(37,467)	-	-	-
Advances to subsidiaries		-	-	(823)	(5)
Repayments from subsidiaries		-	-	284	232,853
Net cash (used in)/generated from investing activities		(5,246,109)	(287,381)	249,103	360,107

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

IOI PROPERTIES GROUP BERHAD
(Incorporated in Malaysia)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022 (CONTINUED)

	Note	Group		Company	
		2022	2021	2022	2021
		RM'000	RM'000	RM'000	RM'000
CASH FLOWS FROM FINANCING ACTIVITIES					
Consideration paid for acquisition of additional shares from non-controlling interests		-	(10,091)	-	-
Advances from subsidiaries		-	-	886,041	527,194
Payment of lease interest		(84)	(113)	-	-
Payment of lease liabilities		(1,682)	(1,714)	-	-
Interest paid		(375,273)	(337,093)	(15,921)	(20,217)
Dividend paid	14	(110,123)	(82,592)	(110,123)	(82,592)
Dividend paid to non-controlling interests		(3,489)	(5,596)	-	-
Banking facilities fees paid		(16,599)	(5,493)	-	-
Drawdown of borrowings		5,900,661	605,029	-	-
Repayment of borrowings		(357,297)	(577,516)	-	(225,000)
Proceeds from issuance of preference shares to non-controlling interests in subsidiaries		1,746	17,485	-	-
Repayment to subsidiaries		-	-	(958,593)	(572,830)
Net cash generated from/(used in) financing activities		5,037,860	(397,694)	(198,596)	(373,445)
Net increase/(decrease) in cash and cash equivalents		486,044	333,677	72,284	(33,902)
Cash and cash equivalents at beginning of financial year		1,848,208	1,471,985	456,254	490,156
Effect of exchange rate changes		16,832	42,546	-	-
Cash and cash equivalents at end of financial year	36	2,351,084	1,848,208	528,538	456,254

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

IOI PROPERTIES GROUP BERHAD
(Incorporated in Malaysia)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022 (CONTINUED)

RECONCILIATION OF CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES:

A reconciliation between the opening and closing balance in the financial position for liabilities arising from financing activities is as follows:

Group

	Lease liabilities	Borrowings
	RM'000	RM'000
At 1 July 2021	2,369	11,010,111
Cash flows:		
Drawdown of borrowings	-	5,900,661
Repayment	-	(357,297)
Banking facilities fees paid	-	(16,599)
Interest paid	-	(375,273)
Payment of lease interest	(84)	-
Payment of lease liabilities	(1,682)	-
Non-cash changes:		
Foreign currency translation differences	45	251,800
Interest expense capitalised	-	343,785
Banking facilities fee capitalised	-	24,952
Interest expense	84	34,316
Amortisation of facilities fees	-	202
New leases (Note 15.2)	2,407	-
At 30 June 2022	3,139	16,816,658
At 1 July 2020	3,490	10,895,176
Cash flows:		
Drawdown of borrowings	-	605,029
Repayment	-	(577,516)
Banking facilities fees paid	-	(5,493)
Interest paid	-	(337,093)
Payment of lease interest	(113)	-
Payment of lease liabilities	(1,714)	-
Non-cash changes:		
Foreign currency translation differences	20	81,209
Interest expense capitalised	-	334,758
Banking facilities fee capitalised	-	14,007
Interest expense	113	120
Amortisation of facilities fees	-	67
New leases (Note 15.2)	573	-
Others	-	(153)
At 30 June 2021	2,369	11,010,111

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

IOI PROPERTIES GROUP BERHAD
(Incorporated in Malaysia)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022 (CONTINUED)

RECONCILIATION OF CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES: (CONTINUED)

A reconciliation between the opening and closing balance in the financial position for liabilities arising from financing activities is as follows: (continued)

Company

	Borrowings	Amounts due to subsidiaries
	RM'000	RM'000
At 1 July 2021	-	402,898
Cash flows:		
Advances from subsidiaries	-	886,041
Repayment to subsidiaries	-	(958,593)
Interest paid	-	(15,921)
Non-cash changes:		
Foreign currency translation differences	-	866
Interest expense	-	15,456
Equity contribution	-	48,487
At 30 June 2022	-	379,234
At 1 July 2020	224,571	426,467
Cash flows:		
Advances from subsidiaries	-	527,194
Repayment to subsidiaries	-	(572,830)
Repayment	(225,000)	-
Interest paid	(8,124)	(12,093)
Non-cash changes:		
Foreign currency translation differences	-	18
Interest expense	6,442	14,823
Equity contribution	-	19,319
Others	2,111	-
At 30 June 2021	-	402,898

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

NOTES TO THE FINANCIAL STATEMENTS - 30 JUNE 2022

1 CORPORATE INFORMATION

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

Both the registered office and principal place of business of the Company are located at Level 29, IOI City Tower 2, Lebuh IRC, IOI Resort City, 62502 Putrajaya, Wilayah Persekutuan (Putrajaya), Malaysia.

The immediate and ultimate holding company is Vertical Capacity Sdn. Bhd., which is incorporated in Malaysia.

2 PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding.

The principal activities of the subsidiaries, associate and joint ventures are set out in Note 43 to the financial statements.

There have been no significant changes in the nature of the activities of the Group and of the Company during the financial year.

3 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

3.1 Basis of preparation

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

As at 30 June 2022, the Group's current liabilities exceeded its current assets by RM7,894,721,000 due to the classification of borrowings as current liabilities as the repayment is done within 12 months from the end of the current financial year.

In order to meet the repayment obligation in the next 12 months from the end of the current financial year, the Group has put in place certain financing plans as disclosed in Note 39.4.

Based on this, the Directors are of the view that the going concern assumption is appropriate for the preparation of the financial statements.

3 BASIS OF PREPARATION OF FINANCIAL STATEMENTS (CONTINUED)

3.2 Basis of accounting

The financial statements of the Group and of the Company have been prepared under the historical cost convention except as otherwise stated in the financial statements.

The preparation of financial statements in conformity with MFRS requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported period. It also requires Directors to exercise their judgement in the process of applying the Group's and Company's accounting policies. Although these estimates and judgement are based on the Directors' best knowledge of current events and actions, actual results may differ. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 5 to the financial statements.

3.3 Presentation currency

The financial statements are presented in Ringgit Malaysia ("RM"), which is also the Company's functional currency and all financial information presented in RM are rounded to the nearest thousand (RM'000), except where otherwise stated.

4 ADOPTION OF NEW MFRSs AND AMENDMENTS TO MFRSs

4.1 Standards, amendments to published standards and interpretations that are effective

The Group and the Company have applied the following amendments for the first time for the financial year beginning on 1 July 2021:

- Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4, and MFRS 16 'Interest Rate Benchmark Reform Phase 2'
- Amendments to MFRS 16 Leases – COVID-19 Related Rent Concessions beyond 30 June 2021

The adoption of these amendments to MFRSs did not have any significant impact to the Group's and the Company's results and financial position.

Inter-bank offered rate (IBOR) reform

There were no changes to the contractual cash flows of the IBOR-linked contracts in previous financial year, the Group and the Company adopted the Phase 2 amendments in the current financial statements because the Phase 2 amendments are effective for annual periods beginning on or after 1 July 2021. However, there is no impact arising from IBOR reform as the interest rate swap contract and the borrowings expired prior to the implementation of the new interest rate benchmark.

4 ADOPTION OF NEW MFRSs AND AMENDMENTS TO MFRSs (CONTINUED)

4.2 New MFRSs that have been issued but not yet effective and applicable to the Group and to the Company

A number of new standards and amendments to standards and interpretations are effective for financial year beginning after 1 July 2022. None of these is expected to have a significant effect on the financial statements of the Group and of the Company.

Effective for financial periods beginning on or after 1 July 2022:

- Amendments to MFRS 3 'Reference to Conceptual Framework'
- Amendments to Annual Improvements to MFRS Standards 2018 – 2020
- Amendments to MFRS 17 'Insurance Contracts'
- Amendments to MFRS 101 "Classification of liabilities as current or non-current"
- Amendments to MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates
- Amendments to MFRS 112 Income Taxes - Deferred Tax related to Assets and Liabilities arising from a Single Transaction
- Amendments to MFRS 116 "Proceeds before Intended Use"
- Amendments to MFRS 137 "Onerous Contracts – Cost of Fulfilling a Contract"
- Annual Improvements to MFRS 141 "Taxation in Fair Value Measurements"
- Amendments to MFRS 101 and MFRS Practice Statement 2

5 SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal the related actual results. The estimates that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below:

5.1 Revenue and cost recognition from property development activities

Revenue is recognised as and when the control of the asset is transferred to the customers and it is probable that the Group will collect the consideration to which the Group will be entitled in exchange for the asset that will be transferred to the customer. Control of the asset may transfer over time or at a point in time depending on the terms of the contract and the applicable laws governing the contract.

If control of the asset transfers over time, revenue is recognised over the period of the contract by reference to the stage of completion of the development activity at the end of the reporting period. The stage of completion is determined based on actual costs certified by professional consultants as a percentage of total estimated costs.

Significant judgement is required in determining the total estimated costs. Substantial changes in cost estimates may affect the profitability of the respective property development projects. Where the actual total property development costs are different from the estimated total property development costs, such difference will impact the recognition of revenue and costs from the property development activities.

In making the judgements, the Group and the Company rely on its industry knowledge, past experience and work of specialist.

5.2 Taxation and deferred tax assets

The Group is subject to income taxes of different jurisdictions. Significant judgement is required in determining the estimated taxable income, capital allowances and deductibility of certain expenses based on the interpretation of the tax laws and legislations during the estimation of the provision for income taxes. The Group recognised liabilities for tax based on estimates of assessment of the tax liability due or payable. Where the final tax outcome is different from the amounts that were initially recorded, such differences would impact the income tax and deferred income tax provisions, where applicable, in the period in which such determination is made. An increase or decrease in the final tax outcome would result in lower or higher profits respectively for the Group.

Deferred tax assets are recognised for all deductible temporary differences, unutilised tax losses and unabsorbed capital allowances to the extent that it is probable that taxable profit would be available against which the unutilised tax losses and unabsorbed capital allowances can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that could be recognised, based upon the likely timing and level of future taxable profits.

5.3 Capitalisation of borrowing costs

The Group capitalises borrowing costs and ceases the capitalisation of the borrowing costs as disclosed in the accounting policy in Note 6.13.2.

Significant judgement is involved in determining whether the development activities carried out meet the criteria for capitalisation of borrowing costs and, management is also required to estimate the appropriate apportionment of borrowing costs eligible for capitalisation to the various development phases.

5 SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

5.4 Fair value of investment properties

The valuations of the Group's completed investment properties were performed by independent external valuers.

There are complexities in determining the fair value of the completed investment properties, which involve significant estimates and judgements in determining the appropriate valuation methodologies and estimating the underlying assumptions to be applied. The list of significant unobservable inputs and its sensitivity analysis are disclosed in Note 17 to the financial statements.

5.5 Property development cost

Property development cost is stated at lower of cost and net realisable value. The Group recognised property development costs written down when the net realisable value is lower than the cost. Significant judgement is required in determining the net realisable value, as it includes estimating selling prices by reference to recent signed sales and purchase agreements, net of discounts for completed units. In making judgements, the Group relies on its industry knowledge, past experience and work of specialist.

During the financial year, the Group recognised a write-down on property development costs amounting to RM171,215,000 (2021: RM108,852,000) to their net realisable values which were based on the latest approved selling prices by the relevant authority in Xiamen. An increase or decrease in the net realisable value will result in lower or higher profits respectively for the Group.

6 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements by the Group's entities, unless otherwise stated.

6.1 Basis of consolidation

6.1.1 Subsidiaries

Subsidiaries are entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations when the acquired sets of activities and assets meet the definition of a business. The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement and fair value of any pre-existing equity interest in the subsidiary. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

6 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

6.1 Basis of consolidation (continued)

6.1.1 Subsidiaries (continued)

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recognised as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in profit or loss (see Note 6.4 on goodwill).

Acquisition-related costs are expensed as incurred.

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

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

Inter-company transactions, balances and unrealised gains on transactions between entities of the Group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of non-wholly owned subsidiaries are presented separately in the consolidated statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of financial position respectively.

6.1.2 Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in equity attributable to owners of the Group.

6 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

6.1 Basis of consolidation (continued)

6.1.3 Disposal of subsidiaries

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

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

6.1.4 Joint ventures

A joint venture is a joint arrangement whereby the joint ventures have rights to the net assets of the arrangement. A joint operation is a joint arrangement whereby the joint operators have rights to the assets and obligations for the liabilities, relating to the arrangement.

Interests in joint ventures are accounted for using the equity method, after initially being recognised at cost in the consolidated statement of financial position. Under the equity method, the investment in a joint venture is initially recognised at cost inclusive of goodwill, if any, and adjusted thereafter to recognise the Group's share of the post-acquisition results and other changes in the net assets of the joint venture based on their latest audited financial statements. Dividends received or receivable from a joint venture are recognised as a reduction in the carrying amount of the investment. Where necessary, adjustments are made to the financial statements of joint ventures used by the Group in applying the equity method to ensure consistency of accounting policies with those of the Group. When the Group's share of losses in a joint venture equals or exceeds its interests in the joint venture, including any long-term interests that, in substance, form part of the Group's net investment in the joint venture, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the joint venture.

The Group determines at each reporting date whether there is any objective evidence that the investment in the joint venture is impaired. An impairment loss is recognised for the amount by which the carrying amount of the joint venture exceeds its recoverable amount. The Group presents the impairment loss adjacent to ‘share of results of joint ventures’ in the statement of profit or loss.

Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group’s interests in the joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

6 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

6.1 Basis of consolidation (continued)

6.1.4 Joint ventures (continued)

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

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

6.1.5 Associates

Associates are entities over which the Group has significant influence, which the Group has the power to participate in the financial and operating policy decisions but not control over those policy.

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

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. An impairment loss is recognised for the amount by which the carrying amount of the associate exceeds its recoverable amount. The Group presents the impairment loss adjacent to ‘share of results of associates’ in the statement of profit or loss.

Profits and losses resulting from upstream and downstream transactions between the Group and its associate are recognised in the Group’s financial statements only to the extent of unrelated investor’s interests in the associates. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred.

6 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

6.1 Basis of consolidation (continued)

6.1.5 Associates (continued)

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

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

Dilution gains and losses arising in investments in associates are recognised in profit or loss.

6.1.6 Investments in subsidiaries, joint ventures and associates in separate financial statements

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

The amounts due from subsidiaries, joint ventures and associates of which the Company does not expect repayment in the foreseeable future are considered as part of the Company's net investments in the respective investees.

6.2 Property, plant and equipment and depreciation

Property, plant and equipment are initially stated at cost less accumulated depreciation and impairment losses. The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Cost also includes borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset (refer to Note 6.13.2 on borrowing costs).

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are recognised as expenses in profit or loss during the financial period in which they are incurred.

6 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

6.2 Property, plant and equipment and depreciation (continued)

Freehold land is not depreciated as it has an infinite life. Other property, plant and equipment are depreciated on the straight-line method to allocate the cost to their residual values over their estimated useful lives, summarised as follows:

Golf course development expenditure	2%
Plantation expenditure	4% - 8%
Buildings and improvements	2% - 10%
Plant and machinery	4% - 20%
Motor vehicles	10% - 20%
Furniture, fittings and equipment	5% - 33%

Assets under construction are only depreciated when the assets are ready for their intended use.

At the end of the reporting period, the Group assesses whether there is any indication of impairment. If such indications exist, an analysis is performed to assess whether the carrying amount of the asset is fully recoverable. A write down is made if the carrying amount exceeds the recoverable amount. See accounting policy Note 6.5 on impairment of non-financial assets.

Gain and losses on disposals are determined by comparing net disposal proceeds with carrying amount and are included in profit or loss.

6.3 Investment properties

Investment properties, comprising principally freehold land, leasehold land and buildings, are held for long term rental yields or for capital appreciation or both, and are not occupied by the Group.

Investment property is measured initially at its cost, including related transaction costs.

After initial recognition, investment property is carried at fair value. Investment properties of the Group are measured at fair value except for investment properties under construction which are measured at cost until either the fair value becomes reliably determinable or when construction is completed, whichever is earlier. Investment properties under construction is measured at cost on the basis that the fair value of the work in progress building is unable to be reliably measured given the range of estimates involved during the construction phase, including the term yield, reversion yield and price per sq foot. Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. If this information is not available, the Group uses alternative valuation methods, such as recent prices on less active markets or discounted cash flow projections. Valuations are performed as of the reporting date by professional valuers who hold recognised and relevant professional qualifications and have recent experience in the location and category of the investment property being valued.

The fair value of investment property reflects, among other things, rental income from current leases and other assumptions that market participants would make when pricing the property under current market conditions.

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

6 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

6.3 Investment properties (continued)

Changes in fair values are recognised in profit or loss. Investment properties are derecognised either when they have been disposed of or when the investment property is permanently withdrawn from use.

Where the Group disposes of a property at fair value in an arm's length transaction, the carrying amount immediately prior to the sale is adjusted to the transaction price, and the adjustment is recorded in profit or loss as a net gain/loss from fair value adjustment on investment property.

If a property undergoes a change in use and becomes an investment property, any difference resulting between the carrying amount of the property and the fair value of such investment property at the date of transfer is recognised in accordance with the applicable MFRS. Its fair value at the date of reclassification becomes its cost for subsequent accounting purposes.

6.4 Goodwill

Goodwill arises from a business combination and represents the excess of the aggregate of fair value of consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of any previous equity interest in the acquiree over the fair value of the net identifiable assets acquired and liabilities assumed on the acquisition date. If the fair value of consideration transferred, the amount of non-controlling interest and the fair value of previously held interest in the acquiree are less than the fair value of the net identifiable assets of the acquiree, the resulting gain is recognised in profit or loss.

Goodwill is not amortised but it is tested for impairment annually and whenever there is an indication that it might be impaired. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash generating units ("CGUs"), or groups of CGUs, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at operating segment level. The carrying amount of goodwill is compared to the recoverable amount, which is the higher of value-in-use and the fair value less costs of disposal. Any impairment is recognised immediately as an expense and is not subsequently reversed.

6.5 Impairment of non-financial assets

Assets that have an indefinite useful life, for example goodwill or intangible assets not ready to use, are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the non-financial asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value-in-use. For purposes of impairment testing, cash generating units to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

The impairment loss is charged to profit or loss. Impairment loss on goodwill is not reversed. In respect of other assets, any subsequent increase in recoverable amount is recognised in profit or loss.

6 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

6.6 Leases

(a) Accounting by lessee

Leases are recognised as right-of-use ("ROU") assets and a corresponding liability at the date on which the leased assets are available for use by the Group.

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

Lease term

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

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

ROU assets

ROU assets are initially measured at cost comprising the following:

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

ROU assets that are not investment properties are subsequently measured at cost, less accumulated depreciation and accumulated impairment. The ROU assets are generally depreciated over the shorter of the lease term on a straight-line basis.

The lease term of the right-of-use assets are determined as follows:

Leasehold land	40 - 99 years
Buildings and improvements	1 - 6 years
Plant and machinery	2 - 4 years

6 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

6.6 Leases (continued)

(a) Accounting by lessee (continued)

If the Group is reasonably certain to exercise a purchase option, the ROU asset is depreciated over the underlying asset's useful life. In addition, the ROU assets are adjusted for certain remeasurement of the lease liabilities.

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

The Group applies the fair value model to ROU assets that meet the definition of investment property of MFRS 140 consistent with those investment property owned by the Group (refer to Note 6.3 on investment properties).

Lease liabilities

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

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- the exercise price under a purchase option that the Group is reasonably certain to exercise; and
- penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

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

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

The Group presents the lease liabilities as a separate line item in the statement of financial position. Finance cost on the lease liability is presented within the interest expense in profit or loss.

Reassessment of lease liabilities

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

6 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

6.6 Leases (continued)

(a) Accounting by lessee (continued)

Short term leases and leases of low value assets

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

(b) Accounting by lessor

As a lessor, the Group determines at lease inception whether each lease is a finance lease or an operating lease. To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset to the lessee. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

Finance leases

The Group classifies a lease as a finance lease if the lease transfers substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee.

The Group derecognises the underlying asset and recognises a receivable at an amount equal to the net investment in a finance lease. Net investment in a finance lease is measured at an amount equal to the sum of the present value of lease payments from lessee and the unguaranteed residual value of the underlying asset. Initial direct costs are also included in the initial measurement of the net investment. The net investments is subject to MFRS 9 impairment (refer to Note 6.22 on impairment of financial assets and financial guarantee contracts). In addition, the Group reviews regularly the estimated unguaranteed residual value.

Lease income is recognised over the term of the lease using the net investment method so as to reflect a constant periodic rate of return on the balance outstanding. The Group revises the lease income allocation if there is a reduction in the estimated unguaranteed residual value.

When assets are leased out under a finance lease, the present value of the lease payments is recognised as a receivable. The difference between the gross receivable and the present value of the receivable is recognised as unearned finance income.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. It assesses the lease classification of a sublease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset.

Operating leases

The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of “revenue”.

6 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

6.7 Inventories

6.7.1 Land held for property development

Land held for property development consist of land on which no significant development work has been undertaken or where development activities are not expected to be completed within the normal operating cycle. Such land is classified as non-current asset and is carried at the lower of cost and net realisable value.

