MahSing

Reinvent Spaces. Enhance Life.

BUILDING TOWARDS LONGEVITY

INTEGRATED ANNUAL REPORT 2020

INSIDE
THIS REPORT

COVER RATIONALE

The year 2020 saw the world impacted by the COVID-19 pandemic, as almost all businesses worldwide were disrupted by lockdowns, industry shutdowns, restricted movement orders and other developments amidst a new normal scenario.

However, drawing from its inherent business strengths and diversified business structure, Mah Sing has risen to the occasion to reflect resilience and strong fundamentals as well as continued progress and growth.

Through innovation, proactive market-oriented strategies and by remaining adaptive to market forces, Mah Sing has grown from strength to strength to now stand on the verge of greater growth.

The above business strategies and developments are anchored by a driving passion and commitment to sustainability; an increased focus on environmental, social and governance performance as well as the importance of improving non-financial performance in tandem with revenues and profits.

This year's integrated annual report cover features a grid pattern showcasing Mah Sing's business innovation strategies in exploring new business opportunities and enhancing our existing projects. The grid also highlights the diversity of our business output which now includes glove manufacturing, as Mah Sing continues to deliver sustainable value creation.

ABOUT THIS REPORT

INTRODUCTION

Mah Sing Group Berhad ("Mah Sing" or "the Group") has for financial year ended 31 December 2020, adopted the internationally recognised best practice, integrated reporting ("<IR>") framework. The decision to adopt <IR> is in line with the Group's aspirations to provide more strategic reporting, beyond financial performance.

The objective of embarking on <IR> is to showcase the Group's value creation capabilities over the short, medium and long-term perspectives, as well as the resilience and future readiness of the Group in facing an increasingly dynamic and challenging macro-operating environment.

In realising the aforementioned, Mah Sing has aligned its adoption with the recommended principles based <IR> framework of the International Integrated Reporting Council ("IIRC").

MATERIALITY APPROACH TO REPORT CONTENT

In selecting relevant content for the FY2020 report, Mah Sing has adopted the following materiality criteria for its inaugural integrated annual report ("IAR").

- Information that is pertinent to the Group's resources (capitals)
- Information that is pertinent to the business operations (which includes the respective value chains of the Property and Plastics Divisions)
- Information that is pertinent to outputs and outcomes created (financial and non-financial values)

The aforementioned criteria have been applied to Mah Sing's business operations, activities, processes and employees, which includes the Group's applicable subsidiaries. Unless otherwise indicated, the content for this report reflects data and activities of the Group from 1 January to 31 December 2020 ("FY2020").

<IR> CONTENT ELEMENTS

Mah Sing FY2020 IAR incorporates the following content elements:

CONTENT ELEMENT	DESCRIPTION	ICON
Approach to Value Creation	A macro view of Mah Sing's value creation approach, its facilitating factors, business operations and values created which are aligned to the United Nations Sustainable Development Goals ("UN SDGs").	
External Environment	The various trends and developments arising from the macro-operating environment and how these may impact the availability of capitals, internal business processes and value creation capabilities.	
Business Strengths	Outlines how Mah Sing's inherent competencies, capabilities and competitive advantages support the business model and the dynamic, interconnected relationship between the external operating environment, business strengths, business strategies and the business model.	
Industry Value Chains	Provides information on how Mah Sing's business divisions consume resources and produce outputs. This includes disclosures on key business processes and how external and internal factors may influence business processes.	
Risks and Mitigation Strategies	The interaction between the external and internal environment and ensuing impacts on the organisation enables the identification of risk factors and opportunities. Further, beyond mitigation measures, risks are also considered in terms of implications on business strategies going forward.	
Value Creation Model	The provision of the value creation model provides a visual diagram of how resources are consumed to drive value creation.	
Strategic Priorities and Future Orientation	Beyond providing the overall operating landscape for FY2021, this section also outlines what are the key strategic priorities for Mah Sing going forward and how the Group intends to realise its future business plans.	
Performance	Further information is provided on the Group's financial values within the Management Discussion and Analysis section of this annual report.	

ABOUT THIS REPORT (CONT'D)

CONTENT ELEMENT	DESCRIPTION	ICON
Sustainability Performance	A comprehensive account of the Group's environmental, social and governance performance is provided in the standalone Sustainability Report as well as the condensed Sustainability Statement within the IAR 2020.	

LIMITATIONS

The FY2020 report scope and boundary is also bound by existing data collection systems to collate reliable, meaningful and accurate information. Going forward, Mah Sing will endeavour to strengthen its data collection capabilities to enhance reporting disclosure and enrich the quality of information provided.

RESOURCES OR CAPITALS CONSUMED

Mah Sing's FY2020 IAR provides comprehensive disclosure on the following capitals:

Financial Capital

Financial Capital comprises all financial assets such as cash, equity, assets, and operating revenue generated and deployed in our value creation activities.

Manufactured Capital

Manufactured Capital comprises tangible assets such as factories, machinery, built-up properties and more.

Intellectual Capital

Intellectual Capital comprises proprietary business know-how, systems, processes and methodologies that drive business operations.

Human Capital

Human Capital refers to employees and their skill sets, experiences and competencies.

Social Capital

Social Capital refers to stakeholder relationships and the impacts these have on the business model and value creation.

Natural Capital

Natural Capital comprises consumption of resources extracted from the environment such as land, water and the production of environmental impacts.

APPLIED FRAMEWORKS

Mah Sing FY2020 IAR has been developed in accordance with the following reporting frameworks:

- Main Market Listing Requirements of Bursa Securities Malaysia Berhad
- Integrated Reporting Principles Based Framework of the International Integrated Reporting Council
- Global Reporting Initiative 2020
- Bursa Malaysia Sustainability Reporting Guide, 2nd Edition 2018
- FTSE4Good Index Disclosures (FTSE Russell's ESG Data Model)
- Malaysian Code on Corporate Governance
- Companies Act 2016
- Malaysia Financial Reporting Standards

FORWARD LOOKING STATEMENTS

This report contains information on Mah Sing's strategic priorities, anticipated risks and opportunities, industry outlook and the Group's prospects. All information herewith was collated based on reasonable assumptions using existing forecast models and present market conditions, which may change due to a wide range of factors that are beyond the Group's control.

As such, all forward looking statements are not conclusive. Actual plans and results may differ from those expressed in this report. Forward looking statements do not serve as guarantees of future operational or financial results or any other kind of outcome. Such have not been reviewed or audited by an external auditor.

ASSURANCE

Financial statements presented in this IAR has been assured by the Group's external auditor, Deloitte PLT. The Group aims to strengthen its disclosure for the non-financial information for future reports and further improve data collection and reporting systems.

ONLINE VERSION AND FEEDBACK

This report can be downloaded from: www.mahsing.com.my/investor-relations/reports. We welcome feedback and comments towards improving our <IR> disclosure going forward. Feedback and comments can be sent to ir@mahsing.com.my

OUR BUSINESS

Since its inception, Mah Sing has grown steadily, progressing past one milestone after another to now stand tall as one of the nation's leading property developers and an industry leading producer of high-quality, recyclable plastic products.

Its diversified property portfolios comprises residential, commercial, retail, hospitality, and industrial developments nationwide, with most located in the property hotspots of Greater Kuala Lumpur, Klang Valley, Penang, Johor and Sabah.

The Group's plastics manufacturing operation also comprises manufacturing facilities in both Malaysia and Indonesia, producing high quality products that meet customers' exact needs.

In FY2020, Mah Sing announced its new venture into the healthcare segment via glove manufacturing, which marks further diversification to tap new business opportunities.

CORPORATE INFORMATION

BOARD OF DIRECTORS

TAN SRI DATO' SERI SITI NORMA BINTI YAAKOB
Chairperson/Senior Independent Non-Executive Director

TAN SRI DATO' SRI LEONG HOY KUM
Group Managing Director/Group Chief Executive

DATUK HO HON SANG
Chief Executive Officer

DATO' STEVEN NG POH SENG
Executive Director

DATUK SERI LEONG YUET MEI
Executive Director

ABD MALIK BIN A RAHMAN
Independent Non-Executive Director

HO KIM POI
Independent Non-Executive Director

AUDIT COMMITTEE
ABD MALIK BIN A RAHMAN (Chairman)

TAN SRI DATO' SERI SITI NORMA BINTI YAAKOB

HO KIM POI

NOMINATION COMMITTEE
TAN SRI DATO' SERI SITI NORMA BINTI YAAKOB (Chairperson)