The cost of land held for property development consists of cost associated with the acquisition of land. These costs include the purchase price of the land, professional fees, stamp duties, commissions, conversion fees and other relevant levies.

Land held for property development is transferred to property development costs under current assets when development activities have commenced and where the development activities can be completed within the Group's normal operating cycle.

6.7.2 Property development costs

Property development costs comprise costs associated with the acquisition of land and all costs directly attributable to development activities less cumulative amounts recognised as expense in the profit or loss for property under development are carried in the statement of financial position as property development costs. The property development cost is subsequently recognised as an expense in profit or loss as and when the control of the asset is transferred to the customer.

Property development cost of unsold unit is transferred to completed development properties once the development is completed.

6.7.3 Completed development properties

The cost of completed development properties is stated at the lower of cost and net realisable value. Cost includes cost associated with the acquisition of land, all related costs incurred subsequent to the acquisition necessary to prepare the land for its intended use, related development costs to projects, direct building costs and other costs of bringing the development properties to their present location and condition.

6.7.4 Finished goods, raw materials and consumable stores

Finished goods, raw materials and consumable stores are stated at the lower of cost and net realisable value. Cost is determined on a weighted average basis. Cost comprises the original cost of purchase plus the cost of bringing the inventories to their intended location and condition. The cost of produce and finished goods includes the cost of raw materials, direct labour and a proportion of production overheads.

Net realisable value is the estimated selling price in the ordinary course of business, less costs to completion and the estimated costs necessary to make the sale.

6 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

6.8 Trade and other receivables

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

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment (refer to Note 6.22 on impairment of financial assets and financial guarantee contracts).

6.9 Contract assets and contract liabilities

Contract asset is the right to consideration for goods or services transferred to the customers. In the context of property development and construction contracts, contract asset is the excess of cumulative revenue earned over the billings to date. Contract asset is stated at cost less accumulated impairment.

Contract liability is the obligation to transfer goods or services to the customer for which the Group has received the consideration or billed the customer. In the context of property development and construction contracts, contract liability is the excess of the billings to date over the cumulative revenue earned. Contract liabilities include club membership fees, down payments received from customers and other deferred income where the Group has billed or collected the payment before the goods are delivered or services are provided to the customers.

6.10 Cash and cash equivalents

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

6.11 Share capital

6.11.1 Classification

Ordinary shares and non-redeemable preference shares with discretionary dividends are classified as equity.

6.11.2 Share issue costs

Costs directly attributable to the issue of new shares or options are deducted against equity.

6.11.3 Dividend distribution

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

Distributions to holders of an equity instrument is recognised directly in equity.

6 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

6.11 Share capital (continued)

6.11.4 Purchase of own shares

Where any company within the Group purchases the Company's equity instruments as a result of a share buy-back, the consideration paid, including any directly attributable costs, net of tax, is deducted from equity attributable to the owners of the Company as treasury shares until the shares are cancelled, reissued. Where such ordinary shares are subsequently reissued, any consideration received, net of any directly attributable transaction costs and the related tax effects, is included in equity attributable to the owners of the Company.

6.11.5 Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares; and
- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year and excluding treasury shares.

Diluted earnings per share

Diluted earnings per share adjusts the figures in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares; and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

6.12 Trade payables

Trade payables represent liabilities for goods or services provided to the Group and the Company prior to the end of financial year which are unpaid. Trade payables are classified as current liabilities when the Group and the Company expect to settle the liability in its normal operating cycle and the Group and the Company have no unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period. If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

6 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

6.13 Borrowings and borrowing costs

6.13.1 Borrowings

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

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

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

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

6.13.2 Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the assets for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or completed.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

NOTES TO THE FINANCIAL STATEMENTS - 30 JUNE 2022 (CONTINUED)

6 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

6.14 Current and deferred tax

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

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Group's subsidiaries, joint ventures and associates operate and generate taxable income.

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

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

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

Current and deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis. Unutilised investment tax allowance, being tax incentive that is not a tax base of an asset, is recognised as a deferred tax asset to the extent that it is probable that the future taxable profits will be available against which the unutilised tax incentive can be utilised.

6 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

6.15 Employee benefits

6.15.1 Short term employee benefits

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

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

6.15.2 Defined contribution plans

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees benefits relating to employee service in the current and prior periods. The Company and its subsidiaries incorporated in Malaysia make contributions to a statutory provident fund and its foreign subsidiaries make contributions to their respective countries' statutory pension schemes.

The Group's contributions to defined contribution plans are charged to profit or loss in the period to which they relate. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

6.16 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions. Under the capital approach, government grants relating to investment properties are credited to investment properties when the costs for which the benefit of the grant is intended to compensate are incurred.

Government grants relating to development costs are netted against its relevant development expenditure when the benefit of the grant is intended to compensate are incurred.

6 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

6.17 Provisions

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

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

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

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

6.18 Contingent assets and liabilities

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

A contingent asset is a possible asset that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group. The Group does not recognise contingent assets but discloses its existence where inflows of economic benefits are probable, but not virtually certain.

6 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

6.19 Revenue recognition

6.19.1 Revenue from contracts with customers

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

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

(a) Revenue from property development and construction contracts

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

Contracts with customers include multiple promises to customers and therefore accounted for as separate performance obligations. In this case, the transaction price will be allocated to each performance obligation based on the stand-alone selling prices. When these are not directly observable, they are estimated based on expected cost plus margin.

Revenue is recognised as and when control of the asset is transferred to the customer and it is probable that the Group would collect the consideration to which it will be entitled in exchange for the asset that would be transferred to the customer. Depending on the terms of the contract and the laws that apply to the contract, control of the asset may transfer over time or at a point in time. Control of the asset is transferred over time if the performance of the Group does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

If control of the asset transfers over time, revenue is recognised over the period of the contract using the input method by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the asset.

The Group recognises revenue over time using the input method, which is based on the actual costs incurred to date on the property development project bear to the estimated costs for the respective development projects.

6 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

6.19 Revenue recognition (continued)

6.19.1 Revenue from contracts with customers (continued)

(b) Sales of completed development properties

The Group recognises sales at a point in time for the sale of completed development properties, when the control of the properties has been transferred to the purchasers, being when the properties have been completed and delivered to the customers and it is probable that the Group will collect the considerations to which it would be entitled to in exchange for the assets sold.

(c) Hotel operations

Hotel revenue represent income derived from room rentals, sales of food and beverage and other hotel related income net of discount are recognised at a point in time upon delivery of products and customer acceptance, if any, or performance of services.

(d) Club subscription fees

Club subscription fees, which are not refundable, are recognised over the subscription period.

(e) Sales of goods, services and rights of enjoyment

Revenue from sale of goods is recognised based on invoice value of goods sold and revenue from services is recognised net of discounts as and when services are performed.

Entrance fees collected for rights of enjoyment of facilities are recognised when services are rendered.

(f) Others

Other revenue comprises of management fees, building maintenance fees, landscaping services and sales of plantation produce. Revenue are recognised when services are rendered or upon delivery of products and customer acceptance.

6.19.2 Lease income

Lease income from operating leases is recognised on a straight-line basis over the lease term. The aggregate cost of incentives provided to the lessee is recognised as a reduction of rental income over the lease term on a straight-line basis.

NOTES TO THE FINANCIAL STATEMENTS - 30 JUNE 2022 (CONTINUED)

6 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

6.19 Revenue recognition (continued)

6.19.3 Dividend income

Dividend income is recognised when shareholder's right to receive payment is established.

6.19.4 Interest income

Interest income is recognised using the effective interest method.

6.20 Foreign currencies

6.20.1 Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The financial statements are presented in Ringgit Malaysia, which is the Company's functional and presentation currency.

6.20.2 Translation and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss. However, exchange differences are deferred in other comprehensive income when they arose from qualifying cash flow or net investment hedges or are attributable to items that form part of the net investment in a foreign operation.

6.20.3 Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- income and expenses for each statement of profit or loss and statement of comprehensive income are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
- all resulting exchange differences are recognised as a separate component of other comprehensive income.

6 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

6.20 Foreign currencies (continued)

6.20.3 Group companies (continued)

Goodwill and fair value adjustments arising on the acquisitions of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Exchange differences arising are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income.

On the disposal of a foreign operation (that is, a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, a disposal involving loss of joint control over a joint venture that includes a foreign operation, or a disposal involving loss of significant influence over an associate that includes a foreign operation), all of the exchange differences relating to that foreign operation recognised in other comprehensive income and accumulated in the separate component of equity are reclassified to profit or loss, as part of the gain or loss on disposal. In the case of a partial disposal that does not result in the Group losing control over a subsidiary that includes a foreign operation, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (that is, reductions in the Group's ownership interest in associates or joint ventures that do not result in the Group losing significant influence or joint control) the proportionate share of the accumulated exchange difference is reclassified to profit or loss.

6.21 Financial instruments

6.21.1 Financial assets

(a) Classification

The Group and the Company classify their financial assets in the following measurement categories:

(i) those be measured subsequently at fair value (either through other comprehensive income or through profit or loss); and

(ii) those to be measured at amortised costs

The Group and the Company reclassify debt investments when and only when their business model for managing those assets changes.

(b) Recognition and initial measurement

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

6 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

6.21 Financial instruments (continued)

6.21.1 Financial assets (continued)

(c) Measurement

At initial recognition, the Group and the Company measure a financial asset at its fair value plus, in the case of financial asset not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to the acquisition of the financial assets. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's and the Company's business model for managing the asset and the cash flow characteristics of the asset. The Group and the Company reclassified debt investments when and only when their business model for managing those assets changes.

The Group and the Company classify their debt instruments at amortised cost. Assets that are held for collection of contractual cash flows where those cash flows represent solely payment of principal and interest are measured at amortised cost. Interest income from these financial assets is included in other income using the effective interest rate method. Any gain or loss arising from derecognition is recognised directly in profit or loss together with foreign currency exchange gains or losses. Impairment losses are recognised in profit or loss.

Fair value through profit or loss ('FVTPL')

Short term funds are measured at FVTPL. The Group may also irrevocably designate financial assets at FVTPL if doing so significantly reduces or eliminates a mismatch created by assets and liabilities being measured on different bases. Fair value changes are recognised in profit or loss in the period which it arises.

Equity instruments

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

Changes in the fair value of financial assets at FVTPL are recognised in profit or loss as applicable.

6 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

6.21 Financial instruments (continued)

6.21.2 Financial liabilities

Financial liabilities are initially recognised at fair value plus directly attributable transaction costs. The Group and the Company classify financial instruments as liabilities or equity in accordance with the substance of the contractual arrangement. A financial liability is classified into financial liabilities after initial recognition for the purpose of subsequent measurement:

(i) Financial liabilities

Financial liabilities comprise non-derivative financial liabilities that are neither held for trading nor initially designated as fair value through profit or loss.

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

A financial liability is derecognised when, and only when, it is extinguished, i.e. when the obligation specified in the contract is discharged or cancelled or expired. An exchange between an existing borrower and lender of debt instruments with substantially different terms are accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

Any difference between the carrying amount of a financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

All financial liabilities of the Group and of the Company are measured at amortised cost except for financial liabilities at fair value through profit or loss, which are held for trading (including derivatives) or designated at fair value through profit or loss upon initial recognition.

At the end of each reporting period, the Group and the Company shall assess whether their recognised insurance liabilities are adequate, using current estimates of future cash flows under their insurance contracts. If this assessment shows that the carrying amount of the insurance liabilities is inadequate, the entire deficiency shall be recognised in profit or loss.

6.21.3 Financial guarantee contracts

The Group and the Company designate corporate guarantees given to banks for credit facilities granted to subsidiaries as insurance contracts as defined in MFRS 4 ‘Insurance Contracts’. The Group and the Company recognise these insurance contracts as insurance liabilities when there is a present obligation, legal or constructive, as a result of a past event, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

6 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

6.21 Financial instruments (continued)

6.21.4 Offsetting financial instruments

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

6.21.5 Derivative and hedging activities

(i) Derivative financial instruments and hedging activities

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group designates certain derivatives as hedges of a particular risk associated with the cash flows of recognised assets and liabilities and highly probable forecast transactions (cash flow hedges).

The Group documents at the inception of the hedging transaction, the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions have been and will continue to be highly effective in offsetting changes in fair values or cash flows of hedged items.

A derivative financial instrument is carried as an asset when the fair value is positive and as a liability when the fair value is negative. The fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than twelve (12) months, and as a current asset or liability when the remaining maturity of the hedged item is less than twelve (12) months.

(ii) Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated in cash flow hedge reserve in equity. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss.

Amounts accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss.

When a hedging instrument expires or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately reclassified to profit or loss.

6 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

6.22 Impairment of financial assets and financial guarantee contracts

The Group and the Company recognise loss allowance for expected credit losses on financial assets measured at amortised cost, debt investments measured at fair value through other comprehensive income, contract assets, financial guarantee contracts. Expected credit losses ("ECL") are probability-weighted estimate of credit losses.

ECL represent a probability-weighted estimate of the difference between present value of cash flow according to contract and present value of cash flows that the Group and the Company expect to receive, over the remaining life of the financial instrument. For financial guarantee contracts, the ECL is the difference between the expected payments to reimburse the holder of the guaranteed debt instrument less any amounts that the Group and the Company expect to receive from the holder, the debtor or any other party.

The measurement of ECL reflects:

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

(a) General 3-stage approach for other receivables, amounts due from subsidiaries, amounts due from joint ventures and amount due from associate

At each reporting date, the Group and the Company measure ECL through loss allowance at an amount equal to 12 months ECL if credit risk on a financial instrument or a group of financial instruments has not increased significantly since initial recognition. For all other financial instruments, a loss allowance at an amount equal to lifetime ECL is required.

(b) Simplified approach for trade receivables, lease receivables and contract assets

The Group and the Company apply the MFRS 9 simplified approach to measure ECL which uses a lifetime ECL for all trade receivables, lease receivables and contract assets.

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

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit loss, the Group and the Company consider reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's and the Company's historical experience and informed credit assessment and including forward-looking information, where available.

6 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

6.22 Impairment of financial assets and financial guarantee contracts (continued)

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of the asset, while 12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within the 12 months after the reporting date. The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group and the Company are exposed to credit risk.

An impairment loss in respect of financial assets measured at amortised cost is recognised in profit or loss and the carrying amount of the asset is reduced through the use of an allowance account.

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

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

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

6.23 Segment reporting

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

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

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

6 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

6.24 Fair value measurements

The fair value of an asset or a liability, (except for lease transactions) is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

The Group measures the fair value of an asset or a liability by taking into account the characteristics of the asset or liability if market participants would take these characteristics into account when pricing the asset or liability. The Group has considered the following characteristics when determining fair value:

(a) The condition and location of the asset; and

(b) Restrictions, if any, on the sale or use of the assets.

The fair value measurement for a non-financial asset takes into account the ability of the market participant to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The fair value of a financial or non-financial liability or an entity's own equity instrument assumes that:

(a) A liability would remain outstanding and the market participant transferee would be required to fulfil the obligation. The liability would not be settled with the counterparty or otherwise extinguished on the measurement date; and

(b) An entity's own equity instrument would remain outstanding and the market participant transferee would take on the rights and responsibilities associated with the instrument. The instrument would not be cancelled or otherwise extinguished on the measurement date.

6.25 Reorganisation debit reserve

Reorganisation debit reserve arose from the reverse acquisition of the Company by IOI Properties Berhad in the previous financial years pursuant to MFRS 3.

7 REVENUE

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Revenue from contracts with customers (Note 7.1)	2,226,085	2,201,921	-	-
Revenue from other sources				
- Lease income	364,247	286,690	-	-
- Dividend income	-	-	368,878	140,297
Total revenue	2,590,332	2,488,611	368,878	140,297

7.1 Disaggregation of revenue from contracts with customers

Revenue from contracts with customers is disaggregated in the table below by primary geographical market, major products and service lines and timing of revenue recognition.

	Group	
	2022	2021
	RM'000	RM'000
Primary geographical markets		
Malaysia	1,633,366	1,307,980
People's Republic of China	592,719	879,147
Singapore	-	14,794
Revenue from contracts with customers	2,226,085	2,201,921
Major products and service lines		
Revenue from property development		
- Ongoing development properties	459,670	1,314,763
- Completed development properties	1,642,245	794,822
	2,101,915	2,109,585
Revenue from hospitality and leisure		
- Hotel and hospitality services	84,752	66,847
- Leisure	28,342	16,718
	113,094	83,565
Others		
- Management fees	6,999	6,519
- Others	4,077	2,252
	11,076	8,771
Revenue from contracts with customers	2,226,085	2,201,921

7 REVENUE (CONTINUED)

7.1 Disaggregation of revenue from contracts with customers (continued)

	Group	
	2022	2021
	RM'000	RM'000
Timing of revenue recognition		
- Over time	466,669	1,321,282
- Point in time	1,759,416	880,639
Revenue from contracts with customers	2,226,085	2,201,921

Revenue from contracts with customers of the Group includes RM154,033,000 (2021: RM295,702,000) that was included in contract liabilities at the beginning of the reporting period.

8 OPERATING PROFIT

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Operating profit has been arrived at after charging:				
Auditors' remuneration - statutory audit				
- PricewaterhouseCoopers PLT	1,022	922	201	144
- Member firms of PricewaterhouseCoopers International Limited	213	160	-	-
- Firms other than member firms of PricewaterhouseCoopers International Limited	140	132	-	-
Non-audit services				
- PricewaterhouseCoopers PLT	440	347	5	4
- Firms other than member firms of PricewaterhouseCoopers International Limited	142	409	-	-
Bad debts written off	63	635	-	-
Depreciation of property, plant and equipment (Note 15)	49,742	42,464	-	-
Fair value loss on investment properties (Note 17)	-	71,061	-	-
Impairment losses on:				
- interests in subsidiaries	-	-	-	5,333
- receivables	3,585	3,935	-	-

8 OPERATING PROFIT (CONTINUED)

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Operating profit has been arrived at after charging: (continued)				
Loss on disposal of investment properties	-	88	-	-
Management fees to:				
- a subsidiary	-	-	547	1,068
- an affiliate	4,623	7,473	-	-
Property, plant and equipment written off (Note 15)	94	16	-	-
Property development costs*	1,278,957	1,233,918	-	-
Unrealised loss on foreign currency translations	900	-	866	18

* The cost of inventories of the Group recognised as an expense during the financial year amounted to RM838,539,000 (2021: RM422,078,000) was included in property development costs of the Group.

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Operating profit has been arrived at after crediting:				
Bad debts recovered	10	-	-	-
Dividend income from subsidiaries in Malaysia	-	-	368,878	140,297
Gain on disposal of:				
- property, plant and equipment	68	140	-	-
- a subsidiary	85,982	-	-	-
Fair value gain on short term funds	4,722	176	2,998	176
Fair value gain on investment properties (Note 17)	48,924	-	-	-
Management services income from affiliates	876	-	-	-
Property project management services from:				
- affiliates	757	2,290	-	-
- a joint venture	-	563	-	-

8 OPERATING PROFIT (CONTINUED)

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Operating profit has been arrived at after crediting: (continued)				
Reversal of impairment losses on receivables	2,297	776	-	-
Realised gain on foreign currency translations:				
- redemption of redeemable preference shares of subsidiaries	-	-	27,425	2,978
- subscription of redeemable preference shares in subsidiaries	-	-	4,546	2,590
- others	331	298	1,054	633
Unrealised gain on foreign currency translations	-	1	-	-

9 STAFF COSTS

The staff costs of the Group and of the Company are as follows:

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Wages, salaries and others	167,133	162,775	1,396	1,310
Defined contribution plan	17,051	16,474	-	-
	184,184	179,249	1,396	1,310

Included in staff costs are remuneration of the key management personnel of the Group and of the Company as disclosed in Note 37.3 to the financial statements.

10 INTEREST INCOME

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Interest income from:				
- Deposits with financial institutions	7,751	3,625	807	822
- Short term funds	8,139	8,083	4,672	2,052
- Subsidiaries	-	-	-	7,013
- Joint ventures	9,527	7,574	-	-
- Housing development accounts	2,435	2,711	-	-
- Current accounts	12,087	9,694	191	141
- Stakeholders	1,541	2,245	-	-
- Others	1,482	797	-	-
	42,962	34,729	5,670	10,028

11 INTEREST EXPENSE

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Interest expenses on:				
- Borrowings	34,316	120	-	6,246
- Lease liabilities	84	113	-	-
- Subsidiaries	-	-	15,456	14,823
Amortisation of banking facilities fee	202	67	-	196
	34,602	300	15,456	21,265

The Group's total interest expense and facilities fees charged by the banks of RM343,785,000 and RM24,952,000 (2021: RM334,758,000 and RM14,007,000) have been capitalised as part of the costs of qualifying assets as disclosed in Notes 15, 16, 17 and 23 to the financial statements.

The Group's weighted average capitalisation rate is 2% (2021: 2%) per annum.

12 TAXATION

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Current year tax expense				
- Malaysian income taxation	149,087	134,258	306	599
- Foreign taxation	202,885	686,718	-	-
- Deferred taxation* (Note 22)	23,638	(398,709)	-	-
	375,610	422,267	306	599
Prior years				
- Malaysian income taxation	(1,582)	1,736	4	520
- Foreign taxation	46,935	(264)	-	-
- Deferred taxation (Note 22)	(6,259)	(9,052)	-	-
	39,094	(7,580)	4	520
Tax expense	414,704	414,687	310	1,119

* The reversal of deferred tax expenses in previous financial year was arising from the completion of one of the Group's development projects in China, the tax obligation for that development had crystalised.