ABD MALIK BIN A RAHMAN

REMUNERATION COMMITTEE
TAN SRI DATO' SERI SITI NORMA BINTI YAAKOB (Chairperson)

TAN SRI DATO' SRI LEONG HOY KUM

ABD MALIK BIN A RAHMAN

SECRETARIES
YANG BAO LING
(SSM PC No. 202008002683)
(MAICSA 7041240)

KUAN HUI FANG
(SSM PC No. 202008001235)
(MIA 16876)

REGISTRAR
Tricor Investor & Issuing House Services Sdn Bhd
(Registration Number: 197101000970 (11324-H))
Unit 32-01, Level 32, Tower A
Vertical Business Suite, Avenue 3
Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
T 603-2783 9299
F 603-2783 9222

REGISTERED OFFICE
Penthouse Suite 1
Wisma Mah Sing
No. 163, Jalan Sungai Besi
57100 Kuala Lumpur
T 603-9221 8888
F 603-9222 2833

AUDITORS
Deloitte PLT (LLP0010145-LCA)
Chartered Accountants (AF0080)
Level 16, Menara LGB
1, Jalan Wan Kadir
Taman Tun Dr. Ismail
60000 Kuala Lumpur
T 603-7610 8888
F 603-7726 8986

BANKERS
Al-Rajhi Banking & Investment Corporation (Malaysia) Berhad
Bank Islam Malaysia Berhad
CIMB Bank Berhad
HSBC Amanah Malaysia Berhad
HSBC Bank Malaysia Berhad
Industrial and Commercial Bank of China (Malaysia) Berhad
Malayan Banking Berhad
Maybank Islamic Berhad
OCBC Bank (Malaysia) Berhad
Public Bank Berhad
Public Islamic Bank Berhad
RHB Bank Berhad
PT Bank Central Asia Tbk
PT Bank CIMB Niaga Tbk
PT Bank Multiarta Sentosa
PT Bank Permata Tbk
The Bank of Tokyo-Mitsubishi UFJ, Ltd

STOCK EXCHANGE LISTING
Main Market of Bursa Malaysia Securities Berhad

STOCK SHORT NAME
MAHSING (8583)

INDEX
Bursa Malaysia Property Index

WEBSITE
www.mahsing.com.my

INVESTOR RELATIONS
T 603-9221 8888
E ir@mahsing.com.my

OUR VISION

Inventing sustainable future living that enhances quality of life

OUR MISSION

EMPOWERING

EMPOWERING our people towards personal and professional growth through continuous learning.

MARKET TRENDS

Anticipating future MARKET TRENDS and providing the right solutions.

QUALITY PROMISE

Delivering our QUALITY PROMISE.

CARING

CARING for the people, community and the environment.

CORPORATE MILESTONES

1992

- Listed on the Kuala Lumpur Stock Exchange ("KLSE") 2nd Board under industrial sector.

1994

- Ventured into property development with four projects. The first project was in Ulu Yam in 1994, comprising single-storey link homes.
- Birth of i-Parc series (Mah Sing's industrial integrated park).

2000

- Launched maiden township development in Sri Pulai Perdana in Skudai, Johor and introduced the concept of gated and guarded living for link homes in Johor, an unheard of concept 20 years ago in Iskandar Malaysia.
- Reclassified from industrial sector to property sector on KLSE 2nd board.

2004

- The Group acquired land for its 1st township in Klang Valley, Aman Perdana.
- The Group shifted its focus from medium-upper to high-end markets in Klang Valley. Launched first niche high-end project in Klang Valley, Damansara Legenda.
- Transferred from 2nd board to Main Board of Bursa Malaysia.

2007

- Ventured into Penang and launched Southbay.
- Expanded into commercial properties with The Icon, Jalan Tun Razak.

2009

- Continued i-Parc series industrial developments with i-Parc 1, 2 and 3 in Klang Valley.
- Expanded presence to Southern Klang Valley with Garden Residence, Cyberjaya and Kinrara Residence, Puchong.

2011

- Continued township development in Klang Valley with M Residence in Rawang.

CORPORATE MILESTONES (CONT'D)

2012

- Launched Southville City in Bangi.
- Expanded into Kota Kinabalu, Sabah with Sutera Avenue.

2013

- The Group further strengthened its foothold in Klang Valley with developments such as Lakeville Residence in Jalan Kuching and D'sara Sentral in Sungai Buloh.

2016

- The Group launched its largest township by acreage, Meridin East in Iskandar Malaysia, Johor, spanning 1,313 acres.

2017

- Unveiled Mah Sing's new corporate logo and Mah Sing Foundation's new logo.
- Continued expansion in Klang Valley with affordably priced developments such as M Vertica in Cheras and M Centura in Sentul.
- Added to the Group's i-Parc series with M Parc in Bukit Mertajam, Penang.

2018

- Launch of Mah Sing's very own 'MY Mah Sing' app which enhances the customers' homeownership experience.
- Launch of Aster, Mah Sing's first project of M Aruna that adopts the Industrialised Building System.

2019

- The Group celebrated its 25th anniversary since its venture into the property development industry.
- The Group acquired 3 new lands in Klang Valley which are M Oscar (off Kuchai Lama), M Luna (Kepong) and M Adora (Wangsa Melawati).
- Grand opening of Ramada by Wyndham Meridin, Johor Bahru.

2020

- Mah Sing announced its diversification into healthcare by venturing into glove manufacturing.
- The Group launched M Luna, Kepong and M Adora, Wangsa Melawati which concluded the official unveiling of all three newly acquired lands in 2019.

CORPORATE PROFILE

Artist impression of Ferringhi Residence 2, Penang

Mah Sing Group Berhad ("Mah Sing") was listed on Bursa Malaysia in 1992 and ventured into property development in 1994. In 2020, Mah Sing announced its diversification into healthcare by venturing into glove manufacturing.

At present, Mah Sing has 51 projects in Greater Kuala Lumpur, Klang Valley, Penang, Johor, as well as Sabah. Mah Sing is one of Malaysia's fully integrated developers with residential, commercial, retail, hospitality and industrial developments.

A leading property developer in Malaysia, Mah Sing's diverse portfolio includes high-rise residential projects, masterplanned townships, integrated developments, Grade A office buildings, retail projects, SoHo and industrial developments.

For over two decades, Mah Sing has continuously created iconic developments that have won over 300 domestic and global awards for company performance, corporate governance, product design, concept, innovation and quality. The Group's efforts to deliver quality homes to meet the current market demand were widely recognised as the Group clinched various prestigious local and international industry accolades.

In 2020 alone, Mah Sing's M Oscar, off Kuchai Lama received The Skyline Award (Excellence) at StarProperty Awards 2020, along with the Best Mass Market Condo/Apartment Development (Central) Award at PropertyGuru Asia Property Awards (Malaysia) 2020. The Group was also once again ranked as one of the Top Property Developers in Malaysia at The Edge Property Excellence Awards and honoured with the StarProperty Awards' The All Star Award - Best Overall Champion and Financially Strongest.

Besides its success in property development, Mah Sing was also recognised for its Corporate Social Responsibility initiatives at the PropertyGuru Asia Property Awards (Malaysia) 2020 and the Sustainability and CSR Malaysia Award 2020, reinforcing the Group's commitment in giving back to the communities.

2020 also saw the Group embracing the challenges that arose from the unprecedented COVID-19 pandemic through adapting to the new norm with continuously enhanced digitalisation efforts. Mah Sing also expanded its manufacturing division by venturing into the healthcare sector via glove manufacturing, leveraging on its experience as a plastics manufacturer over the past four decades, and is supported by potential synergies to be derived amongst the Group's gloves business, plastics business and property business.

Mah Sing will also continue to concentrate on its existing property developments as the property business remains a key focus of the Group moving forward. As a market driven developer, Mah Sing is always adapting to the changing market trends in order to offer quality homes to match home buyers' needs. In line with the Group's vision to invent sustainable future living that enhances quality of life, Mah Sing is committed to continue to provide affordably priced quality products for home buyers who are looking for their ideal home.