NOTES TO THE FINANCIAL STATEMENTS - 30 JUNE 2022 (CONTINUED)

12 TAXATION (CONTINUED)

A numerical reconciliation between the tax at applicable tax rate to tax expense of the Group and of the Company are as follows:

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Profit before taxation	1,102,773	1,078,000	396,478	124,667
Tax calculated at the Malaysian tax rate of 24%	264,666	258,720	95,155	29,920
Tax effects in respect of:				
Non-allowable expenses	78,025	64,532	3,627	6,225
Non-taxable income	(13,952)	(10,819)	(98,476)	(35,546)
Different tax rates arising from fair value (gain)/ loss from real property investments	(21,006)	9,928	-	-
Different tax rates arising from gain on disposal of a real property subsidiary	(11,265)	-	-	-
Different tax rates in foreign jurisdictions	122,074	165,076	-	-
Different tax rate arising from prosperity tax	929	-	-	-
Unutilised tax losses and unabsorbed capital allowances not recognised in loss-making subsidiaries	1,960	5,853	-	-
Utilisation of previously unrecognised tax losses and capital allowances	(960)	(29)	-	-
Tax incentives and allowances	(4,813)	(2,701)	-	-
Share of post-tax results of an associate	(510)	(8,394)	-	-
Share of post-tax results of joint ventures	(39,538)	(59,899)	-	-
	375,610	422,267	306	599
Under/(Over) provision in prior years	39,094	(7,580)	4	520
Tax expense	414,704	414,687	310	1,119

Malaysian income tax is calculated at the statutory tax rate of 24% (2021: 24%) of the estimated assessable profit for the financial year. Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions. Deferred tax is calculated on temporary differences between the tax base of assets and liabilities and their carrying amounts in the financial statements using tax rates that are expected to apply when the related deferred tax is settled.

The Finance Act 2021 gazetted on 31 December 2021 enacted the prosperity tax on companies that generate chargeable income up to first RM100 million will be taxed at 24% and the remaining chargeable income will be taxed at one-off rate of 33% for year of assessment 2022.

13 EARNINGS PER SHARE

(a) Basic

The basic earnings per ordinary share for the financial year is calculated based on the profit for the financial year attributable to owners of the Company divided by the weighted average number of ordinary shares in issue during the financial year, after taking into consideration of treasury shares held by the Company.

	Group	
	2022	2021
	RM'000	RM'000
Profit attributable to owners of the Company	686,735	660,209

The adjusted weighted average number of ordinary shares for the computation of earnings per ordinary share is arrived at as follows:

	Group	
	2022	2021
	'000	'000
Weighted average number of ordinary shares in issue after deducting the treasury shares	5,506,145	5,506,145
Basic earnings per ordinary share (sen)	12.47	11.99

(b) Diluted

Diluted earnings per ordinary share equals basic earnings per ordinary share.

14 DIVIDENDS

Dividends declared and paid by the Company are as follows:

	Company	
	2022	2021
	RM'000	RM'000
Interim single tier dividend in respect of financial year ended 30 June 2021 of 2.0 sen per ordinary share, paid on 24 September 2021	110,123	-
Interim single tier dividend in respect of financial year ended 30 June 2020 of 1.5 sen per ordinary share, paid on 23 October 2020	-	82,592
	110,123	82,592

On 23 September 2022, the Board of Directors proposed a first and final single tier dividend of 4.0 sen per ordinary share in respect of the financial year ended 30 June 2022 to be approved by the shareholders at the forthcoming Annual General Meeting of the Company. Based on the issued and paid-up ordinary shares of the Company as at 30 June 2022 of 5,506,145,375, the proposed first and final dividend amounts to RM220,245,815.

15 PROPERTY, PLANT AND EQUIPMENT

	Freehold land	Golf course development expenditure	Plantation expenditure	Buildings and improve-ments	Plant and machinery	Motor vehicles	Furniture, fittings and equipment	Right-of-use assets	Construction-in-progress	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Group										
2022										
At Cost										
At beginning of financial year	130,379	75,717	4,839	946,106	84,206	16,275	91,199	79,543	390,317	1,818,581
Additions	-	159	-	12,042	4,649	319	6,980	1,274,456	255,710	1,554,315
Transfer from investment properties (Note 17)	45	-	-	-	-	-	-	-	-	45
Written off	-	-	-	(79)	(185)	(13)	(2,151)	-	-	(2,428)
Disposals	-	-	-	(33)	(5)	(1,657)	(555)	-	-	(2,250)
Foreign currency translation differences	-	-	-	316	-	114	141	16,069	3,066	19,706
Reclassifications	30	-	(795)	-	-	-	-	-	765	-
At end of financial year	130,454	75,876	4,044	958,352	88,665	15,038	95,614	1,370,068	649,858	3,387,969

NOTES TO THE FINANCIAL STATEMENTS - 30 JUNE 2022 (CONTINUED)

15 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Golf course development expenditure	Plantation expenditure	Buildings and improve-ments	Plant and machinery	Motor vehicles	Furniture, fittings and equipment	Right-of-use assets	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Group								
2022								
Less: Accumulated Depreciation								
At beginning of financial year	16,253	602	125,299	53,740	11,628	59,285	21,102	287,909
Current year depreciation charge	1,599	130	21,959	6,202	1,326	8,117	10,409	49,742
Written off	-	-	(25)	(185)	(13)	(2,111)	-	(2,334)
Disposals	-	-	(1)	(3)	(1,657)	(489)	-	(2,150)
Foreign currency translation differences	-	-	59	-	49	36	538	682
At end of financial year	17,852	732	147,291	59,754	11,333	64,838	32,049	333,849

15 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Freehold land	Golf course development expenditure	Plantation expenditure	Buildings and improve-ments	Plant and machinery	Motor vehicles	Furniture, fittings and equipment	Right-of-use assets	Construction-in-progress	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Group										
2021										
At Cost										
At beginning of financial year	130,379	75,234	4,044	937,786	71,345	14,069	86,220	74,810	274,406	1,668,293
Additions	-	483	795	7,594	6,327	3,558	5,475	573	110,373	135,178
Transfer to investment properties (Note 17)	-	-	-	-	6,570	-	-	-	(95)	6,475
Written off	-	-	-	-	(36)	(104)	(574)	-	-	(714)
Disposals	-	-	-	(15)	-	(1,391)	(142)	-	-	(1,548)
Foreign currency translation differences	-	-	-	741	-	143	220	4,160	5,633	10,897
At end of financial year	130,379	75,717	4,839	946,106	84,206	16,275	91,199	79,543	390,317	1,818,581

15 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Golf course development expenditure	Plantation expenditure	Buildings and improve-ments	Plant and machinery	Motor vehicles	Furniture, fittings and equipment	Right-of-use assets	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Group								
2021								
Less: Accumulated Depreciation								
At beginning of financial year	14,661	473	103,359	48,327	11,764	51,518	16,212	246,314
Current year depreciation charge	1,592	129	21,860	5,447	1,117	8,388	3,931	42,464
Written off	-	-	-	(34)	(104)	(560)	-	(698)
Disposals	-	-	-	-	(1,271)	(113)	-	(1,384)
Foreign currency translation differences	-	-	80	-	122	52	959	1,213
At end of financial year	16,253	602	125,299	53,740	11,628	59,285	21,102	287,909

15 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Group	
	2022	2021
	RM'000	RM'000
Carrying Amount		
Freehold land	130,454	130,379
Golf course development expenditure	58,024	59,464
Plantation expenditure	3,312	4,237
Buildings and improvements	811,061	820,807
Plant and machinery	28,911	30,466
Motor vehicles	3,705	4,647
Furniture, fittings and equipment	30,776	31,914
Right-of-use assets	1,338,019	58,441
Construction-in-progress	649,858	390,317
	3,054,120	1,530,672

Included in the Group's buildings and improvements are mainly hotel properties. The recoverable amounts of the Group's hotel properties were determined based on the value-in-use method and they were in excess of its carrying amounts as at the reporting date.

The value-in-use was prepared based on approved cash flow projection. The projection reflects management's expectation of revenue growth, operating costs and margin for the hotel properties based on past experience and future outlook. The discount rate applied is benchmarked against peers at the reporting date. The key assumptions applied in the value-in-use for current financial year are average growth in occupancy rates and pre-tax discount rate of 3% and 11% (2021: 3% and 9%) per annum respectively. Changes in input would not have significant impact to the carrying amounts of the assets.

15 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

15.1 Right-of-use assets

	Leasehold land	Buildings and improvements	Plant and machinery	Total
	RM'000	RM'000	RM'000	RM'000
Group				
2022				
At Cost				
At beginning of financial year	73,863	5,052	628	79,543
Additions	1,272,049	2,102	305	1,274,456
Foreign currency translation differences	15,958	111	-	16,069
At end of financial year	1,361,870	7,265	933	1,370,068
Less: Accumulated Depreciation				
At beginning of financial year	17,716	2,953	433	21,102
Current year depreciation charge	8,705	1,464	240	10,409
Foreign currency translation differences	473	65	-	538
At end of financial year	26,894	4,482	673	32,049
Carrying amount	1,334,976	2,783	260	1,338,019
2021				
At Cost				
At beginning of financial year	69,741	4,441	628	74,810
Additions	-	573	-	573
Foreign currency translation differences	4,122	38	-	4,160
At end of financial year	73,863	5,052	628	79,543
Less: Accumulated Depreciation				
At beginning of financial year	14,585	1,407	220	16,212
Current year depreciation charge	2,192	1,526	213	3,931
Foreign currency translation differences	939	20	-	959
At end of financial year	17,716	2,953	433	21,102
Carrying amount	56,147	2,099	195	58,441

Included in right-of-use assets is a balance of RM1,279,966,000 related to the 99 years leasehold land acquired during the financial year for the development as a hotel property.

15 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

15.2 Additions to property, plant and equipment

	Group	
	2022	2021
	RM'000	RM'000
Additions	1,554,315	135,178
Financed by lease liabilities	(2,407)	(573)
Interest expenses capitalised	(29,941)	(11,497)
Total cash outflow	1,521,967	123,108

16 LAND HELD FOR PROPERTY DEVELOPMENT

	Freehold land	Long term leasehold land	Development costs	Total
	RM'000	RM'000	RM'000	RM'000
Group				
2022				
At Cost				
At beginning of financial year	2,925,425	674,852	1,570,048	5,170,325
Additions	-	3,439,245	489,821	3,929,066
Disposal of a subsidiary (Note 19.1)	(25,331)	-	(1,567)	(26,898)
Transfer to property development costs (Note 23)	(11,420)	(3,444)	(23,292)	(38,156)
Foreign currency translation differences	-	38,970	3,512	42,482
At end of financial year	2,888,674	4,149,623	2,038,522	9,076,819
2021				
At Cost				
At beginning of financial year	2,925,285	572,852	1,349,521	4,847,658
Additions	-	-	175,502	175,502
Transfer from property development costs (Note 23)	140	-	45,025	45,165
Transfer from investment properties (Note 17)	-	102,000	-	102,000
At end of financial year	2,925,425	674,852	1,570,048	5,170,325

Included in additions to land held for property development of the Group are interest expense and facilities fees capitalised during the financial year amounting to RM124,217,000 and RM16,186,000 (2021: RM107,019,000 and RM6,940,000) respectively.

Included in land held for property development of the Group are plantation land of RM689,812,000 (2021: RM698,855,000), which are intended to be used for property development. Currently, the subsidiaries are harvesting oil palm crops from the said land.

Certain titles of freehold land amounting to RM316,642,000 (2021: RM420,052,000) are registered under the name of the affiliate, whereby the Group is the beneficiary owner. The Group is in the midst of perfecting the land titles.

17 INVESTMENT PROPERTIES

	Freehold land and buildings	Leasehold land and buildings	Total
	RM'000	RM'000	RM'000
Group			
2022			
At beginning of financial year	4,466,671	10,428,874	14,895,545
Additions	144,232	455,927	600,159
Transfer to property, plant and equipment (Note 15)	(45)	-	(45)
Transfer to inventories	(5,750)	-	(5,750)
Fair value adjustments	154,162	(105,238)	48,924
Foreign currency translation differences	-	239,589	239,589
At end of financial year	4,759,270	11,019,152	15,778,422
2021			
At beginning of financial year	4,366,129	9,968,574	14,334,703
Additions	176,012	469,431	645,443
Disposal	(1,180)	-	(1,180)
Transfer from property, plant and equipment (Note 15)	(6,475)	-	(6,475)
Transfer to land held for property development (Note 16)	-	(102,000)	(102,000)
Transfer from inventories	3,003	-	3,003
Fair value adjustments	(70,818)	(243)	(71,061)
Foreign currency translation differences	-	93,112	93,112
At end of financial year	4,466,671	10,428,874	14,895,545

Included in the above are:

	Group	
	2022	2021
	RM'000	RM'000
At fair value:		
Freehold land and buildings	4,245,910	4,096,760
Leasehold land and buildings	835,135	25,029
	5,081,045	4,121,789
At cost:		
Investment properties under construction	10,697,377	10,773,756
At end of the financial year	15,778,422	14,895,545

Movements in investment properties under construction during the financial year are mainly additions and foreign currency translation differences of RM599,422,000 and RM230,667,000 (2021: RM637,033,000 and RM91,680,000) respectively. The construction of IOI Mall Xiamen, China has completed and commenced operations during the financial year. It was reclassified from investment properties under construction to completed investment properties and measured at fair value.

17 INVESTMENT PROPERTIES (CONTINUED)

Included in additions to investment properties of the Group are interest expense and facilities fees capitalised during the financial year amounting to RM184,917,000 and RM8,766,000 (2021: RM207,109,000 and RM7,067,000) respectively.

Right-of-use assets included in investment properties are leasehold land and buildings amounting to RM11,019,152,000 (2021: RM10,428,874,000).

Rental income generated from and direct operating expenses incurred on investment properties are as follows:

	Group	
	2022	2021
	RM'000	RM'000
Rental income	364,247	286,690
Direct operating expenses	125,600	96,718

The fair values of the above investment properties were estimated based on valuations by independent registered valuers, which were based on:

(i) market evidence of transaction prices for similar properties for certain properties in which the values are adjusted for differences in key attributes such as property size, location and quality of interior fittings under the comparison method.
(ii) receipts of contractual rentals, expected future market rentals, current market yields, void periods and maintenance requirements and approximate capitalisation rates under the investment method.
(iii) aggregate amount of the value of land component by comparison method, and the gross replacement cost of the buildings and other site improvements, allowing for depreciation under cost method.

The Group uses assumptions that are mainly based on market conditions existing at the end of each reporting period. The valuations appraised by independent registered valuers are endorsed by the Board of Directors on an annual basis.

During the financial year, the fair value adjustments are mainly attributable to higher average rental rates secured as a result of market recovery.

Investment properties under construction is measured at cost on the basis that the fair value of the work in progress building is unable to be reliably measured.

Fair value is determined through various valuation methodologies using Level 3 inputs (defined as unobservable inputs for asset or liability) in the fair value hierarchy of MFRS 13 Fair Value Measurement. Changes in fair value are recognised in the profit or loss during the reporting period in which they are reviewed.

17 INVESTMENT PROPERTIES (CONTINUED)

The Level 3 inputs or unobservable inputs include:

Term yield	-	the rate of return that the investment properties are expected to generate based on current passing rental including revision upon renewal of tenancies during the financial year;
Reversion yield	-	the rate of return that the investment properties are expected to generate upon expiry of term rental; and
Price per square foot (psf)	-	estimated price psf for which a property should exchange on the date of valuation between a willing buyer and a willing seller.

Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement	Impact of changes in key inputs to fair value*	
		2022 RM'000	2021 RM'000
Term and reversion yield	Higher term and reversion yield rates, lower fair value	334,909	297,034
Price per square foot	Higher price per square foot, higher fair value	60,800	62,744

* Changes in term and reversion yield rates by 50 basis points (2021: 50 basis points) and price per square foot by 10% (2021: 10%) are used as these are the key inputs subjected to changes in market conditions.

17 INVESTMENT PROPERTIES (CONTINUED)

The fair value measurements as at 30 June 2022 and 30 June 2021 are as follows:

			Significant unobservable inputs		
	Valuation methodology	Fair value	Term yield	Reversion yield	Price per sq foot
		RM'000	%	%	RM/psf
Group					
2022					
Completed investment properties					
Malls	Investment method	3,134,174	3.25 - 6.50	3.50 - 7.00	-
Office buildings	Investment method	1,205,900	4.75 - 6.00	5.25 - 6.00	-
Others	Comparison method	461,300	-	-	50 - 430
	Investment method	132,471	2.25 - 6.00	2.75 - 7.50	-
	Cost method	147,200	-	-	3 - 345
		5,081,045			
2021					
Completed investment properties					
Malls	Investment method	2,186,300	6.25 - 6.50	6.75 - 7.00	-
Office buildings	Investment method	1,195,000	4.75 - 5.50	5.25 - 6.00	-
Others	Comparison method	463,150	-	-	56 - 640
	Investment method	131,239	3.00 - 6.00	3.50 - 7.50	-
	Cost method	146,100	-	-	3 - 330
		4,121,789			

18 GOODWILL ON CONSOLIDATION

	Group	
	2022	2021
	RM'000	RM'000
At beginning/end of financial year	11,472	11,472

For the purpose of impairment testing, goodwill is allocated to the Group's CGUs identified according to the operating segments as follows:

	Group	
	2022	2021
	RM'000	RM'000
Property development	3,802	3,802
Hospitality and leisure	7,670	7,670
	11,472	11,472

Goodwill is tested for impairment on an annual basis by comparing the carrying amount with the recoverable amount of the CGUs based on value-in-use. Value-in-use is determined by discounting the cash flows projections based on the financial budgets approved by the management. The discount rate used is 6.0% (2021: 5.3%) per annum.

19 SUBSIDIARIES

	Company	
	2022	2021
	RM'000	RM'000
At Cost		
Unquoted shares in Malaysia (Note 19.1)	14,925,740	14,789,402
Unquoted shares outside Malaysia (Note 19.1)	3,707,123	3,538,971
Equity contribution (Note 19.2)	932,887	1,032,267
	19,565,750	19,360,640
Less: Accumulated impairment losses (Note 19.3)	(475,967)	(475,967)
	19,089,783	18,884,673

19 SUBSIDIARIES (CONTINUED)

19.1 Interests in subsidiaries

Unquoted shares include redeemable preference shares ("RPS") issued by subsidiaries (some of which are also issued to non-controlling interests), which are redeemable at the option of issuer and entitle the Company to receive dividend out of profits of the issuer at a rate to be determined by the issuer.

Details of the subsidiaries are set out in Note 43 to the financial statements.

2022

During the financial year, the following changes in the investments in subsidiaries were effected:

Incorporation of new subsidiaries

Boulevard View Pte. Ltd., a wholly-owned subsidiary of the Company, had on 21 October 2021 incorporated the following wholly-owned subsidiaries:

i. Boulevard Midtown Pte. Ltd. ("BMPL") in Singapore as a private limited company under the Companies Act, (Cap.50) with registered share capital of S$100 divided into 100 ordinary shares. BMPL's intended principal activities are property investment, hotel and hospitality services.

ii. Boulevard Development Pte. Ltd. ("BDPL") in Singapore as a private limited company under the Companies Act, (Cap.50) with registered share capital of S$100 divided into 100 ordinary shares. BDPL's intended principal activity is property development.

Premier Landmark Limited, a wholly-owned subsidiary of the Company, had on 16 December 2021 incorporated a wholly-owned subsidiary known as Shenzhen IOI Property Development Co. Ltd ("SIOIPD") in Shenzhen, the People's Republic of China with a total registered capital of RMB10 million. SIOIPD's intended principal activity is investment holding.

19 SUBSIDIARIES (CONTINUED)

19.1 Interests in subsidiaries (continued)

Disposal of a subsidiary

Hartawan Development Sdn Bhd ("HDSB"), an indirect subsidiary of the Company, had ceased to be a subsidiary on 10 September 2021 pursuant to the completion of disposal of 100% equity interest pursuant to the sales of shares agreement.

Details of the disposal were as follows:

	Note	At date of disposal
		2022
		RM'000
Non-current asset		
Land held for property development	16	26,898
Current asset		
Other receivables		128
Current liabilities		
Other payables		10
Current tax liabilities		118
		128
Net assets		26,898
Total disposal proceeds		112,880
Gain on disposal of a subsidiary		85,982

The total disposal proceeds included a deposit of RM7,902,000 received by the Group in the previous financial year and an amount of RM3,386,000 remitted to the Director General of Inland Revenue by the acquirer.