CORPORATE STRUCTURE

(ACTIVE OPERATING SUBSIDIARIES)

MahSing

PROPERTY DIVISION

- 100% Capitol Avenue Development Sdn Bhd
- 100% Dsara Sentral Sdn Bhd
- 100% Elite Park Development Sdn Bhd
- 100% Enchanting Heights Sdn Bhd
- 100% Icon City Development Sdn Bhd
- 100% Mah Sing Properties Sdn Bhd
  - 100% Mestika Bistari Sdn Bhd
- 100% Mediterranean View Development Sdn Bhd
- 100% Meridin East Sdn Bhd
- 100% Major Land Development Sdn Bhd
- 100% Maxim Heights Sdn Bhd
- 100% Myvilla Development Sdn Bhd
- 100% Nature Legend Development Sdn Bhd
  - 100% M Vertica Sdn Bhd
- 100% Nova Legend Development Sdn Bhd
  - 78% Cosmowealth Housing Development Sdn Bhd
- 100% Oasis Garden Development Sdn Bhd
- 100% Semai Meranti Sdn Bhd
- 100% Southville City Sdn Bhd
- 100% Supreme Springs Sdn Bhd
- 100% Tropika Istimewa Development Sdn Bhd
- 100% Uptrend Housing Development Sdn Bhd
- 100% Venice View Development Sdn Bhd
- 100% Vienna View Development Sdn Bhd
- 100% Vienna Home Sdn Bhd

PROPERTY MANAGEMENT

- 100% Acacia Springs Management Sdn Bhd
- 100% Mestika Kenangan Sdn Bhd
- 100% Quantum Noble Development Sdn Bhd
- 100% Prima Peninsular Development Sdn Bhd

PLASTICS DIVISION

- 100% Mah Sing Plastics Industries Sdn Bhd
- 100% Vital Routes Sdn Bhd
  - 65% P.T. Mah Sing Indonesia

HEALTHCARE DIVISION

- 100% Mah Sing Healthcare Sdn Bhd (formerly known as Kenwira Sdn Bhd)

HOTEL DIVISION

- 100% Meridin Hospitality Sdn Bhd

OTHERS

- 100% Mah Sing Trading Sdn Bhd
- 100% Mah Sing Utilities Sdn Bhd

GROUP FIVE-YEAR FINANCIAL HIGHLIGHTS

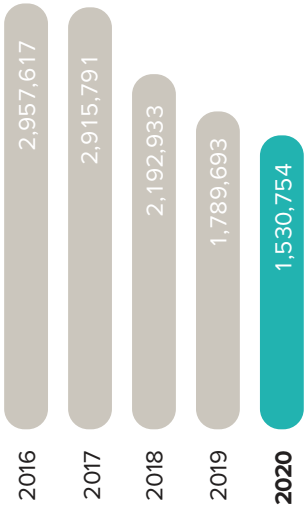
FINANCIAL YEAR ENDED 31 DECEMBER

RM'000	2016	2017	2018	2019	2020
Revenue	2,957,617	2,915,791	2,192,933	1,789,693	**1,530,754**
Profit before tax	482,939	472,283	347,610	270,219	**153,669**
Profit after tax	360,312	359,161	270,619	202,593	**104,046**
Profit attributable to equity holders	361,357	361,895	271,582	200,334	**100,394**
Total assets	6,220,155	7,140,187	6,909,401	6,675,826	**6,865,983**
Total borrowings	1,005,650	784,478	568,226	570,401	**1,218,784**
Equity attributable to ordinary equity holders	3,288,111	3,455,968	3,488,972	3,488,999	**3,440,447**
Total equity	3,836,127	4,647,609	4,823,678	4,826,367	**4,241,361**
Return on equity	10%	9%	5%	3%	**1%**
Return on total assets	6%	5%	4%	3%	**2%**
Net gearing ratio	0.02	N/A	N/A	N/A	**0.01**
Basic earnings per share (sen)	13.47	12.54	7.83	4.49	**1.12**
Fully diluted earnings per share (sen)	13.46	12.50	7.83	4.49	**1.12**
Net assets per share (RM)	1.36	1.42	1.44	1.44	**1.42**
Dividend per share (sen)	6.50	6.50	4.50	3.35	**1.66**
Dividend payout ratio	43.3%	43.6%	40.2%	40.6%	**40.1%@**
Price earning ratio	10.6	11.6	11.7	15.7	**77.6**
Share price as at the financial year end (RM)	1.43	1.45	0.92	0.71	**0.87**

@ The dividend payout for 2020 is estimated based on number of shares as at 31 December 2020.