NOTES TO THE FINANCIAL STATEMENTS - 30 JUNE 2022 (CONTINUED)

19 SUBSIDIARIES (CONTINUED)

19.1 Interests in subsidiaries (continued)

2022 (continued)

Subscription of additional shares

Company	Type of shares	No. of shares '000	Amount RM'000
Boulevard View Pte. Ltd. ("BVPL")	RPS at an issue price of SGD1.00 each	10,635	33,603
Fortune Premiere Sdn. Bhd. ("FPSB")	RPS at an issue price of RM1.00 each	18	18
IOI City Park Sdn. Bhd. ("IOICP")	RPS at an issue price of RM1.00 each	130,000	130,000
IOI Materials Trading Sdn. Bhd. ("IOIMT")	Ordinary share at an issue price of RM1.00 each	600	600
IOI Properties Empire Sdn. Bhd. ("IOIPE")	RPS at an issue price of RM1.00 each	340	340
Progressive View Pte. Ltd. ("PVPL")	RPS at an issue price of SGD1.00 each	100	314
Resort Villa Golf Course Bhd. ("RVGCB")	RPS at an issue price of RM1.00 each	27,977	27,977
Wealthy Link Pte. Ltd. ("WLPL")	RPS at an issue price of SGD1.00 each	95,900	301,097
Club IOI Loyalty Sdn. Bhd. ("CIL")	RPS at an issue price of RM1.00 each	338	338

The above subscriptions of additional shares of RM341,873,000 was partially settled by cash and the remaining amount of RM147,868,000 was settled pursuant to the conversion of equity contribution. Accordingly, the Company had recorded a realised foreign exchange gain on subscription of additional shares of RM4,546,000.

Redemption of shares

Company	Type of shares	No. of shares '000	Amount RM'000
Commercial Wings Sdn. Bhd. ("CWSB")	RPS at a redemption price of RM1.00 each	2,900	2,900
IOI City Tower Two Sdn. Bhd. ("IOICT2")	RPS at a redemption price of RM1.00 each	1,135	1,135

19 SUBSIDIARIES (CONTINUED)

19.1 Interests in subsidiaries (continued)

2022 (continued)

Redemption of shares (continued)

Company	Type of shares	No. of shares '000	Amount RM'000
IOI Business Hotel Sdn. Bhd. ("IBH")	RPS at a redemption price of RM1.00 each	17,200	17,200
IOI Consolidated (Singapore) Pte. Ltd. ("IOIConso")	RPS at a redemption price of SGD1.00 each	62,900	166,862
Palmex Industries Sdn. Bhd. ("Palmex")	RPS at a redemption price of RM1.00 each	1,700	1,700

The above redemption of shares was redeemed at RM217,222,000 by cash. Accordingly, the Company had recorded a realised foreign exchange gain on redemption of RM27,425,000.

19 SUBSIDIARIES (CONTINUED)

19.1 Interests in subsidiaries (continued)

2021

In the previous financial year, the Company acquired and subscribed for additional shares in its subsidiaries as follows:

Incorporation of new subsidiaries

On 5 January 2021, the Company had incorporated a wholly-owned subsidiary, namely Premier Landmark Limited ("PLL"). PLL was incorporated in Hong Kong as a private limited company under the Companies Ordinance (Chapter 622) with share capital of HK$2 divided into 2 ordinary shares. PLL's intended principal activity is investment holding.

On 19 January 2021, the Company had incorporated a wholly-owned subsidiary, namely Boulevard View Pte Ltd ("BVPL"). BVPL was incorporated in Singapore as a private limited company under the Companies Act, (Cap.50) with share capital of S$2 divided into 2 ordinary shares. BVPL's intended principal activity is investment holding.

On 18 May 2021, the Company had incorporated a wholly-owned subsidiary, namely IOI Materials Trading Sdn Bhd ("IMTSB") under the Companies Act 2016 with share capital of RM2 divided into 2 ordinary shares. IMTSB will be principally involved in trading of construction materials.

IOI (Xiamen) Business Management Co Ltd ("IBMC"), an indirect subsidiary of the Company, had on 18 March 2021 incorporated a wholly-owned subsidiary known as Xiamen Palm City Sports Technology Co. Ltd ("XPCST") in Xiamen, the People's Republic of China with a total registered capital of RMB10 million. XPCST's intended principal activity is leisure and entertainment activities. On 5 June 2021, IBMC had entered into a joint venture agreement (the "JVA") with Xiamen Bowling Boy Education Technology Co. Ltd ("XBBET"), a private limited company registered in People's Republic of China, to operate indoor leisure and entertainment activities in IOI Palm City Mall, Xiamen, measuring 2,750 square metres. Upon completion of the JVA, IBMC holds 60% equity stake in XPCST, while XBBET holds the remaining 40% equity interest.

Strike off of subsidiaries

On 14 July 2020, IOI Properties Capital (L) Berhad ("IPC"), a wholly-owned subsidiary of the Company, had received a notification from Labuan Financial Services Authority ("LFSA") informing that the name of IPC had been struck off from the register of LFSA under Section 151 of the Labuan Companies Act 1990. The Company had recorded an impairment loss of RM52,000 arising from the said strike off.

On 1 April 2021, Dynamism Investment Limited ("DIL"), a wholly-owned subsidiary of the Company, had been deregistered pursuant to section 751 of the Companies Ordinance, by notice published under Gazette Notice No.1885.

19 SUBSIDIARIES (CONTINUED)

19.1 Interests in subsidiaries (continued)

2021 (continued)

Subscription of additional shares

Company	Type of shares	No. of shares '000	Amount RM'000
IOI Business Hotel Sdn. Bhd. ("IBH")	RPS at an issue price of RM1.00 each	2,273	2,273
Wealthy Link Pte. Ltd. ("WLPL")	RPS at an issue price of SGD1.00 each	65,600	202,802
Club IOI Loyalty Sdn. Bhd. ("CIL")	RPS at an issue price of RM1.00 each	387	387

The above subscriptions of additional shares of RM202,872,000 was settled by cash. Accordingly, the Company had recorded a realised foreign exchange gain on subscription of additional shares of RM2,590,000.

Redemption of shares

Company	Type of shares	No. of shares '000	Amount RM'000
Commercial Wings Sdn. Bhd. ("CWSB")	RPS at a redemption price of RM1.00 each	16,900	16,900
IOI Harbour Front Sdn. Bhd. ("IOIHarbour")	RPS at a redemption price of RM1.00 each	5,149	5,149
Jutawan Development Sdn. Bhd. ("JDSB")	RPS at a redemption price of RM1.00 each	36,000	36,000
IOI City Tower Two Sdn. Bhd. ("IOICT2")	RPS at a redemption price of RM1.00 each	8,000	8,000
IOI Consolidated (Singapore) Pte. Ltd. ("IOIConso")	RPS at a redemption price of SGD1.00 each	52,670	159,833
Palmex Industries Sdn. Bhd. ("Palmex")	RPS at a redemption price of RM1.00 each	10,000	10,000

The above redemption of shares was redeemed at RM238,860,000 by cash. Accordingly, the Company had recorded a realised foreign exchange gain on redemption of RM2,978,000.

19 SUBSIDIARIES (CONTINUED)

19.2 Equity contribution

Equity contribution represents capital contribution to subsidiaries for their working capital and repayment of borrowing costs.

19.3 Accumulated impairment losses

The Company performed impairment assessments on its investments in subsidiaries. The recoverable amounts of these investments in subsidiaries, which are involved in the property development, hospitality and leisure businesses, are derived based on either the fair value less costs to sell or value-in-use methods. The recoverable amounts are categorised as Level 3 in the fair value hierarchy. Based on the assessments performed, no impairment loss was recognised during the financial year. In the previous financial year, impairment loss amounting to RM5,333,000 had been recognised in profit or loss mainly due to the challenging market conditions caused by the COVID-19 pandemic.

19.4 Amounts due from/(to) subsidiaries

The current amounts due from subsidiaries represent payments made on behalf, which are unsecured, non-interest bearing and repayable upon demand.

The non-current amount due to a subsidiary represents advances which are unsecured, bears interest ranging from 5.04% to 5.08% per annum (2021: 5.01% to 5.05%) and is repayable on 30 June 2024.

The current amounts due to subsidiaries represent advances and payments made on behalf, which are unsecured, bear interest ranging from 1.67% to 2.10% (2021: 1.93% to 3.09%) per annum except for RM56,652,000 (2021: RM41,606,000) which is non-interest bearing and is payable upon demand in cash and cash equivalents.

19 SUBSIDIARIES (CONTINUED)

19.5 Material non-controlling interests

As at 30 June 2022, the total non-controlling interests are RM157,958,000 (2021: RM160,339,000), of which RM98,698,000 (2021: RM101,291,000), and RM24,452,000 (2021: RM27,197,000) are attributable to PINE MJR Development Sdn. Bhd. ("PINE MJR") and Legend Advance Sdn. Bhd. ("Legend") respectively. The other non-controlling interests are not material to the Group.

Set out below are the summarised financial information for PINE MJR and Legend that have non-controlling interests that are material to the Group. The below financial information is based on amounts before inter-company eliminations.

	PINE MJR		Legend	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Proportion of ordinary shares held by non-controlling interests (%)	45.1%	45.1%	30.1%	30.1%
Summarised statements of comprehensive income:				
Revenue	35,965	6,648	9,521	15,392
(Loss)/Profit and total comprehensive (loss)/income for the financial year	(966)	(1,417)	846	1,941
(Loss)/Profit and total comprehensive (loss)/ income attributable to non-controlling interests	(436)	(639)	255	584
Dividend paid to non-controlling interests	-	-	3,000	3,000

19 SUBSIDIARIES (CONTINUED)

19.5 Material non-controlling interests (continued)

Set out below are the summarised financial information for PINE MJR and Legend that have non-controlling interests that are material to the Group. The below financial information is based on amounts before inter-company eliminations. (continued)

	PINE MJR		Legend	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Summarised statements of financial position:				
Current assets	298,690	263,632	52,316	53,546
Current liabilities	(41,677)	(20,406)	(9,736)	(5,857)
Non-current assets	1,543	1,347	31,913	35,958
Non-current liabilities	(39,217)	(24,268)	-	-
Net assets	219,339	220,305	74,493	83,647
Summarised cash flows:				
Cash flows (used in)/generated from operating activities	(36,141)	(57,710)	(2,426)	10,456
Cash flows generated from/(used in) investing activities	100	108	(19)	704
Cash flows generated from/(used in) financing activities	33,309	59,101	2,404	(14,649)
Net (decrease)/increase in cash and cash equivalents during the financial year	(2,732)	1,499	(41)	(3,489)
Cash and cash equivalents at beginning of the financial year	7,513	6,014	3,079	6,568
Cash and cash equivalents at end of the financial year	4,781	7,513	3,038	3,079

There was a dividend of RM489,000 (2021: RM2,596,000) paid to immaterial non-controlling interests during the financial year.

20 ASSOCIATE

	Group	
	2022	2021
	RM'000	RM'000
Unquoted shares, at cost	23,601	23,601
Redeemable preference shares, at cost	5,232	5,232
Share of post-acquisition results and reserves	24,840	22,716
	53,673	51,549

20.1 Investment in an associate

RPS issued by associates, which are redeemable at the option of issuer and entitle the Group and the Company to receive dividend out of profits of the issuer at a rate to be determined by the issuer. The RPS rank pari passu without any preference or priority among themselves and in priority over the ordinary shares in respect of:

(a) Payment of the preference dividend (when, as and if declared); and

(b) In the event of a winding up of or return of capital by the associate, payment of any preference dividend that has accrued to holder of preference shares and is unpaid (whether or not then due) as well as the subscription price paid for the preference shares.

In the previous financial year, the associate had redeemed total shares of 47,838,000 for RM47,838,000 from both equity holders.

The associate of the Group is accounted for using the equity method in the consolidated financial statements. Details of the associate is set out in Note 43 to the financial statements.

20.2 Summary of financial information of the associate is as follows:

	GLM Emerald Industrial Park (Jasin) Sdn. Bhd.	
	2022	2021
	RM'000	RM'000
Assets and liabilities		
Total current assets	19,807	26,870
Total non-current assets	149,802	150,064
Total current liabilities	(1,245)	(14,593)
Total non-current liabilities	(635)	(1,250)
Results		
Revenue	13,701	274,830
Profit and total comprehensive income for the financial year	6,638	109,291

In the previous financial year, the Group received dividend of RM45,109,000 from the associate.

20 ASSOCIATE (CONTINUED)

20.3 The reconciliation of net assets of the associate to the carrying amount of the investment in an associate is as follows:

	Group	
	2022	2021
	RM'000	RM'000
Net assets as at 30 June	167,729	161,091
Share of net assets of the Group/ Carrying amount in the statement of financial position	53,673	51,549
Share of profit of the Group	2,124	34,973

21 JOINT VENTURES

	Group	
	2022	2021
	RM'000	RM'000
Unquoted shares, at cost	409,755	409,850
Redeemable preference shares ("RPS") (Note 21.2)	3,094,609	3,288,918
Share of post-acquisition results and reserves	471,125	220,257
	3,975,489	3,919,025
Amounts due from joint ventures (Note 21.3)	414,663	515,182
	4,390,152	4,434,207

The joint arrangements of the Group are regarded as joint ventures pursuant to the contractual rights and obligations of the joint venture agreements that provide the Group with the rights to the net assets of the joint ventures. The joint ventures are accounted for using the equity method in the consolidated financial statements. Details of the joint ventures are set out in Note 43 to the financial statements.

21 JOINT VENTURES (CONTINUED)

21.1 Financial information of joint ventures

Set out below is the summarised financial information for joint ventures that are material to the Group, which are accounted for using the equity method.

(i) Summarised statements of financial position:

	Scottsdale Properties Pte. Ltd.	Pinnacle (Sentosa) Pte. Ltd.
	RM'000	RM'000
2022		
Non-current:		
Non-current assets	7,745,894	4,890
Current:		
Cash and cash equivalents	188,280	12,238
Other current assets	33,440	4,286,529
Total current assets	221,720	4,298,767
Total assets	7,967,614	4,303,657
Non-current:		
Financial liabilities (excluding trade and other payables and provisions)	-	70,346
Other liabilities (including trade and other payables and provisions)	113,330	-
Total non-current liabilities	113,330	70,346
Current:		
Financial liabilities (excluding trade and other payables and provisions)	3,687,545	1,592,181
Other liabilities (including trade and other payables and provisions)	71,328	15,125
Total current liabilities	3,758,873	1,607,306
Total liabilities	3,872,203	1,677,652
Net assets	4,095,411	2,626,005

21 JOINT VENTURES (CONTINUED)

21.1 Financial information of joint ventures (continued)

Set out below are the summarised financial information for joint ventures that are material to the Group, which are accounted for using the equity method. (continued)

(i) Summarised statements of financial position: (continued)

	Scottsdale Properties Pte. Ltd.	Pinnacle (Sentosa) Pte. Ltd.
	RM'000	RM'000
2021		
Non-current:		
Non-current assets	7,578,677	4,783
Current:		
Cash and cash equivalents	213,659	1,070
Other current assets	458,063	4,189,511
Total current assets	671,722	4,190,581
Total assets	8,250,399	4,195,364
Non-current:		
Financial liabilities (excluding trade and other payables and provisions)	-	1,188,957
Other liabilities (including trade and other payables and provisions)	82,818	-
Total non-current liabilities	82,818	1,188,957
Current:		
Financial liabilities (excluding trade and other payables and provisions)	3,699,696	464,105
Other liabilities (including trade and other payables and provisions)	280,914	13,724
Total current liabilities	3,980,610	477,829
Total liabilities	4,063,428	1,666,786
Net assets	4,186,971	2,528,578

21 JOINT VENTURES (CONTINUED)

21.1 Financial information of joint ventures (continued)

Set out below are the summarised financial information for joint ventures that are material to the Group, which are accounted for using the equity method. (continued)

(ii) Summarised statements of comprehensive income:

	Scottsdale Properties Pte. Ltd.	Pinnacle (Sentosa) Pte. Ltd.
	RM'000	RM'000
2022		
Revenue	917,413	104,141
Depreciation and amortisation	53,652	-
Interest income	103	6
Interest expense	(52,970)	(34,607)
Profit before taxation	244,504	39,025
Taxation	(36,919)	-
Profit and total comprehensive income for the financial year	207,585	39,025
2021		
Revenue	1,059,473	88,263
Depreciation and amortisation	50,953	-
Interest income	120	9
Interest expense	(64,804)	(29,748)
Profit before taxation	208,700	240,057
Taxation	(42,414)	-
Profit and total comprehensive income for the financial year	166,286	240,057

There was no dividend paid by the joint ventures in both the financial years.

21 JOINT VENTURES (CONTINUED)

21.1 Financial information of joint ventures (continued)

Set out below are the summarised financial information for joint ventures that are material to the Group, which are accounted for using the equity method. (continued)

(iii) Reconciliation of the summarised information presented to the carrying amounts of interest in joint ventures is set out below:

	Scottsdale Properties Pte. Ltd.	Pinnacle (Sentosa) Pte. Ltd.
	RM'000	RM'000
2022		
Net assets:		
As at 1 July 2021	4,186,971	2,528,578
Profit for the financial year	207,585	39,025
Movement in share capital	(389,397)	-
Foreign currency translation differences	90,252	58,402
As at 30 June 2022	4,095,411	2,626,005
Interest in joint ventures as at year end	49.9%	64.9%
Unquoted shares, at cost	405,172	2,025
Redeemable preference shares	891,615	2,182,993
Share of post-acquisition results and reserves	746,823	(478,115)
Total investments in joint ventures	2,043,610	1,706,903
Amounts due from joint venture	-	37,892
Total interests in joint ventures	2,043,610	1,744,795
2021		
Net assets:		
As at 1 July 2020	4,327,851	2,277,917
Profit for the financial year	166,286	240,057
Movement in share capital	(326,795)	-
Foreign currency translation differences	19,629	10,604
As at 30 June 2021	4,186,971	2,528,578
Interest in joint ventures as at year end	49.9%	64.9%

NOTES TO THE FINANCIAL STATEMENTS - 30 JUNE 2022 (CONTINUED)

21 JOINT VENTURES (CONTINUED)

21.1 Financial information of joint ventures (continued)

Set out below are the summarised financial information for joint ventures that are material to the Group, which are accounted for using the equity method. (continued)

(iii) Reconciliation of the summarised information presented to the carrying amounts of interest in joint ventures is set out below: (continued)

	Scottsdale Properties Pte. Ltd.	Pinnacle (Sentosa) Pte. Ltd.
	RM'000	RM'000
2021		
Net assets: (continued)		
Unquoted shares, at cost	405,172	2,025
Redeemable preference shares	1,085,924	2,182,993
Share of post-acquisition results and reserves	598,203	(541,442)
Total investments in joint ventures	2,089,299	1,643,576

The entities are accounted for as joint ventures due to the approvals required by all shareholders for key operating, financing and budgeting decisions.

Set out below are the summarised information of all individually immaterial joint ventures on an aggregate basis.

	2022	2021
	RM'000	RM'000
Unquoted shares, redeemable preference shares and share of post-acquisition results and reserves	224,976	186,150
Amounts due from joint ventures	376,771	515,182
Total interests in joint ventures	601,747	701,332
Share of joint ventures' profits and total comprehensive income	35,790	10,567

There was no dividend paid by immaterial joint ventures during the financial year.

21 JOINT VENTURES (CONTINUED)

21.2 Redeemable preference shares

RPS issued by joint ventures, which are redeemable at the option of issuer and entitle the Group to receive dividend out of profits of the issuer at a rate to be determined by the issuer. The RPS rank pari passu without any preference or priority among themselves and in priority over the ordinary shares in respect of:

(a) Payment of the preference dividend (when, as and if declared); and

(b) In the event of a winding up of or return of capital by the joint venture, payment of any preference dividend that has accrued to holder of preference shares and is unpaid (whether or not then due) as well as the subscription price paid for the preference shares.

During the financial year, a joint venture has redeemed total RPS of RM194,309,000 (2021: RM163,070,000).

21.3 Amounts due from joint ventures

The non-current amounts due from joint ventures in the current financial year mainly represent outstanding amounts arising from the Group's subsidiaries' proportionate share in the advances and working capital to the joint ventures for the acquisition of land and its development properties in Singapore. The amounts due from joint ventures are unsecured and non-interest bearing, except for an amount due from a joint venture amounting to RM376,771,000 (2021: RM515,182,000) which is unsecured and interest bearing at rate of 2.00% (2021: 1.00% to 1.50%) per annum.

The current amount due from a joint venture included in the previous financial year represented mainly advances to a joint venture in Malaysia. The amount was unsecured and bore interest at rates ranging from 3.26% to 3.29% (2021: 3.26% to 3.64%) per annum. The outstanding amount has been fully settled by a joint venture during the financial year.