(in RM'000)

REVENUE



(in RM'000)

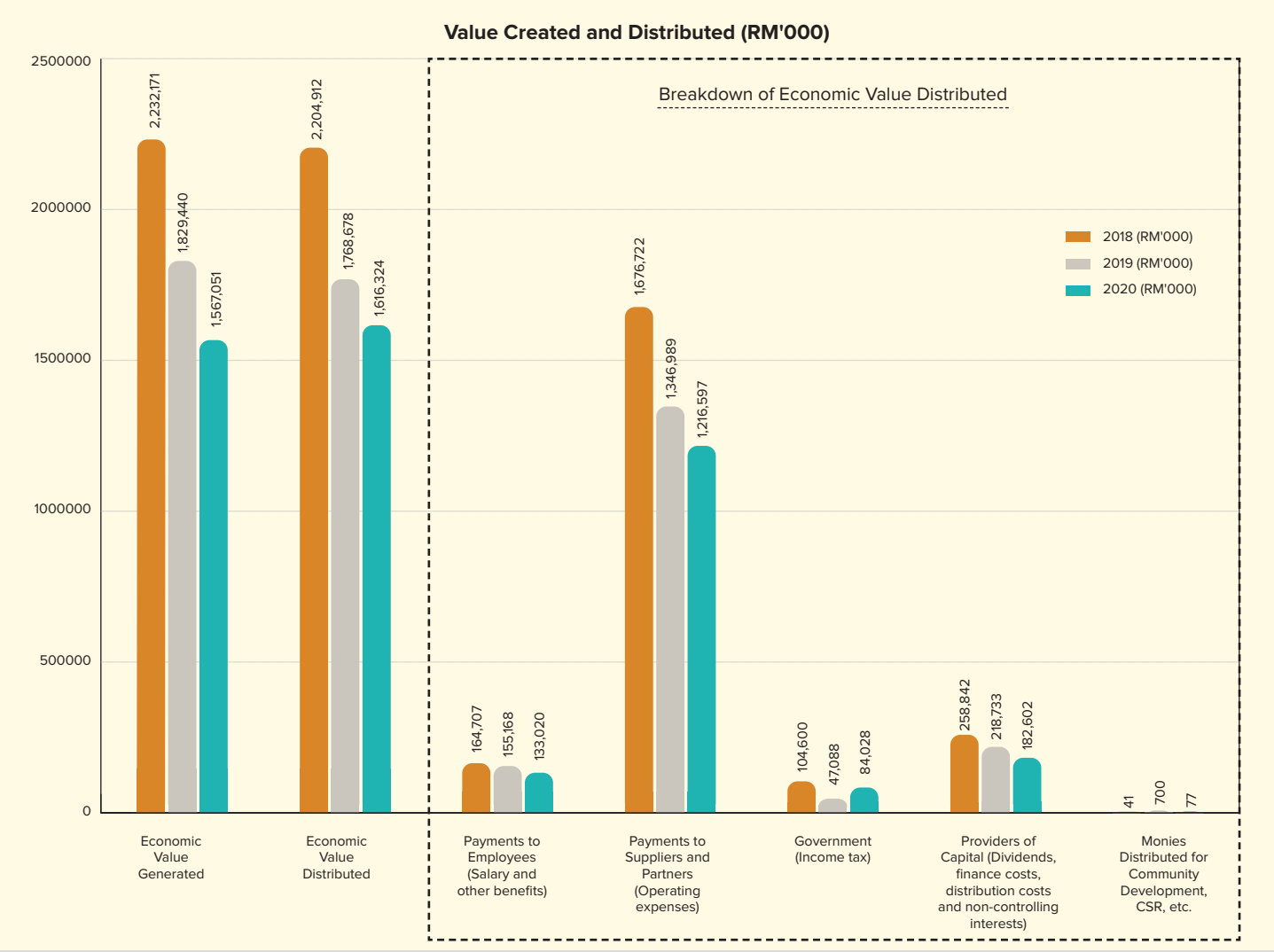
PROFIT ATTRIBUTABLE TO EQUITY HOLDERS

(in RM'000)

EQUITY ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS

STATEMENT OF VALUE ADDED DISTRIBUTION & SIMPLIFIED FINANCIAL STATEMENT

Beyond direct financial values such as revenues and earnings, Mah Sing continues to focus on the creation of indirect financial values as per the following:



Following is a concise view of the Group's balance sheet position for FY2020. Mah Sing continues to maintain a healthy balance sheet with assets far exceeding liabilities.