22 DEFERRED TAXATION

	Group	
	2022	2021
	RM'000	RM'000
At beginning of financial year	(453,248)	(848,882)
Recognised in the profit or loss (Note 12):		
- Current year	(23,638)	398,709
- Prior years	6,259	9,052
	(17,379)	407,761
Foreign currency translation differences	(187)	(12,127)
At end of financial year	(470,814)	(453,248)

22 DEFERRED TAXATION (CONTINUED)

The following amounts, determined after appropriate offsetting, are shown in the consolidated statement of financial position:

	Group	
	2022	2021
	RM'000	RM'000
Deferred tax assets	197,614	209,016
Deferred tax liabilities	(668,428)	(662,264)
	(470,814)	(453,248)

22.1 The amount of the deferred tax income or expenses recognised in the consolidated statement of profit or loss during the financial year are as follows:

	Group	
	2022	2021
	RM'000	RM'000
At beginning of financial year	(453,248)	(848,882)
Recognised in profit or loss (Note 12):		
Temporary differences on:		
- Capital allowances	(7,249)	(4,518)
- Fair value adjustment on investment properties	1,686	10,581
- Profit from sales of development properties	1,558	364,856
- Accruals and provisions	6,605	(756)
- Development properties	2,154	1,681
- Unabsorbed capital allowances	1,282	4,846
- Unrealised profits	(22,958)	24,635
- Unutilised tax losses	3,384	674
- Other deductible temporary differences	(3,841)	5,762
	(17,379)	407,761
Foreign currency translation differences	(187)	(12,127)
At end of financial year	(470,814)	(453,248)

22 DEFERRED TAXATION (CONTINUED)

22.2 The components of deferred tax liabilities and assets at the end of the reporting period comprise the tax effects of:

	Group	
	2022	2021
	RM'000	RM'000
Deferred tax assets		
Accruals and provisions	21,544	14,939
Profit from sales of development properties	62,133	61,906
Unutilised tax losses	8,012	4,628
Unabsorbed capital allowances	9,047	7,765
Unrealised profits	57,225	80,183
Unutilised investment tax allowance	40,957	40,957
Other deductible temporary differences	7,185	10,886
Deferred tax assets (before off-setting)	206,103	221,264
Off-setting	(8,489)	(12,248)
Deferred tax assets (after off-setting)	197,614	209,016
Deferred tax liabilities		
Fair value adjustment on investment properties^	214,393	215,752
Capital allowances	114,313	107,064
Profit from sales of development properties	645	1,976
Development properties*	347,566	349,720
Deferred tax liabilities (before off-setting)	676,917	674,512
Off-setting	(8,489)	(12,248)
Deferred tax liabilities (after off-setting)	668,428	662,264

* Comprises mainly of deferred tax adjustments on temporary differences arising from land held for property development, property development costs and inventories.
^ Deferred tax recognised on investment properties carried at fair value are measured using the tax rates that would apply on the sale on those assets at their carrying values at the reporting date.

The following are the unutilised tax losses and unabsorbed capital allowances for which deferred tax assets have not been recognised, at gross:

	Group	
	2022	2021
	RM'000	RM'000
Unutilised tax losses	54,474	50,441
Unaborbed capital allowances	3,128	2,995
	57,602	53,436

22 DEFERRED TAXATION (CONTINUED)

Deferred tax assets of certain subsidiaries have not been recognised in respect of these items as it is not probable that taxable profit of the subsidiaries will be available against which the deductible temporary differences can be utilised.

The following unutilised tax losses, including those recognised as deferred tax assets, are as follows:

	Group	
	2022	2021
	RM'000	RM'000
Tax losses:		
- Expiring within the next 10 years	87,857	-
- Expiring within the next 7 years	-	59,452

Under the Malaysian Finance Act 2018 which was gazetted on 27 December 2018, unutilised tax losses are imposed with a time limit of utilisation of 7 years. This time limit of utilisation was further extended to 10 years following the approval of Budget 2022. Upon expiry of the 10 (2021: 7) years, the unabsorbed tax losses will be disregarded. The unutilised tax losses of the People's Republic of China ("PRC") will only be available for carry forward for a period of 5 consecutive years. Upon expiry of the 5 years, the unutilised losses will be disregarded.

23 PROPERTY DEVELOPMENT COSTS

	Freehold land	Long term leasehold land	Development costs	Accumulated cost charged to profit or loss	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
Group					
2022					
At Cost					
At beginning of financial year	208,898	1,495,755	1,198,845	(679,792)	2,223,706
Costs incurred	-	-	289,224	-	289,224
Transfer from land held for property development (Note 16)	11,420	3,444	23,292	-	38,156
Transfer to inventories	(13,178)	(1,209,764)	(334,953)	-	(1,557,895)
Foreign currency translation differences	-	16,036	2,759	(3,106)	15,689
Recognised as part of cost of sales in profit or loss	-	-	(171,215)	(269,203)	(440,418)
Completed projects	(8,842)	(302,028)	(198,154)	509,024	-
At end of financial year	198,298	3,443	809,798	(443,077)	568,462

23 PROPERTY DEVELOPMENT COSTS (CONTINUED)

	Freehold land	Long term leasehold land	Development costs	Accumulated cost charged to profit or loss	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
Group					
2021					
At Cost					
At beginning of financial year	245,629	1,767,335	1,799,491	(683,453)	3,129,002
Costs incurred	-	-	541,264	-	541,264
Transfer to land held for property development (Note 16)	(140)	-	(45,025)	-	(45,165)
Transfer to inventories	(16,665)	(74,127)	(602,954)	-	(693,746)
Foreign currency translation differences	-	95,780	25,942	(17,531)	104,191
Recognised as part of cost of sales in profit or loss	-	-	(108,852)	(702,988)	(811,840)
Completed projects	(19,926)	(293,233)	(411,021)	724,180	-
At end of financial year	208,898	1,495,755	1,198,845	(679,792)	2,223,706

Included in recognised as part of cost of sales in profit or loss is property development costs written down of RM171,215,000 (2021: RM108,852,000).

Included in costs incurred in property development of the Group are interest expense capitalised during the financial year amounting to RM4,710,000 (2021: RM9,133,000).

24 INVENTORIES

	Group	
	2022	2021
	RM'000	RM'000
At Cost		
Completed development properties	3,048,197	2,409,197
Others	3,469	2,955
	3,051,666	2,412,152

25 TRADE AND OTHER RECEIVABLES

	Group	
	2022	2021
	RM'000	RM'000
Trade receivables (Note 25.1)	96,670	258,970
Other receivables, deposits and prepayments (Note 25.2)	607,456	135,439
Lease receivables	12,938	4,302
Contract costs (Note 25.3)	6,150	13,784
	723,214	412,495

	Company	
	2022	2021
	RM'000	RM'000
Other receivables, deposits and prepayments (Note 25.2)	318	15,640

25.1 Trade receivables

	Group	
	2022	2021
	RM'000	RM'000
Trade receivables	103,801	266,589
Less: Accumulated impairment losses	(7,131)	(7,619)
	96,670	258,970

(a) Included in trade receivables of the Group are amounts due from affiliates of RM5,418,000 (2021: RM9,057,000) for property project management services, provision of landscaping services and related costs provided by subsidiaries, which are unsecured and payable within the credit period in cash and cash equivalents.

(b) The normal trade credit terms granted by the Group range from 7 to 90 days (2021: 7 to 90 days) from date of invoice and progress billing. They are recognised at their original invoiced amounts, which represent their fair values on initial recognition.

25 TRADE AND OTHER RECEIVABLES (CONTINUED)

25.1 Trade receivables (continued)

(c) The reconciliation of movements in provision for impairment losses on trade receivables are as follows:

	Group	
	2022	2021
	RM'000	RM'000
At beginning of financial year	7,619	4,895
Charge for the financial year	1,844	3,283
Reversal	(2,219)	(545)
Written off	(113)	(14)
At end of financial year	7,131	7,619

25.2 Other receivables, deposits and prepayments

	Group	
	2022	2021
	RM'000	RM'000
Other receivables	549,830	69,379
Less: Accumulated impairment losses	(5,319)	(3,656)
	544,511	65,723
Deposits	37,790	52,941
Prepayments	25,155	16,775
	607,456	135,439

	Company	
	2022	2021
	RM'000	RM'000
Other receivables	264	20
Deposits	4	15,570
Prepayments	50	50
	318	15,640

In the previous financial year, included in other receivables of the Group were receivable of RM375,000 in relation to a government grant for the infrastructure costs of certain development projects undertaken by the Group.

Included in deposits of the Group is an amount of RM2,774,000 (2021: RM2,774,000) paid for new land acquisitions.

Included in the other receivables are the Goods and Services Tax and Value Added Tax receivable amounting to RM486,783,000 (2021: RM4,778,000).

25 TRADE AND OTHER RECEIVABLES (CONTINUED)

25.2 Other receivables, deposits and prepayments (continued)

(a) The reconciliation of movements in provision for impairment losses on other receivables are as follows:

	Group	
	2022	2021
	RM'000	RM'000
At beginning of financial year	3,656	3,245
Charge for the financial year	1,741	652
Reversal	(78)	(231)
Written off	-	(10)
At end of financial year	5,319	3,656

25.3 Contract costs

	Group	
	2022	2021
	RM'000	RM'000
Cost to obtain a contract	6,150	13,784

Cost to obtain a contract primarily comprises incremental sales commission fees paid to intermediaries as a result of obtaining property development contracts.

Capitalised sales commission fees are amortised when the related revenue is recognised. During the current financial year, RM26,102,000 (2021: RM15,622,000) comprising of commission fees paid for both on-going and completed projects was amortised to profit and loss.

26 CONTRACT ASSETS AND CONTRACT LIABILITIES

	Group	
	2022	2021
	RM'000	RM'000
Contract assets		
- Property development contracts	143,686	109,958
- Stakeholder sums	34,070	52,765
	177,756	162,723
Contract liabilities		
- Property development contracts	(101,999)	(186,682)
	75,757	(23,959)

(a) Property development contracts and stakeholder sums

Contracts assets and contracts liabilities represent the timing differences in revenue recognition and the milestone billings. The milestone billings are structured and/or negotiated with customers to reflect physical completion of the contracts.

Contract assets are transferred to trade receivables when the rights to economic benefits become unconditional. This usually occurs when the Group issues billing to the customer. Contract liabilities are recognised as revenue when performance obligations are satisfied.

Stakeholder sums are payable upon expiry of defect liability period up to 24 months (2021: up to 24 months).

(b) The movements in the contract assets and contract liabilities from property development contracts are as follow:

	Group	
	2022	2021
	RM'000	RM'000
Balance as at 1 July	(76,724)	(183,102)
Net property development revenue recognised	459,670	1,314,763
Net progress billing during the financial year	(338,729)	(1,194,259)
Foreign currency translation differences	(2,530)	(14,126)
Balance as at 30 June	41,687	(76,724)

26 CONTRACT ASSETS AND CONTRACT LIABILITIES (CONTINUED)

(c) The movement of stakeholder sums

	Group	
	2022	2021
	RM'000	RM'000
Balance as at 1 July	52,765	55,265
Additions	7,344	31,951
Amount transferred to trade receivables	(26,039)	(34,451)
Balance as at 30 June	34,070	52,765

(d) Unsatisfied performance obligations

The following table shows revenue from performance obligations that are unsatisfied (or partially unsatisfied) at the reporting date.

	Group	
	2022	2021
	RM'000	RM'000
Revenue from property development activities		
- Within one year	557,048	607,629
- More than one year	31,424	147,324
	588,472	754,953

27 SHORT TERM FUNDS

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Investments in fixed income trust funds in Malaysia	735,444	263,698	-	263,698

Investments in fixed income trust funds represent investments in highly liquid money market instrument and deposits with financial institution in Malaysia with maturity of less than three (3) months. These short term funds are subject to an insignificant risk of changes in value. The distribution income from these funds was tax exempted up to 31 December 2021. With effect from 1 January 2022, the distribution income from these fund is subject to income tax.

28 DEPOSITS WITH FINANCIAL INSTITUTIONS

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Deposits with financial institutions	510,576	277,082	186,732	100,695

As at 30 June 2022, the effective interest rates of the Group's and of the Company's short term deposits range from 0.09% to 3.66% and 0.35% to 1.50% per annum (2021: 0.06% to 3.10% and 0.08% to 1.00% per annum) respectively. All short term deposits have average maturity less than three (3) months.

29 CASH AND BANK BALANCES

Included in the Group's cash and bank balances are amounts of:

(i) RM117,459,000 (2021: RM156,639,000) held under the Housing Development Account pursuant to Section 7A of the Housing Development (Control and Licensing) Act, 1966 in Malaysia, as amended by the Housing Developers (Housing Development Account) (Amendment) Regulation, 2002 in Malaysia, which can only be used for property development activities; and

(ii) RMB24,443,000 (2021: RMB93,679,000), equivalent to approximately RM16,042,000 (2021: RM60,198,000) held under Housing Developers (Project Account) Rules, Fujian Province, Administration of Pre-sale of Commodity Premises Regulations (Revised), in People's Republic of China ("PRC"), which can only be used for property development activities.

30 SHARE CAPITAL

	Group and Company			
	2022		2021	
	Number of shares '000	Amount RM'000	Number of shares '000	Amount RM'000
Issued and fully paid-up:				
Ordinary shares with no par value				
At beginning/end of financial year	5,506,145	18,514,233	5,506,145	18,514,233

NOTES TO THE FINANCIAL STATEMENTS - 30 JUNE 2022 (CONTINUED)

31 RESERVES

	Group	
	2022	2021
	RM'000	RM'000
Foreign currency translation reserve (Note 31.1)	135,391	(51,088)
Cash flow hedge reserve (Note 31.2)	10,494	(120,658)
	145,885	(171,746)

31.1 Foreign currency translation reserve

The foreign currency translation reserve is used to record foreign currency 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.

31.2 Cash flow hedge reserve

The cash flow hedge reserve represents the deferred fair value adjustment relating to derivative financial instruments used to hedge floating rate of the Group's certain foreign currency denominated borrowings.

Movement in the cash flow hedge reserve during the financial year is as follows:

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
At beginning of financial year	(120,658)	(212,312)	-	(1,075)
Fair value gain on derivatives	137,651	93,769	-	1,754
Reclassifications from profit and loss				
- Interest rate differences	(3,677)	(795)	-	(446)
- Foreign exchange rate differences	(2,822)	(1,320)	-	(233)
	(6,499)	(2,115)	-	(679)
At end of financial year	10,494	(120,658)	-	-

32 BORROWINGS

	Group	
	2022	2021
	RM'000	RM'000
Non-current liabilities		
Unsecured		
Term loans	1,440,735	8,436,108
Sukuk Murabahah	1,890,000	2,240,000
	3,330,735	10,676,108
Current liabilities		
Unsecured		
Term loans	13,116,178	334,003
Revolving credit	19,745	-
Sukuk Murabahah	350,000	-
	13,485,923	334,003
Total borrowings	16,816,658	11,010,111

The range of contractual interest rate per annum as at 30 June 2022 for borrowings are as below:

	Group	
	2022	2021
Term loans	1.46% to 4.70%	0.98% to 4.85%
Revolving credit	3.10%	-
Sukuk Murabahah	3.90% to 5.05%	3.90% to 5.05%

NOTES TO THE FINANCIAL STATEMENTS - 30 JUNE 2022 (CONTINUED)

32 BORROWINGS (CONTINUED)

The maturity profile of borrowings is as follows:

	Fixed interest rate					Floating interest rate					
	< 1 year RM'000	1 - 2 years RM'000	2 - 3 years RM'000	3 - 4 years RM'000	> 4 years RM'000	< 1 year RM'000	1 - 2 years RM'000	2 - 3 years RM'000	3 - 4 years RM'000	> 4 years RM'000	Total RM'000
Group											
2022											
Unsecured:											
Term loans denominated in:											
- Ringgit Malaysia ("RM")	-	-	-	-	-	-	10,587	72,636	44,669	134,480	262,372
- Singapore Dollar ("SGD")*	-	-	-	-	-	12,043,205	-	-	631,920	-	12,675,125
- Renminbi ("RMB")	945,651	264,770	278,582	-	-	127,322	2,625	466	-	-	1,619,416
	945,651	264,770	278,582	-	-	12,170,527	13,212	73,102	676,589	134,480	14,556,913
Revolving credit denominated in:											
- RM	-	-	-	-	-	19,745	-	-	-	-	19,745
Sukuk Murabahah denominated in:											
- RM	350,000	530,000	160,000	1,000,000	200,000	-	-	-	-	-	2,240,000
	1,295,651	794,770	438,582	1,000,000	200,000	12,190,272	13,212	73,102	676,589	134,480	16,816,658

* The Group has entered into interest rate swaps for borrowings of RM5,124,871,000 (equivalent to SGD1.6 billion) to hedge against fluctuation in interest rate.

32 BORROWINGS (CONTINUED)

The maturity profile of borrowings was as follows: (continued)

	Fixed interest rate					Floating interest rate					
	< 1 year RM'000	1 - 2 years RM'000	2 - 3 years RM'000	3 - 4 years RM'000	> 4 years RM'000	< 1 year RM'000	1 - 2 years RM'000	2 - 3 years RM'000	3 - 4 years RM'000	> 4 years RM'000	Total RM'000
Group											
2021											
Unsecured:											
Term loans denominated in:											
- RM	-	-	-	-	-	55,593	-	10,789	57,549	179,078	303,009
- SGD*	-	-	-	-	-	-	6,262,044	-	-	617,760	6,879,804
- US Dollar ("USD")*	-	-	-	-	-	276,513	-	-	-	-	276,513
- RMB	-	926,731	260,063	-	-	1,897	122,094	-	-	-	1,310,785
	-	926,731	260,063	-	-	334,003	6,384,138	10,789	57,549	796,838	8,770,111
Sukuk Murabahah denominated in:											
- RM	-	350,000	530,000	160,000	1,200,000	-	-	-	-	-	2,240,000
	-	1,276,731	790,063	160,000	1,200,000	334,003	6,384,138	10,789	57,549	796,838	11,010,111

* The Group has entered into interest rate swaps for borrowings of RM276,513,000 (equivalent to USD66.7 million) and RM5,010,034,000 (equivalent to SGD1.6 billion).

33 LEASE LIABILITIES

	Group	
	2022	2021
	RM'000	RM'000
Non-current liabilities		
Due later than 1 year	1,882	740
Current liabilities		
Due not later than 1 year	1,257	1,629
	3,139	2,369

The underlying assets of the lease liabilities are included in property, plant and equipment in Note 15 to the financial statements. Lease contracts are typically entered for fixed periods and the terms are negotiated on an individual basis and contains a wide range of different terms and conditions. The maturity periods of the lease liabilities are disclosed in Note 39.4.2 to the financial statements.

33.1 Leases not included in lease liabilities

Lease liabilities do not include leases of low-value assets and short-term leases. Details of these leases which are charged to profit or loss and included in cash flows from operating activities in the current financial year are as follows:

	Group	
	2022	2021
	RM'000	RM'000
Short-term leases	703	-
Leases of the low-value assets	329	178
	1,032	178

NOTES TO THE FINANCIAL STATEMENTS - 30 JUNE 2022 (CONTINUED)

34 DERIVATIVE FINANCIAL ASSETS/(LIABILITIES)

The Group's derivative financial assets/(liabilities) are as follows:

	Group	
	2022	2021
	RM'000	RM'000
Derivative designated in hedging relationship		
Non-current liabilities		
- IRS as cash flow hedge on a SGD denominated borrowing	-	(45,426)
Current assets/(liabilities)		
- IRS as cash flow hedge on a USD denominated borrowing	-	(2,230)
- IRS as cash flow hedge on a SGD denominated borrowing	7,785	(79,304)
	7,785	(81,534)

34 DERIVATIVE FINANCIAL ASSETS/(LIABILITIES) (CONTINUED)

The details of the IRS are set out as below:

Commencement/ Maturity date	Contract/Notional amount		Interest rate
	2022 RM'000	2021 RM'000	
18 May 2017/ 1 December 2021	-	276,513	The Group pays a fixed interest rate of 2.95% per annum in exchange for receiving LIBOR plus a spread on the outstanding principal amount as disclosed in Note 32 to the financial statements.
3 December 2018/ 8 March 2023	1,579,800	1,544,400	The Group pays a fixed interest rate of 3.00% per annum in exchange for receiving SOR plus a spread on the contract amount as disclosed in Note 32 to the financial statements.
7 December 2018/ 8 March 2023	631,920	617,760	The Group pays a fixed interest rate of 2.98% per annum in exchange for receiving SOR plus a spread on the contract amount as disclosed in Note 32 to the financial statements.
9 January 2019/ 8 March 2023	947,880	926,640	The Group pays a fixed interest rate of 2.88% per annum in exchange for receiving SOR plus a spread on the contract amount as disclosed in Note 32 to the financial statements.
13 December 2019/ 8 March 2023	1,579,800	1,544,400	The Group pays a fixed interest rate of 2.28% per annum in exchange for receiving SOR plus a spread on the contract amount as disclosed in Note 32 to the financial statements.
13 March 2020/ 8 March 2023	385,471	376,834	The Group pays a fixed interest rate of 2.28% per annum in exchange for receiving SOR plus a spread on the contract amount as disclosed in Note 32 to the financial statements.

The settlement dates of the IRS coincide with the dates on which principal and interest are payable on the underlying borrowing and settlement.

35 TRADE AND OTHER PAYABLES

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Non-current				
Trade payables (Note 35.1)	55,936	38,903	-	-
Current				
Trade payables and accruals (Note 35.1)	905,151	887,896	-	-
Other payables and accruals (Note 35.2)	211,382	192,969	964	925
	1,116,533	1,080,865	964	925

35.1 Trade payables and accruals

	Group	
	2022	2021
	RM'000	RM'000
Current		
Trade payables	288,146	344,723
Accruals	545,733	488,740
Deposits	71,272	54,433
	905,151	887,896

The Group's non-current trade payables are in relation to security deposits received from tenants. The discounting impact is immaterial.

Included in trade payables of the Group are retention monies of RM178,712,000 (2021: RM188,175,000). The retention monies are repayable upon expiry of the defect liability period up to 24 months (2021: up to 24 months).

35 TRADE AND OTHER PAYABLES (CONTINUED)

35.2 Other payables and accruals

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Current				
Other payables	48,469	69,562	13	4
Accruals	162,913	123,407	951	921
	211,382	192,969	964	925

36 CASH AND CASH EQUIVALENTS

Cash and cash equivalents at end of financial year comprise:

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Short term funds (Note 27)	735,444	263,698	-	263,698
Deposits with financial institutions (Note 28)	510,576	277,082	186,732	100,695
Cash and bank balances (Note 29)	1,105,064	1,307,428	341,806	91,861
	2,351,084	1,848,208	528,538	456,254

37 SIGNIFICANT RELATED PARTY DISCLOSURES

37.1 Identities of related parties

Parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Related parties of the Group include:

i. Vertical Capacity Sdn. Bhd. ("VCSB") is the immediate and ultimate holding company;
ii. Direct and indirect subsidiaries as disclosed in Note 43 to the financial statements;
iii. Direct and indirect subsidiaries of the ultimate holding company;
iv. Associate and joint ventures as disclosed in Note 43 to the financial statements;
v. Key management personnel which is the Directors and officers of the Company whom having authority and responsibility for planning, directing and controlling the activities of the Group and of the Company directly or indirectly; and
vi. Affiliates, companies in which the Directors who are also the substantial shareholders of the Company have substantial shareholdings interest, including IOI Corporation Berhad and its subsidiaries.

37.2 Significant related party transactions

In addition to the transactions detailed elsewhere in the financial statements, the Group and the Company had undertaken the following transactions with related parties during the financial year:

	Group	
	2022	2021
	RM'000	RM'000
Affiliates		
Management services income	876	-
Property project management services	757	2,290
Rental income	4,635	4,777
Sales of plant and landscaping services	618	462
Sales of palm products	58,251	45,149
Agency fees expense	(2,904)	(2,169)
Management fee	(4,623)	(7,473)
Rental expenses	(219)	(179)
Associate		
Dividend income	-	45,109

37 SIGNIFICANT RELATED PARTY DISCLOSURES (CONTINUED)

37.2 Significant related party transactions (continued)

In addition to the transactions detailed elsewhere in the financial statements, the Group and the Company had undertaken the following transactions with related parties during the financial year: (continued)

	Group	
	2022	2021
	RM'000	RM'000
Joint ventures		
Interest income	9,527	7,574
Property project management services	-	563

	Company	
	2022	2021
	RM'000	RM'000
Subsidiaries		
Dividend income	368,878	140,297
Interest income	-	7,013
Interest expense	(15,456)	(14,823)
Management fees	(547)	(1,068)

The related party transactions described above were carried out on terms and conditions negotiated and agreed between the parties.

Information regarding outstanding balances arising from related party transactions as at 30 June 2022 are disclosed in Notes 19.2, 19.4, 21.3 and 25.1 to the financial statements.

37 SIGNIFICANT RELATED PARTY DISCLOSURES (CONTINUED)

37.3 Key management personnel compensation

The remuneration of key management personnel during the financial year is as follows:

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Directors				
Fees	1,280	1,200	1,280	1,200
Salaries and bonuses	13,505	11,581	116	110
Defined contribution plan	1,449	1,311	-	-
Estimated monetary value of benefits-in-kind	241	234	-	-
	16,475	14,326	1,396	1,310
Officers				
Salaries and bonuses	6,513	5,878	-	-
Defined contribution plan	770	703	-	-
Estimated monetary value of benefits-in-kind	79	44	-	-
	7,362	6,625	-	-
	23,837	20,951	1,396	1,310

38 CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that entities of the Group are able to continue as going concern while maximising the return to shareholders through the optimisation of the debt and equity mix.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. Capital of the Group comprises equity and borrowings. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the financial years ended 30 June 2022 and 30 June 2021.

The Group uses the gearing ratio to assess the appropriateness of its debt level. The ratio is calculated as total debt divided by equity attributable to owners of the Company.

	Group	
	2022	2021
	RM'000	RM'000
Borrowings (Note 32)	16,816,658	11,010,111
Less: Cash and cash equivalents (Note 36)	(2,351,084)	(1,848,208)
Net debt	14,465,574	9,161,903
Equity	20,452,612	19,558,369
Gearing ratio	0.71	0.47

The Group is subject to certain externally imposed requirements in the form of loan covenants. The Group monitors gearing ratios and compliance with loan covenants based on the terms of the respective loan agreements. The Group and the Company have complied with loan covenants during and as at the financial year.

39 FINANCIAL INSTRUMENTS

Financial risk management objectives and policies

The Group's activities expose it to a variety of financial risks such as market risk (including foreign currency exchange risk and interest rate risk), credit risk and liquidity and cash flow risk. The Group's overall financial risk management objective is to ensure that the Group creates value for its shareholders whilst minimising 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 the Group's financial risk management policies. The management regularly reviews these risks and approves the treasury policies, which covers the management of these risks.

39 FINANCIAL INSTRUMENTS (CONTINUED)

39.1 Foreign currency risk

The Group operates internationally and is exposed to various currencies, mainly Singapore Dollar ("SGD") and US Dollar ("USD"). Foreign currency denominated assets and liabilities give rise to foreign currency exposures.

The Group's foreign currency risk management objective is to minimise foreign currency exposure that gives rise to economic impact, both at transaction and reporting period translation levels.

39.1.1 Risk management approach

The Group maintains a natural hedge, whenever possible, by borrowing in the currency of the country, in which the property or investment is located or by borrowing in currencies that match the future revenue stream to be generated from its investments.

When necessary, CCIRS is used to hedge the volatility in the cash flow attributable to variability in the foreign currency denominated borrowings from the inception to maturity of the borrowings.

Foreign currency exposures in transactional currencies other than functional currencies of the operating entities are kept to an acceptable level.

39.1.2 Foreign currency risk exposure

The Group and the Company are not exposed to significant foreign currency risk as the majority of the Group's and the Company's transactions, assets and liabilities are denominated in the functional currencies of the respective entities within the Group except for the SGD deposits, USD deposits, USD borrowings and intercompany advances.

As defined by MFRS 7 'Financial Instruments: Disclosure', currency risks arise on account of monetary assets and liabilities being denominated in a currency that is not the functional currency.

39 FINANCIAL INSTRUMENTS (CONTINUED)

39.1 Foreign currency risk (continued)

39.1.2 Foreign currency risk exposure (continued)

As at 30 June 2022, the Group's and the Company's net monetary assets/(liabilities) are as tabled below.

The effects to the Group's and the Company's profit before tax, had these foreign currencies denominated net monetary assets/(liabilities) strengthened by 5% against RM, are as follows:

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Net monetary assets/ (liabilities) denominated in				
- USD	416	(270,596)	117	122
- SGD	211,174	217,136	186,972	188,608
Increase/(Decrease) in profit or loss if the currency had strengthened by 5% (2021: 5%)				
- USD	21	(13,530)	6	6
- SGD	10,559	10,857	9,349	9,430
Net exposure	10,580	(2,673)	9,355	9,436

Except as disclosed above, other foreign currency exchange risks exposures are not material and did not have any significant impact on the financial statements of the Group and of the Company as at 30 June 2022, hence sensitivity analysis is not presented.

39.2 Interest rate risk

The Group's interest rate risk arises from its interest-bearing financial instruments that could impact fair value and future cash flows due to fluctuation in market interest rates.

The Group's objective on interest rate risk management is to achieve a balance in repricing risks and the optimisation of its cost of funds whilst ensuring sufficient liquidity to meet funding needs.

39 FINANCIAL INSTRUMENTS (CONTINUED)

39.2 Interest rate risk (continued)

39.2.1 Risk management approach

The Group actively reviews its debt portfolio, taking into account the nature and requirements of its businesses as well as the current business and economic environment. This strategy allows it to achieve an optimum cost of capital whilst locking in long term funding rates for long term investments.

Funds held for liquidity purposes and temporary surpluses are placed in short term interest-bearing financial instruments.

39.2.2 Interest rate risk exposure

The exposure of the Group to interest rate risk on financial assets arises primarily from cash held in Housing Development Accounts, short term deposits with financial institutions and investments in fixed income trust funds. The Group considers the risk of significant changes to interest rates on those deposits to be unlikely.

The exposure of the Group to interest risk on financial liabilities arises primarily from its borrowings and loans. The Group manages its interest rate exposure by monitoring a mix of fixed and floating rate borrowings. The Group also entered into IRS to hedge the floating rate interest payable on borrowings as disclosed in Note 34 to the financial statements.

As at 30 June 2022, after taking into account the effect of IRS, the borrowings of the Group of RM7,962,784,000 (2021: RM2,296,770,000) are at floating interest rates.

As at 30 June 2022, the net amounts due to subsidiaries of the Company of RM322,582,000 (2021: RM361,292,000) are at floating interest rates.

39.2.3 Sensitivity analysis

Sensitivity analysis on interest rate is applied on floating rate financial instruments only, as the carrying amount of fixed rate financial instruments are measured at amortised cost.

A 50 basis points movement in interest rates of the borrowings would increase or decrease the additions to land held for property development, property development costs, property, plant and equipment and investment properties arising from capitalised borrowing costs of the Group by approximately RM39,814,000 (2021: RM11,484,000). The interest expense would be charged to profit or loss based on percentage of completion method. The interest rate risk exposure to the profit or loss is deemed immaterial to the Group, hence sensitivity analysis is not presented.

A 50 basis points movement in interest rates of the net amounts due to subsidiaries would decrease or increase the profit or loss of the Company by approximately RM1,613,000 (2021: RM1,806,000).

39 FINANCIAL INSTRUMENTS (CONTINUED)

39.3 Credit risk

The Group's credit risk exposure is mainly related to external counter-party credit risk on monetary financial assets and trade credits. Credit risk is managed at the business unit level, but macro group-wide policies on the granting of credit and credit control are issued and monitored centrally, such as those relating to credit risk concentration, adequacy of formal credit rating and evaluation of counter parties, credit impairment and unit level credit control performance.

The Group's objective on credit risk management is to avoid significant exposure to any individual customer or counter party and to minimise concentration of credit risk.

39.3.1 Risk management approach

Credit risk or financial loss from the failure of customers or counter parties to discharge their financial and contractual obligations from trade credits is managed through the application of credit approvals, credit limits, insurance programmes and monitoring procedures on an on-going basis. If necessary, the Group may obtain collateral from counter parties as a mean of mitigating losses in the event of default.

The Group's credit risk varies with the different classes of counter-parties as outlined below:

(i) Property

Generally, property units sold are progressively invoiced and settled by end-buyers' financiers posing minimal credit risk. Property investment, hospitality and leisure segments for which sales are generally cash settled; and the rental property sub-segment which poses a certain degree of collection risk in correlation with the macroeconomic environment.

Policies and procedures

(a) Tail-end progress billings on property units sold that serve as retention sum are closely monitored and claimed upon expiry of defect liability period;

(b) Credit granted for corporate clients in the hospitality segment are duly assessed and selectively approved with established limits;

(c) All tenants of its investment properties are subjected to deposits requirement averaging one (1) to five (5) months rental; and

(d) Credit exposure is monitored on limits and aging, managed and reviewed periodically. Debtors with emerging credit problems are identified early and remedial actions are taken promptly to minimise further exposure and to restore past due status.

39 FINANCIAL INSTRUMENTS (CONTINUED)

39.3 Credit risk (continued)

39.3.1 Risk management approach (continued)

(i) Property (continued)

Collateral and credit enhancement

In general, a combination of:

(a) Title retention and conveyance on clearance for property development;

(b) Security deposits for rental segment; and

(c) Cash deposits/advance for hospitality segment.

(ii) Financial institutions and exchanges

The Group places its working capital and surplus funds in current accounts, money market, time-deposits with financial institutions; and investment in fixed income trust fund managed by licensed financial institutions. Beyond the minimal deposit guarantee offered by certain sovereign nation's deposit insurance schemes, the Group is exposed to a degree of counter-parties' credit risk in times of severe economic or financial crisis.

Policies and procedures

(a) Funds are mainly placed with licensed financial institutions with credit rating of "A- and above"; and

(b) Funds placements are centrally monitored, and where applicable are spread out based on location need.

Collateral and credit enhancement

In general, a combination of:

(a) National deposit insurance; and

(b) Fidelity guarantee.

In general, all business units of the Group have a comprehensive policy that governs the need for formal credit rating system and evaluation on counter parties prior to any contractual arrangement that would result in credit risk exposure. Besides exposure amount, credit risk is also measured and monitored by way of credit quality segregation, past due aging analysis, and limits breach alerts.

39 FINANCIAL INSTRUMENTS (CONTINUED)

39.3 Credit risk (continued)

39.3.2 Credit risk exposures and concentration

(i) Exposure to credit risk – trade and other receivables and contract assets

The Group does not have any significant credit risk from its property development activities as sale of development properties are made to large number of property purchasers with end financing facilities from reputable end-financiers, and the ownership and rights to the properties revert to the Group in the event of default.

Credit risk arising from the Group's property investment segment is limited as all tenants of its investment properties are subjected to security deposits requirement averaging one (1) to five (5) months rental.

The other receivables and contract assets impairment are assessed individually to determine whether there was objective evidence that an impairment had been incurred but not yet identified. The Group's other receivables mainly comprise of Goods and Services Tax, Value Added Tax and deposits placed with utilities companies and local authorities. The Group applies the 3-stage approach, which utilises three (3) categories (performing, under-performing and non-performing) to reflect the credit risk and how loss allowance is determined for each of the categories. The Group has determined that the other receivables are performing, and there is no indication that the amounts are not collectible and therefore the ECL allowance is immaterial.

(ii) Exposure to credit risk - cash and cash equivalents

Credit risk from cash and cash equivalents is generally low as the counter-parties involved are reputable financial institutions.

(iii) Exposure to credit risk – related party balances

Credit risk with respect to amounts due from joint ventures and subsidiaries are assessed to be low as the significant amounts due are from companies which have sufficient liquid assets to repay the loan if demanded. Hence, the impact of ECL is immaterial.

At the end of the reporting period, the maximum exposure of the Group and of the Company to credit risk is represented by the carrying amount of each class of financial assets recognised on the statement of financial position.

Credit risk concentration profile

Concentrations of credit risk with respect of trade and other receivables are limited due to the Group's large number of customers, who are dispersed over a broad spectrum of industries and businesses.

NOTES TO THE FINANCIAL STATEMENTS - 30 JUNE 2022 (CONTINUED)

39 FINANCIAL INSTRUMENTS (CONTINUED)

39.3 Credit risk (continued)

39.3.2 Credit risk exposures and concentration (continued)

The credit risk concentration of the Group is mainly in the "receivables" class of assets, except for non-refundable deposits, prepayments, contract costs, goods and services tax and value added tax, and this is further analysed below to reveal the credit risk concentration by geographic location and business segment.

	Property development		Property investment		Hospitality & leisure and others		Total	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Group								
2022								
Malaysia	119,304	85%	17,884	35%	8,168	83%	145,356	72%
Asia (excluding Malaysia)	21,684	15%	33,621	65%	1,691	17%	56,996	28%
	140,988	100%	51,505	100%	9,859	100%	202,352	100%
2021								
Malaysia	171,768	52%	31,270	99%	8,705	91%	211,743	57%
Asia (excluding Malaysia)	161,508	48%	258	1%	875	9%	162,641	43%
	333,276	100%	31,528	100%	9,580	100%	374,384	100%

39 FINANCIAL INSTRUMENTS (CONTINUED)

39.3 Credit risk (continued)

39.3.2 Credit risk exposures and concentration (continued)

The following table provides information about the Group's and Company's exposure of credit risk and expected credit losses for trade and other receivables (excluding non-refundable deposits, prepayments, contract costs, goods and services tax and value added tax) and contract assets as at 30 June 2022 which are grouped together as they are expected to have similar risk nature.

		Past due			
	Not past due	Less than 90 days	Between 91 to 120 days	More than 120 days	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
Group					
2022					
Trade and other receivables	170,865	17,104	-	26,833	43,937
Contract assets	177,756	-	-	-	-
Amounts due from joint ventures	414,663	-	-	-	-
	763,284	17,104	-	26,833	43,937
Individual impairment	-	-	-	(12,450)	(12,450)
Net total	763,284	17,104	-	14,383	31,487

39 FINANCIAL INSTRUMENTS (CONTINUED)

39.3 Credit risk (continued)

39.3.2 Credit risk exposures and concentration (continued)

The following table provides information about the Group's and Company's exposure of credit risk and expected credit losses for trade and other receivables (excluding non-refundable deposits, prepayments, contract costs, goods and services tax and value added tax) and contract assets as at 30 June 2021 which are grouped together as they are expected to have similar risk nature.

		Past due			
	Not past due	Less than 90 days	Between 91 to 120 days	More than 120 days	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
Group					
2021					
Trade and other receivables	292,260	50,902	-	42,497	93,399
Contract assets	162,723	-	-	-	-
Amounts due from joint ventures	538,551	-	-	-	-
	993,534	50,902	-	42,497	93,399
Individual impairment	-	-	-	(11,275)	(11,275)
Net total	993,534	50,902	-	31,222	82,124

39 FINANCIAL INSTRUMENTS (CONTINUED)

39.3 Credit risk (continued)

39.3.2 Credit risk exposures and concentration (continued)

The following table provides information about the Group's and the Company's exposure of credit risk and expected credit losses for trade and other receivables (excluding non-refundable deposits, prepayments, contract costs, goods and services tax and value added tax) and contract assets as at 30 June 2022 and 30 June 2021 which are grouped together as they are expected to have similar risk nature.

	Company	
	2022	2021
	RM'000	RM'000
Not past due		
Trade and other receivables	268	15,590
Amounts due from subsidiaries	544	5
Net total	812	15,595

39 FINANCIAL INSTRUMENTS (CONTINUED)

39.4 Liquidity and cash flow risk

Liquidity and cash flow risk arise when financial resources are insufficient to meet financial obligations as and when they fall due, or have to be met at excessive cost.

As at 30 June 2022, the Group's exposure to liquidity risk primarily arose from bank borrowings with total outstanding amount of RM13,485,923,000 for which the repayment is due within 12 months from the end of the current financial year. In order to meet this repayment obligation in the next 12 months from the end of the current financial year, the Group has put in place the following financing plans:

a) The Group successfully tendered for a development land in Singapore on 29 September 2021. A short term loan of RM5,491,625,000 was utilised for the said acquisition, maturing on 4 October 2022. As part of the loan agreement, the Group is required to put in place a long term refinancing plan prior to the maturity. Subsequent to the financial year end, the Group obtained approval for an extension of up to 12 months from October 2022 to October 2023 from the consortium of lenders for the maturity date of the outstanding short term loan.

   Concurrently, the Group has been working with the consortium of lenders on the overall long term refinancing plan which was already envisaged as part of the terms of the current short term loan obtained, as disclosed above. At this juncture, the Directors do not foresee any adverse circumstances to restructure the short term loan into a long term loan, in line with the expected project development period given that the Group's solid historical track record.

b) Subsequent to the financial year end, the Group obtained approval for an extension of 18 months for repayment of two outstanding term loans totalling RM6,561,057,000 from March 2023 to September 2024. This extension is in line with the 18-month extension of the project completion period granted by the Urban Redevelopment Authority of Singapore on 29 June 2021.

c) The Group has a term loan of RM918,820,000 due in the next 12 months, utilised for financing the development projects in China. The Group is finalising the terms of the re-financing with existing lenders and is expected to complete the re-financing before the maturity of the said term loan.

d) As for the remaining borrowings of RM514,421,000, the Group has sufficient internally generated funds to repay these facilities.

Based on above mentioned financing plans of the Group, the Directors are of the opinion that the Group's exposure to liquidity risk is appropriately mitigated.

39 FINANCIAL INSTRUMENTS (CONTINUED)

39.4 Liquidity and cash flow risk (continued)

39.4.1 Risk management approach

The Group leverages on IOI Properties Group Berhad ("IOIPG") as the public listed parent company whereby treasury related activities are centralised and where the optimal weighted average costs of funds is managed. The Company, as a parent company plays a central liquidity management role where the Group's longer term funding requirements are managed based on business and liquidity needs, whilst the day-to-day operational liquidity needs are decentralised at the business unit level. The Group practises an arm's-length market based policy with regard to funding costs.

The Group actively manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure all operating, investing and financing needs are met. To mitigate liquidity risk, management measures and forecasts its cash commitments, monitors and maintains a level of cash and cash equivalents deemed adequate to finance the Group's operations and investment activities. In addition, the Group strives to maintain available banking facilities at a reasonable level against its overall debt position. As at 30 June 2022, the Group has undrawn debt facilities of RM9,115,559,000 (2021: RM10,503,950,000).

The Group manages its liquidity risk with a combination of the following methods:

(i) Maintain a balanced contractual maturity profile of financial assets to meet financial liabilities (particularly on near and immediate term maturity);

(ii) Maintain a diversified range of funding sources with adequate back-up facilities;

(iii) Maintain debt financing and servicing plan; and

(iv) Maintain medium to long term cash flow planning incorporating funding positions and requirements of all its subsidiaries.

As a group's policy, all business units conform to the following processes in ensuring its liquidity profiles are balanced and that all its obligations can be met when due:

(i) Perform annual cash flow budgeting and medium term cash flow planning, in which the timing of operational cash flows and its resulting surplus or deficit are reasonably determined. The aggregation of these allows for an overview of the Group's forecast cash flow and liquidity position, which in turn facilitates further consolidated cash flow planning;

(ii) Manage contingent liquidity commitment and exposures;

(iii) Monitor liquidity ratios against internal thresholds;

(iv) Manage working capital for efficient use of funds and optimise cash conversion cycle; and

(v) Manage concentration and maturity profile of both financial and non-financial liabilities.

NOTES TO THE FINANCIAL STATEMENTS - 30 JUNE 2022 (CONTINUED)

39 FINANCIAL INSTRUMENTS (CONTINUED)

39.4 Liquidity and cash flow risk (continued)

39.4.2 Liquidity risk exposure

The following table details the maturity profile of the Group's and of the Company's financial liabilities at the end of the reporting period based on contractual undiscounted repayment obligations:

	Less than 1 year	1 - 2 years	2 - 3 years	3 - 4 years	More than 4 years	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Group						
2022						
Financial liabilities						
Trade and other payables*	1,116,012	55,936	-	-	-	1,171,948
Borrowings	13,778,706	916,757	595,350	1,711,033	342,620	17,344,466
Lease liabilities	1,395	1,714	119	6	-	3,234
	14,896,113	974,407	595,469	1,711,039	342,620	18,519,648
2021						
Financial liabilities						
Trade and other payables*	1,072,099	38,903	-	-	-	1,111,002
Borrowings	649,497	7,925,403	893,720	294,526	2,040,279	11,803,425
Lease liabilities	1,640	587	91	73	-	2,391
Derivative financial liabilities	81,654	45,664	-	-	-	127,318
	1,804,890	8,010,557	893,811	294,599	2,040,279	13,044,136

* Includes retention monies of RM178,712,000 (2021: RM188,175,000) which are repayable within the normal operating cycle i.e. upon expiry of the defect liability period of up to 24 months (2021: up to 24 months).

NOTES TO THE FINANCIAL STATEMENTS - 30 JUNE 2022 (CONTINUED)

39 FINANCIAL INSTRUMENTS (CONTINUED)

39.4 Liquidity and cash flow risk (continued)

39.4.2 Liquidity risk exposure (continued)

The following table details the maturity profile of the Group's and of the Company's financial liabilities at the end of the reporting period based on contractual undiscounted repayment obligations: (continued)

	Less than 1 year	1 - 2 years	2 - 3 years	3 - 4 years	More than 4 years	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Company						
2022						
Financial liabilities						
Amounts due to subsidiaries	373,159	13,221	-	-	-	386,380
Trade and other payables	964	-	-	-	-	964
	374,123	13,221	-	-	-	387,344
2021						
Financial liabilities						
Amounts due to subsidiaries	308,518	5,027	104,769	-	-	418,314
Trade and other payables	925	-	-	-	-	925
	309,443	5,027	104,769	-	-	419,239

39 FINANCIAL INSTRUMENTS (CONTINUED)

39.5 Fair values

(a) Methods and assumptions used to estimate fair value

The fair values of financial assets and financial liabilities are determined as follows:

(i) Financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value.

Except as otherwise disclosed, the carrying amounts of the current financial assets and liabilities are disclosed at reasonable approximation of its fair value due to their short term nature.

(ii) Fixed rate borrowings

The fair value of these financial instruments are estimated by discounting expected future cash flows at market incremental lending rate for similar types of borrowing at the end of each reporting period.

(b) Fair value hierarchy

Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the end of the reporting period.

Level 3 fair value measurements are those derived from inputs for the asset or liability that are not based on observable market data (unobservable inputs).

39 FINANCIAL INSTRUMENTS (CONTINUED)

39.5 Fair values (continued)

(b) Fair value hierarchy (continued)

The following tables set out the financial instruments carried at fair value and those not carried at fair value for which fair value is disclosed, together with their fair values and carrying amounts shown in the statement of financial position.

	Fair value of financial instruments carried at fair value				Fair value of financial instruments not carried at fair value				Total fair value	Carrying amount
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Group										
2022										
Financial assets										
Amortised costs										
- Amounts due from joint ventures	-	-	-	-	-	414,663	-	414,663	414,663	414,663
Fair value through profit or loss										
- Short term funds	735,444	-	-	735,444	-	-	-	-	735,444	735,444
- Derivative financial assets	-	7,785	-	7,785	-	-	-	-	7,785	7,785
	735,444	7,785	-	743,229	-	414,663	-	414,663	1,157,892	1,157,892
Financial liabilities										
Financial liabilities carried at amortised costs										
- Borrowings	-	-	-	-	-	16,720,746	-	16,720,746	16,720,746	16,816,658
- Trade and other payables	-	-	-	-	-	55,936	-	55,936	55,936	55,936
	-	-	-	-	-	16,776,682	-	16,776,682	16,776,682	16,872,594

NOTES TO THE FINANCIAL STATEMENTS - 30 JUNE 2022 (CONTINUED)

39 FINANCIAL INSTRUMENTS (CONTINUED)

39.5 Fair values (continued)

(b) Fair value hierarchy (continued)

The following tables set out the financial instruments carried at fair value and those not carried at fair value for which fair value is disclosed, together with their fair values and carrying amounts shown in the statement of financial position. (continued)

	Fair value of financial instruments carried at fair value				Fair value of financial instruments not carried at fair value				Total fair value	Carrying amount
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	RM'000	RM'000
Group										
2021										
Financial assets										
Amortised costs										
- Amounts due from joint ventures	-	-	-	-	-	515,182	-	515,182	515,182	515,182
Fair value through profit or loss										
- Short term funds	263,698	-	-	263,698	-	-	-	-	263,698	263,698
	263,698	-	-	263,698	-	515,182	-	515,182	778,880	778,880
Financial liabilities										
Financial liabilities carried at amortised costs										
- Borrowings	-	-	-	-	-	11,004,386	-	11,004,386	11,004,386	11,010,111
- Trade and other payables	-	-	-	-	-	38,903	-	38,903	38,903	38,903
Fair value through profit or loss										
- Derivative financial liabilities	-	126,960	-	126,960	-	-	-	-	126,960	126,960
	-	126,960	-	126,960	-	11,043,289	-	11,043,289	11,170,249	11,175,974

NOTES TO THE FINANCIAL STATEMENTS - 30 JUNE 2022 (CONTINUED)

39 FINANCIAL INSTRUMENTS (CONTINUED)

39.5 Fair values (continued)

(b) Fair value hierarchy (continued)

The following tables set out the financial instruments carried at fair value and those not carried at fair value for which fair value is disclosed, together with their fair values and carrying amounts shown in the statement of financial position. (continued)

	Fair value of financial instruments carried at fair value				Fair value of financial instruments not carried at fair value				Total fair value	Carrying amount
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Company										
2022										
Financial liabilities										
Financial liabilities carried at amortised costs										
- Amount due to a subsidiary	-	-	-	-	-	12,582	-	12,582	12,582	12,582
	-	-	-	-	-	12,582	-	12,582	12,582	12,582

NOTES TO THE FINANCIAL STATEMENTS - 30 JUNE 2022 (CONTINUED)

39 FINANCIAL INSTRUMENTS (CONTINUED)

39.5 Fair values (continued)

(b) Fair value hierarchy (continued)

The following tables set out the financial instruments carried at fair value and those not carried at fair value for which fair value is disclosed, together with their fair values and carrying amounts shown in the statement of financial position. (continued)

	Fair value of financial instruments carried at fair value				Fair value of financial instruments not carried at fair value				Total fair value	Carrying amount
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	RM'000	RM'000
Company										
2021										
Financial assets										
Fair value through profit or loss										
- Short term funds	263,698	-	-	263,698	-	-	-	-	263,698	263,698
	263,698	-	-	263,698	-	-	-	-	263,698	263,698
Financial liabilities										
Financial liabilities carried at amortised costs										
- Amount due to a subsidiary	-	-	-	-	-	99,742	-	99,742	99,742	99,742
	-	-	-	-	-	99,742	-	99,742	99,742	99,742

39 FINANCIAL INSTRUMENTS (CONTINUED)

39.6 Classification of financial instruments

The financial assets and liabilities are classified into the following categories after initial recognition for the purpose of subsequent measurement:

	Amortised costs	Fair value through profit or loss	Total
	RM'000	RM'000	RM'000
Financial assets			
Group			
2022			
Trade and other receivables, net of goods and services tax, non-refundable deposits and prepayments	202,352	-	202,352
Amounts due from joint ventures	414,663	-	414,663
Short term funds	-	735,444	735,444
Deposits with financial institutions	510,576	-	510,576
Cash and bank balances	1,105,064	-	1,105,064
Derivative financial assets	-	7,785	7,785
	2,232,655	743,229	2,975,884
2021			
Trade and other receivables, net of goods and services tax, non-refundable deposits and prepayments	374,384	-	374,384
Amounts due from joint ventures	538,551	-	538,551
Short term funds	-	263,698	263,698
Deposits with financial institutions	277,082	-	277,082
Cash and bank balances	1,307,428	-	1,307,428
	2,497,445	263,698	2,761,143

39 FINANCIAL INSTRUMENTS (CONTINUED)

39.6 Classification of financial instruments (continued)

The financial assets and liabilities are classified into the following categories after initial recognition for the purpose of subsequent measurement: (continued)

	Amortised costs	Fair value through profit or loss	Total
	RM'000	RM'000	RM'000
Financial assets			
Company			
2022			
Trade and other receivables, net of prepayments	268	-	268
Amounts due from subsidiaries	544	-	544
Deposits with financial institutions	186,732	-	186,732
Cash and bank balances	341,806	-	341,806
	529,350	-	529,350
2021			
Trade and other receivables, net of prepayments	15,590	-	15,590
Amount due from a subsidiary	5	-	5
Short term funds	-	263,698	263,698
Deposits with financial institutions	100,695	-	100,695
Cash and bank balances	91,861	-	91,861
	208,151	263,698	471,849

39 FINANCIAL INSTRUMENTS (CONTINUED)

39.6 Classification of financial instruments (continued)

The financial assets and liabilities are classified into the following categories after initial recognition for the purpose of subsequent measurement: (continued)

	Financial liabilities at amortised costs	Fair value through profit or loss	Total
	RM'000	RM'000	RM'000
Financial liabilities			
Group			
2022			
Borrowings	16,816,658	-	16,816,658
Trade and other payables*	1,171,948	-	1,171,948
Lease liabilities	3,139	-	3,139
	17,991,745	-	17,991,745
2021			
Borrowings	11,010,111	-	11,010,111
Trade and other payables*	1,111,002	-	1,111,002
Derivative financial liabilities	-	126,960	126,960
Lease liabilities	2,369	-	2,369
	12,123,482	126,960	12,250,442
Company			
2022			
Trade and other payables	964	-	964
Amounts due to subsidiaries	379,234	-	379,234
	380,198	-	380,198
2021			
Trade and other payables	925	-	925
Amounts due to subsidiaries	402,898	-	402,898
	403,823	-	403,823

*Excludes goods and services tax.

40 COMMITMENTS

40.1 Capital commitments

	Group	
	2022	2021
	RM'000	RM'000
Authorised capital expenditure not provided for in the financial statements		
- Contracted		
Additions of land held for property development	81,359	81,359
Additions of property, plant and equipment	177,354	221,820
Additions of investment properties	1,197,192	1,486,246
	1,455,905	1,789,425

40.2 Operating lease commitments

40.2.1 The Group as lessor

The future minimum lease payments receivable under operating leases contracted for as at end of reporting period but not recognised as receivables are as follows:

	Group	
	2022	2021
	RM'000	RM'000
Not later than one (1) year	332,186	244,200
One (1) year to two (2) years	235,729	199,532
Two (2) years to three (3) years	130,042	118,011
Three (3) years to four (4) years	51,037	65,846
Four (4) years to five (5) years	26,717	32,009
More than five (5) years	103,900	117,452
	879,611	777,050

The Group entered into non-cancellable operating lease agreements on its investment properties and unsold properties. These leases have remaining non-cancellable lease terms of between one (1) to twenty (20) years (2021: one (1) to fifteen (15) years).

41 SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

Acquisition of a leasehold land at Marina View in the Republic of Singapore ("Singapore")

On 29 September 2021, Boulevard View Pte Ltd ("BVPL"), a wholly-owned subsidiary of the Company has successfully tendered a parcel of leasehold land measuring approximately 7,817.6 square metres at Marina View, Singapore for a consideration of SGD1,508,000,101 from the Urban Redevelopment Authority ("URA"), acting as agent for and on behalf of the Government of Singapore.

41 SIGNIFICANT EVENT DURING THE FINANCIAL YEAR (CONTINUED)

Acquisition of a leasehold land at Marina View in the Republic of Singapore ("Singapore") (continued)

BVPL had on 27 October 2021 obtained URA's approval to appoint its wholly-owned subsidiaries, Boulevard Development Pte Ltd ("BDPL") and Boulevard Midtown Pte Ltd ("BMPL") to jointly carry out the development on the land parcel and sign the building agreement. BDPL and BMPL had entered into a building agreement with the collector of Land Revenue on behalf of the President of Singapore for the grant of a lease in relation to the land for a term of 99 years.

Pursuant to the terms and conditions of the Land Tender, the Land Tender was deemed completed on 27 December 2021.

42 SEGMENTAL INFORMATION

The Group has four (4) reportable operating segments that are organised and managed separately according to the nature of products and services, specific expertise and technological requirements, which require different business and marketing strategies. The reportable segments are summarised as follows:

Property development	Development of residential, commercial and industrial properties
Property investment	Investments in shopping malls, office buildings, office complexes and other properties
Hospitality and leisure	Management and operation of hotels, resorts, golf course and amusement park
Other operations	Project and building services management, landscape services and other operations which are not sizeable to be reported separately

The Group's chief operating decision maker monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which, in certain aspects as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements. The Group's financing (including interest expense) and income taxes are managed on a group basis and are not allocated to operating segments.

The transactions between segments are carried out on terms and conditions negotiated and agreed between the parties.

Segment assets exclude current tax assets, deferred tax assets, derivative financial assets and assets used primarily for corporate purposes such as goodwill on consolidation, short term funds and deposits with financial institutions.

Segment liabilities exclude current tax liabilities, deferred tax liabilities, borrowings and derivative financial liabilities that are managed under centralised treasury function.

Details are provided in the reconciliations from segment assets and liabilities to the Group position.

42 SEGMENTAL INFORMATION (CONTINUED)

	Property development RM'000	Property investment RM'000	Hospitality & leisure RM'000	Other operations RM'000	Elimination RM'000	Total RM'000
2022						
Revenue						
External	2,101,915	364,247	113,094	11,076	-	2,590,332
Inter-segment	-	6,059	-	140,662	(146,721)	-
Total revenue	2,101,915	370,306	113,094	151,738	(146,721)	2,590,332
Results						
Segment operating profit/(loss)	901,803	160,929	(29,194)	6,289	-	1,039,827
Property development costs written down	(171,215)	-	-	-	-	(171,215)
Fair value gain on investment properties	-	48,924	-	-	-	48,924
Share of result of an associate	2,124	-	-	-	-	2,124
Share of results of joint ventures	115,806	72,227	(23,292)	-	-	164,741
Profit before interest and taxation	848,518	282,080	(52,486)	6,289	-	1,084,401

42 SEGMENTAL INFORMATION (CONTINUED)

	Property development RM'000	Property investment RM'000	Hospitality & leisure RM'000	Other operations RM'000	Total RM'000
2022					
Assets					
Operating assets	14,160,073	16,647,877	2,596,941	130,632	33,535,523
Interest in an associate	53,673	-	-	-	53,673
Interests in joint ventures	2,362,417	1,563,977	463,758	-	4,390,152
Segment assets	16,576,163	18,211,854	3,060,699	130,632	37,979,348
Liabilities					
Segment liabilities	892,781	305,723	42,614	36,489	1,277,607
Other information					
Capital expenditure	3,938,878	651,381	1,493,247	27	6,083,533
Depreciation and amortisation	6,825	12,038	30,809	70	49,742
Non-cash items other than depreciation and amortisation	170,468	(49,301)	61	(1,724)	119,504

NOTES TO THE FINANCIAL STATEMENTS - 30 JUNE 2022 (CONTINUED)

42 SEGMENTAL INFORMATION (CONTINUED)

	Property development RM'000	Property investment RM'000	Hospitality & leisure RM'000	Other operations RM'000	Elimination RM'000	Total RM'000
2021						
Revenue						
External	2,109,585	286,690	83,565	8,771	-	2,488,611
Inter-segment	-	4,224	-	135,080	(139,304)	-
Total revenue	2,109,585	290,914	83,565	143,851	(139,304)	2,488,611
Results						
Segment operating profit/(loss)	790,063	129,512	(29,815)	4,341	-	894,101
Property development costs written down	(108,852)	-	-	-	-	(108,852)
Fair value loss on investment properties	-	(71,061)	-	-	-	(71,061)
Share of result of an associate	34,973	-	-	-	-	34,973
Share of results of joint ventures	243,360	36,441	(30,220)	-	-	249,581
Profit before interest and taxation	959,544	94,892	(60,035)	4,341	-	998,742

Included in the Group's share of results of joint ventures is reversal of write down value of a development properties in Singapore of RM136,224,000.

42 SEGMENTAL INFORMATION (CONTINUED)

	Property development RM'000	Property investment RM'000	Hospitality & leisure RM'000	Other operations RM'000	Total RM'000
2021					
Assets					
Operating assets	11,844,935	15,296,242	989,693	7,545	28,138,415
Interest in an associate	51,549	-	-	-	51,549
Interests in joint ventures	2,298,528	1,577,707	557,972	-	4,434,207
Segment assets	14,195,012	16,873,949	1,547,665	7,545	32,624,171
Liabilities					
Segment liabilities	915,737	368,424	21,244	3,414	1,308,819
Other information					
Capital expenditure	180,195	714,176	61,543	209	956,123
Depreciation and amortisation	6,777	10,715	24,880	92	42,464
Non-cash items other than depreciation and amortisation	108,636	74,498	74	-	183,208

42 SEGMENTAL INFORMATION (CONTINUED)

Reconciliation of reportable segment revenue, profit or loss, assets and liabilities to the Group's corresponding amounts are as follows:

	Group	
	2022	2021
	RM'000	RM'000
Profit or loss		
Profit before interest and taxation	1,084,401	998,742
Interest income	42,962	34,729
Interest expense	(34,602)	(300)
Net foreign currency translation gain/(loss) on:		
- borrowings	4,273	46,122
- deposits	5,739	(1,293)
Profit before taxation	1,102,773	1,078,000
Taxation	(414,704)	(414,687)
Profit after taxation	688,069	663,313
Assets		
Segment assets	37,979,348	32,624,171
Unallocated corporate assets	1,522,021	808,735
Total assets	39,501,369	33,432,906
Liabilities		
Segment liabilities	1,277,607	1,308,819
Unallocated corporate liabilities	17,613,192	12,405,379
Total liabilities	18,890,799	13,714,198

42 SEGMENTAL INFORMATION (CONTINUED)

Geographical segments

The Group's major businesses operate in the following principal geographical areas:

Malaysia — Development of residential, commercial and industrial properties. Investments in shopping mall, office building and other properties. Management and operation of hotels, resorts, golf course and amusement park. Project and building management services, landscape services and other operations.

Singapore — Development of residential and commercial properties. Investments in retail, hotel and office building.

PRC — Development of residential and commercial properties. Investments in shopping mall, hotel and office building. Management and operation of amusement park.

	Malaysia	PRC	Singapore	Total
	RM'000	RM'000	RM'000	RM'000
2022				
Revenue from external customers by location of customers	1,957,932	632,400	-	2,590,332
Segment operating profit/(loss)	725,558	333,168	(18,899)	1,039,827
Non-current assets^	11,031,844	1,369,268	19,537,411	31,938,523
2021				
Revenue from external customers by location of customers	1,594,670	879,147	14,794	2,488,611
Segment operating profit/(loss)	520,976	376,949	(3,824)	894,101
Non-current assets^	10,565,928	1,191,464	13,809,724	25,567,116

^ Excluding financial assets, deferred tax assets and goodwill on consolidation.

There is no single external customer from which the revenue generated exceeded 10% of the Group's revenue.

43 LIST OF SUBSIDIARIES, ASSOCIATE AND JOINT VENTURES

The subsidiaries, associate and joint ventures incorporated in Malaysia except otherwise stated, are as follows:

Name of Company	Effective Group Interest 2022 %	Effective Group Interest 2021 %	Principal Activities
Direct Subsidiaries			
Boulevard View Pte. Ltd. * *(Incorporated in Singapore)*	100.0	100.0	Investment holding
Bukit Kelang Development Sdn. Bhd.	100.0	100.0	Property development and cultivation of plantation produce
Club IOI Loyalty Sdn. Bhd.	100.0	100.0	Provision of management loyalty programme services
Fortune Growers Sdn. Bhd.	100.0	100.0	Property development and cultivation of plantation produce
Fortune Premiere Sdn. Bhd.	100.0	100.0	Provision of treasury services
IOIPG Capital Sdn. Bhd.	100.0	100.0	Provision of treasury management services
IOI Business Hotel Sdn. Bhd.	100.0	100.0	Provision of hotel and hospitality services
IOI City Mall Sdn. Bhd.	100.0	100.0	Property investment, property management and investment holding
IOI Consolidated (Singapore) Pte. Ltd. * *(Incorporated in Singapore)*	100.0	100.0	Investment holding
IOI Materials Trading Sdn. Bhd.	100.0	100.0	Trading of construction materials
IOI Properties Berhad	99.9	99.9	Property development, property investment and investment holding
IOI Properties Empire Sdn. Bhd.	100.0	100.0	Property development and property investment
IOIP Capital Management Sdn. Bhd.	100.0	100.0	Provision of treasury management services
Mayang Development Sdn. Bhd.	100.0	100.0	Property development, property investment and investment holding
Nice Skyline Sdn. Bhd.	99.9	99.9	Property development, investment holding and cultivation of plantation produce

43 LIST OF SUBSIDIARIES, ASSOCIATE AND JOINT VENTURES (CONTINUED)

The subsidiaries, associate and joint ventures incorporated in Malaysia except otherwise stated, are as follows: (continued)

Name of Company	Effective Group Interest 2022 %	Effective Group Interest 2021 %	Principal Activities
Direct Subsidiaries (continued)			
Novel Vortex Limited ** *(Incorporated in the British Virgin Islands)*	100.0	100.0	Provision of treasury services
Nusa Properties Sdn. Bhd.	100.0	100.0	Property development and property investment
Palmex Industries Sdn. Bhd.	100.0	100.0	Property development
PMX Bina Sdn. Bhd.	100.0	100.0	General contractor for the construction of real estate
Premier Landmark Limited # *(Incorporated in Hong Kong)*	100.0	100.0	Investment holding
Progressive View Pte. Ltd. * *(Incorporated in Singapore)*	100.0	100.0	Investment holding
Resort Villa Development Sdn. Bhd.	100.0	100.0	Property investment and provision of hotel and hospitality services
Resort Villa Golf Course Berhad	100.0	100.0	Property investment and management of a golf club known as Palm Garden Golf Club
Resort Villa Golf Course Development Sdn. Bhd.	100.0	100.0	Provision of hotel and hospitality services
Wealthy Link Pte. Ltd. * *(Incorporated in Singapore)*	100.0	100.0	Property investment
Emerald Property Services Sdn. Bhd.	100.0	100.0	Provision of management services
Vital Initiative Limited # *(Incorporated in Hong Kong)*	100.0	100.0	Investment holding
Subsidiaries of IOI Properties Berhad			
Cahaya Kota Development Sdn. Bhd.	99.9	99.9	Property development, property investment and investment holding
Commercial Wings Sdn. Bhd.	99.9	99.9	Property investment
Dynamic Management Sdn. Bhd.	99.9	99.9	Property development, investment holding and provision of management services

43 LIST OF SUBSIDIARIES, ASSOCIATE AND JOINT VENTURES (CONTINUED)

The subsidiaries, associate and joint ventures incorporated in Malaysia except otherwise stated, are as follows: (continued)

Name of Company	Effective Group Interest 2022 %	Effective Group Interest 2021 %	Principal Activities
Subsidiaries of IOI Properties Berhad (continued)			
Flora Development Sdn. Bhd.	99.9	99.9	Property development and property investment
Flora Horizon Sdn. Bhd.	99.9	99.9	Property development and cultivation of plantation produce
Hartawan Development Sdn. Bhd. @	-	99.9	Property development and cultivation of plantation produce
IOI Harbour Front Sdn. Bhd.	99.9	99.9	Property development and property investment
IOI Landscape Services Sdn. Bhd.	99.9	99.9	Landscape services, sale of ornamental plants and turfing grass
IOI Land Singapore Pte. Ltd. * *(Incorporated in Singapore)*	99.9	99.9	Investment holding
IOI Lavender Sdn. Bhd.	99.9	99.9	Property development and property investment
IOI Medini Sdn. Bhd.	99.9	99.9	Property development and property investment
IOI Medini Management Sdn. Bhd.	99.9	99.9	Provision of management services
IOI Mulberry Sdn. Bhd.	99.9	99.9	Property development and property investment
IOI PFCC Hotel Sdn. Bhd.	99.9	99.9	Provision of hotel and hospitality services
IOI Prima Property Sdn. Bhd.	99.9	99.9	Property development and property investment
IOI Properties (Singapore) Pte. Ltd. * *(Incorporated in Singapore)*	99.9	99.9	Property investment and investment holding
Jutawan Development Sdn. Bhd.	89.9	89.9	Property development and property investment

43 LIST OF SUBSIDIARIES, ASSOCIATE AND JOINT VENTURES (CONTINUED)

The subsidiaries, associate and joint ventures incorporated in Malaysia except otherwise stated, are as follows: (continued)

Name of Company	Effective Group Interest 2022 %	Effective Group Interest 2021 %	Principal Activities
Subsidiaries of IOI Properties Berhad (continued)			
Knowledge Vision Sdn. Bhd.	99.9	99.9	Property development and property investment
Multi Wealth (Singapore) Pte. Ltd. * (Incorporated in Singapore)	99.9	99.9	Investment holding
Palmy Max Limited # *(Incorporated in Hong Kong)*	99.9	99.9	Investment holding and provision of consultancy services
Paska Development Sdn. Bhd.	99.9	99.9	Property development and property investment
Pilihan Teraju Sdn. Bhd.	99.9	99.9	Property development and property investment
Pine Properties Sdn. Bhd.	99.9	99.9	Property development and property investment
Property Skyline Sdn. Bhd.	99.9	99.9	Provision of management services and investment holding
Speed Modulation Sdn. Bhd.	99.9	99.9	Property investment
Subsidiaries of IOI City Holdings Sdn. Bhd.			
IOI City Hotel Sdn. Bhd.	100.0	100.0	Provision of hotel and hospitality services
IOI City Park Sdn. Bhd.	100.0	100.0	Car park operator and provision of car park management services
IOI City Tower One Sdn. Bhd.	100.0	100.0	Property management and property investment
IOI City Tower Two Sdn. Bhd.	100.0	100.0	Property management and property investment

43 LIST OF SUBSIDIARIES, ASSOCIATE AND JOINT VENTURES (CONTINUED)

The subsidiaries, associate and joint ventures incorporated in Malaysia except otherwise stated, are as follows: (continued)

Name of Company	Effective Group Interest 2022 %	Effective Group Interest 2021 %	Principal Activities
Subsidiaries of Cahaya Kota Development Sdn. Bhd.			
IOI Building Services Sdn. Bhd.	99.9	99.9	Provision of building maintenance services
Lush Development Sdn. Bhd.	99.9	99.9	Property development and property investment
Riang Takzim Sdn. Bhd.	99.9	99.9	Investment holding
Tanda Bestari Development Sdn. Bhd.	99.9	99.9	Property development and property investment
Subsidiaries of Dynamic Management Sdn. Bhd.			
Legend Advance Sdn. Bhd.	69.9	69.9	Property development and property investment
Paksi Teguh Sdn. Bhd.	99.9	99.9	General contractor for the construction of real estate
Pilihan Megah Sdn. Bhd.	99.9	99.9	Property development, property investment and provision of management services
Subsidiary of IOI City Mall Sdn. Bhd.			
IOI City Holdings Sdn. Bhd.	100.0	100.0	Investment holding and property investment
Subsidiary of Multi Wealth (Singapore) Pte. Ltd.			
Clementi Development Pte. Ltd.* *(Incorporated in Singapore)*	87.9	87.9	Property development
Subsidiaries of Boulevard View Pte. Ltd.			
Boulevard Midtown Pte. Ltd. *(Incorporated in Singapore)*	100.0	-	Property investment, provision of hotel and hospitality services
Boulevard Development Pte. Ltd. *(Incorporated in Singapore)*	100.0	-	Property development

43 LIST OF SUBSIDIARIES, ASSOCIATE AND JOINT VENTURES (CONTINUED)

The subsidiaries, associate and joint ventures incorporated in Malaysia except otherwise stated, are as follows: (continued)

Name of Company	Effective Group Interest 2022 %	Effective Group Interest 2021 %	Principal Activities
Subsidiaries of Property Skyline Sdn. Bhd.			
Nice Frontier Sdn. Bhd.	99.9	99.9	Property development, property investment and cultivation of plantation produce
Property Village Berhad	99.9	99.9	Property development, operations of golf club and provision of recreational services and investment holding
Trilink Pyramid Sdn. Bhd.	99.9	99.9	Property development and provision of management services
Wealthy Growth Sdn. Bhd.	99.9	99.9	Property development
Subsidiary of Property Village Berhad			
Baycrest Sdn. Bhd.	99.9	99.9	General contractor
Subsidiaries of Palmy Max Limited			
IOI (Xiamen) Business Management Co. Ltd. # *(Incorporated in the People's Republic of China)*	99.9	99.9	Business management, property management and procurement of construction materials
IOI (Xiamen) Properties Co. Ltd. # *(Incorporated in the People's Republic of China)*	99.9	99.9	Property development, property investment and provision of hotel and hospitality services
Prime Joy Investments Limited # *(Incorporated in Hong Kong)*	99.9	99.9	Investment holding
Subsidiary of Prime Joy Investments Limited			
Xiamen Double Prosperous Real Estate Development Co. Ltd. # *(Incorporated in the People's Republic of China)*	99.9	99.9	Property development and property management services

43 LIST OF SUBSIDIARIES, ASSOCIATE AND JOINT VENTURES (CONTINUED)

The subsidiaries, associate and joint ventures incorporated in Malaysia except otherwise stated, are as follows: (continued)

Name of Company	Effective Group Interest 2022 %	Effective Group Interest 2021 %	Principal Activities
Subsidiary of Premier Landmark Limited			
Shenzhen IOI Property Development Co. Ltd. # *(Incorporated in the People's Republic of China)*	100.0	-	Property development and property investment
Subsidiaries of IOI (Xiamen) Properties Co. Ltd.			
Xiamen Palm City Management Services Co. Ltd.# *(Incorporated in the People's Republic of China)*	99.9	99.9	Provision of management services
Xiamen Palm Kaiyue Real Estate Development Co. Ltd.# *(Incorporated in the People's Republic of China)*	99.9	99.9	Property development, property management and car park management
Subsidiary of IOI (Xiamen) Business Management Co. Ltd.			
Xiamen Palm City Sports Technology Co. Ltd.# *(Incorporated in the People's Republic of China)*	59.9	59.9	Leisure and entertainment activities
Subsidiary of Pine Properties Sdn. Bhd.			
PINE MJR Development Sdn. Bhd.	54.9	54.9	Property development
Associate of IOI Properties Berhad			
GLM Emerald Industrial Park (Jasin) Sdn. Bhd. #	32.0	32.0	Property development and operation of oil palm estate
Joint Venture of IOI Consolidated (Singapore) Pte. Ltd.			
Scottsdale Properties Pte. Ltd. # *(Incorporated in Singapore)*	49.9	49.9	Investment holding

43 LIST OF SUBSIDIARIES, ASSOCIATE AND JOINT VENTURES (CONTINUED)

The subsidiaries, associate and joint ventures incorporated in Malaysia except otherwise stated, are as follows: (continued)

Name of Company	Effective Group Interest 2022 %	Effective Group Interest 2021 %	Principal Activities
Joint Venture of IOI Land Singapore Pte. Ltd.			
Seaview (Sentosa) Pte. Ltd. # *(Incorporated in Singapore)*	49.9	49.9	Property development
Joint Venture of IOI Properties Berhad			
PJ Midtown Development Sdn. Bhd.	49.9	49.9	Property development
Joint Venture of IOI Properties (Singapore) Pte. Ltd.			
Pinnacle (Sentosa) Pte. Ltd. # *(Incorporated in Singapore)*	64.9	64.9	Property development
Joint Venture of Multi Wealth (Singapore) Pte. Ltd.			
Mergui Development Pte. Ltd. ^ *(Incorporated in Singapore)*	-	59.9	Property development

\# *Audited by a firm other than member firm of PricewaterhouseCoopers International Limited and PricewaterhouseCoopers PLT.*
* *Audited by member firm of PricewaterhouseCoopers International Limited which is a separate and independent legal entity from PricewaterhouseCoopers PLT.*
** *The subsidiary is not required by their local laws to appoint statutory auditors.*
@ *Ceased to be a subsidiary on 10 September 2021 pursuant to the completion of disposal of 100% equity interest under the sale of shares agreement.*
^ *Struck off from the register of ACRA with effect from 7 April 2022.*

44 AUTHORISATION FOR ISSUE

The financial statements of the Group and of the Company for the financial year ended 30 June 2022 were authorised for issue by the Board of Directors on 23 September 2022.

Registration No.
201301005964 (1035807-A)

IOI PROPERTIES GROUP BERHAD
(Incorporated in Malaysia)

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

In the opinion of the Directors, the financial statements set out on pages 10 to 152 have been drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards, and the provisions of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2022 and of the financial performance and cash flows of the Group and of the Company for the financial year then ended.

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

LEE YEOW SENG
Director

LEE YOKE HAR
Director

23 September 2022

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

I, Shen Yan Chao (MIA 31632), being the officer primarily responsible for the financial management of IOI Properties Group Berhad, do solemnly and sincerely declare that the financial statements set out on pages 10 to 152 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.

Subscribed and solemnly declared)
by the abovenamed)
at Puchong, Selangor Darul Ehsan)
this 23 September 2022)

Before me

NG SAY JIN
COMMISSIONER FOR OATHS
No. B195



INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF IOI PROPERTIES GROUP BERHAD

(Incorporated in Malaysia)
Registration No. 201301005964 (1035807-A)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our opinion

In our opinion, the financial statements of IOI Properties Group Berhad ("the Company") and its subsidiaries ("the Group") give a true and fair view of the financial position of the Group and of the Company as at 30 June 2022, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

What we have audited

We have audited the financial statements of the Group and of the Company, which comprise the statements of financial position as at 30 June 2022 of the Group and of the Company, and the statements of profit or loss, statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 10 to 152.

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 opinion.

Independence and other ethical responsibilities

We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

PricewaterhouseCoopers PLT (LLP0014401-LCA & AF 1146), Chartered Accountants, Level 10, Menara TH 1 Sentral, Jalan Rakyat, Kuala Lumpur Sentral, P O Box 10192, 50706 Kuala Lumpur Malaysia
T: +60 (3) 2173 1188, F: +60 (3) 2173 1288, www.pwc.com/my



REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Our audit approach

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements of the Group and of the Company. In particular, we considered where the Directors made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the Group and of the Company, the accounting processes and controls, and the industry in which the Group and the Company operate.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters	**How our audit addressed the key audit matters**
1. Revenue recognition from property development activities Total revenue recognised for the Group on sale of development properties amounted to RM2,101.9 million for financial year ended 30 June 2022, of which RM459.7 million relates to ongoing projects. The Group recognises revenue from ongoing property development projects in the statements of profit or loss by reference to the stage of completion of the development activity at the end of the reporting period. The stage of completion is determined based on the actual costs certified by professional consultants as a percentage of total estimate costs.	We have performed the following procedures: • Reviewed the terms and conditions of the major sales transactions to determine that revenue recognised conforms with the Group policies and the requirements of MFRS 15 "Revenue from contracts with customers"; • Tested the key controls in respect of the budgeting process of total property development costs; • Tested controls over monitoring of costs incurred for work performed to date; • Assessed the reasonableness of samples of estimated total property development costs on the property development projects by comparing to contracts, quotations from contractors and cost estimates from quantity surveyors for newly launched projects;



REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Key audit matters (continued)

Key audit matters	How our audit addressed the key audit matters
1. Revenue recognition from property development activities (continued) Given the nature of property development projects, we focused on this area as significant estimates and judgements are required in: • Determining the extent of property development costs accruals to reflect work performed up to the reporting date; • Determining the estimated total property development costs to completion; and • Determining the common costs allocation to the project phases from the total budgeted common costs attributable to the respective property development projects. Refer to Note 5.1 (Significant Accounting Estimates and Judgements – Revenue and Cost Recognition from Property Development Activities), Note 6.19 (Significant Accounting Policies – Revenue Recognition), Note 7 (Revenue) and Note 23 (Property Development Costs)	We have performed the following procedures: (continued) • Assessed sample of revision of estimated total property development costs to supporting documentations such as quotation from contractors and variation orders received and approved by management for ongoing projects; • Evaluated variances between actual costs incurred and budgeted property development costs to assess whether total estimated costs to completion have been properly updated; • Assessed the reasonableness of allocation of total budgeted common costs to the project phases by comparing the budget to the approved master layout plan; • Tested samples of actual sales of development properties to signed sales and purchase agreements; • Tested samples of costs incurred to date to supporting documentations such as contractors' claim certificates or suppliers invoices. Where costs have not been billed or certified, assessed the adequacy of management's accruals of such costs by reviewing subsequent contractors' claims certificates, supplier invoices or approved architect's certificates; and • Recomputed the stage of completion by computing the proportion of property development costs incurred for work performed to date as a percentage of total estimated costs of the property development projects. Based on our work done, we did not identify any material exceptions.



REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Key audit matters (continued)

Key audit matters	How our audit addressed the key audit matters
2. Fair value of completed investment properties As at 30 June 2022, the Group's completed investment properties, which are carried at fair value, amounted to RM5,081.0 million. The valuations of the Group's completed investment properties were performed by independent external valuers based on Investment Method and Comparison Method. The valuers have considered factors related to the properties' overall condition and demand as a whole in arriving at the fair values. We focused on this area due to complexities in determining the fair value of the investment properties, which involved significant estimates and judgements in determining the appropriate valuation methodologies and estimating the underlying assumptions to be applied. Refer to Note 5.4 (Significant Accounting Estimates and Judgements – Fair Value of Investment Properties), Note 6.3 (Significant Accounting Policies – Investment Properties) and Note 17 (Investment Properties)	**External valuations** We obtained and read the valuation reports obtained by management from independent external valuers. Based on these reports, we discussed the valuation methodologies and assumptions used in the valuation with the independent external valuers. We have assessed the independent external valuers' competency, capabilities and objectivity by checking the valuers' qualification and their registration to the respective boards of each country. **Valuation methodologies** We carried out the following procedures to assess the inputs underpinning the valuation of the properties: • Agreed rental rates, rental periods, net lettable area and outgoing expenses to the underlying tenancy agreements where applicable, and held discussions with valuers to understand the factors they have considered in adjusting the inputs, including any market factors; • Benchmarked the term yield, reversion yield and allowance for void used by the valuers to comparable properties; • Discussed with valuers to understand the basis of adjustments made to transacted price per square foot of comparable peers by considering factors related to the characteristics of each individual property, such as location, accessibility to the location, size, tenure and comparable transaction dates; and



REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Key audit matters (continued)

Key audit matters	How our audit addressed the key audit matters
2. Fair value of completed investment properties (continued)	**Valuation methodologies (continued)** We carried out the following procedures to assess the inputs underpinning the valuation of the properties: (continued) • Challenged the valuers on certain key inputs and estimates used in consideration of the current market condition. We have also assessed the sensitivity analysis prepared by management on the yields and price per square foot underpinning the valuation, where applicable. Based on the above procedures performed, we did not identify any material exceptions.
3. Assessment of funding requirements and ability to meet the short term obligations As at 30 June 2022, the Group had a net current liability position of RM7,894.7 million, consisting of RM13,485.9 million in borrowings which are due in the next 12 months. We focused on the Group's funding and ability to meet its short term obligations due to the significant amount of the short term borrowings. Refer to Note 39.4 (Financial Instruments – Liquidity and Cash Flow Risk)	We have performed the following procedures: • Reviewed the letters of extension provided by the Facility Agents of the respective borrowing facilities for which management sought an extension of the repayment due date; • Checked the latest available correspondences with the banks on the status of the refinancing of the short term borrowings; • Checked repayment profile of the Group based on existing loan agreements and that the debt covenants of the Group were met; • Checked extent of debt that the Group can raise from its existing facilities;



REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Key audit matters (continued)

Key audit matters	How our audit addressed the key audit matters
3. Assessment of funding requirements and ability to meet the short term obligations (continued)	We have performed the following procedures: (continued) • Discussed with management on key assumptions used in developing the cash flow forecasts for the Group including cash collection trends, payment profiles and significant transactions in developing the cash flow forecasts for the Group; and • Reviewed the appropriateness of disclosures in the financial statements in relation to the Group's liquidity risk management. Based on the procedures performed above, we did not find any material exceptions to the Directors' assessment that the Group will be able to meet its short term obligations.

We have determined that there are no key audit matters to report for the Company.

Information other than the financial statements and auditors' report thereon

The Directors of the Company are responsible for the other information. The other information comprises the Directors' Report and contents in the 2022 Annual Report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

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

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

If, based on the work we have performed, 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.



REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Responsibilities of the Directors for the financial statements

The Directors of the Company are responsible for the preparation of the 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:

(a) 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.

(b) 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.



REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Auditors' responsibilities for the audit of the financial statements (continued)

(c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

(d) Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or on 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.

(e) 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.

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

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

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

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



REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 43 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.

PRICEWATERHOUSECOOPERS PLT
LLP0014401-LCA & AF 1146
Chartered Accountants

SOO HOO KHOON YEAN
02682/10/2023 J
Chartered Accountant

Kuala Lumpur
23 September 2022

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ISSUING AND PAYING AGENT, NON-CDP TRANSFER AGENT, NON-CDP REGISTRAR AND (WHERE APPOINTED IN RESPECT OF NOTES CLEARED THROUGH EUROCLEAR OR CLEARSTREAM) CALCULATION AGENT

The Hongkong and Shanghai Banking Corporation Limited
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CDP PAYING AGENT, CDP TRANSFER AGENT, CDP REGISTRAR AND (WHERE APPOINTED IN RESPECT OF NOTES CLEARED THROUGH CDP) CALCULATION AGENT

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