In particular, the Group's asset position is backed by its sizeable landbank, which is strategically located in key city centres or suburban locations with high population catchments in the Klang Valley, Penang, and Johor.

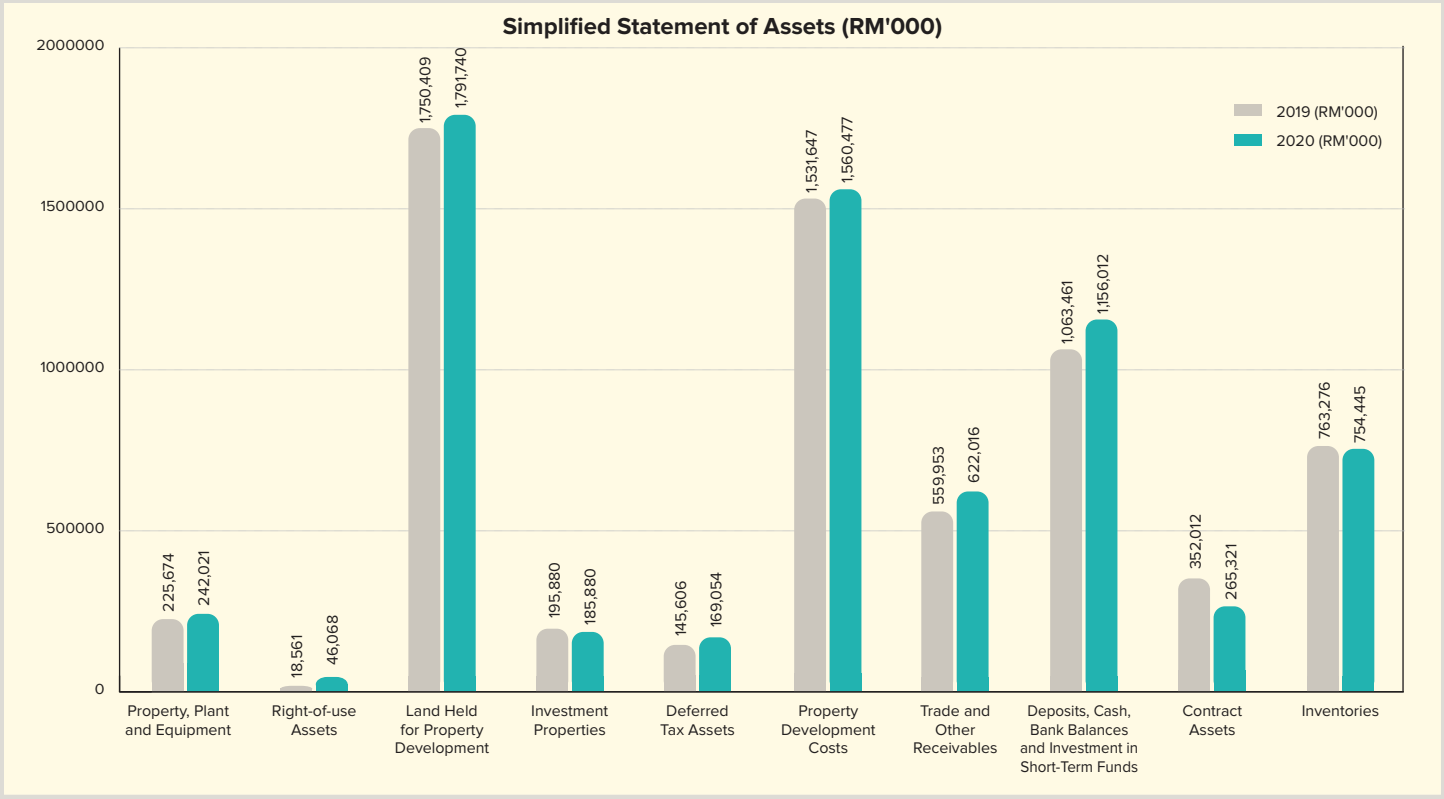
Mah Sing continues to maintain a strong cash position that has increased in FY2020, which enables the Group to strategically drive future growth and pursue potential landbanking activities, and to execute business diversification strategies such as its recent venture into healthcare (glove manufacturing).

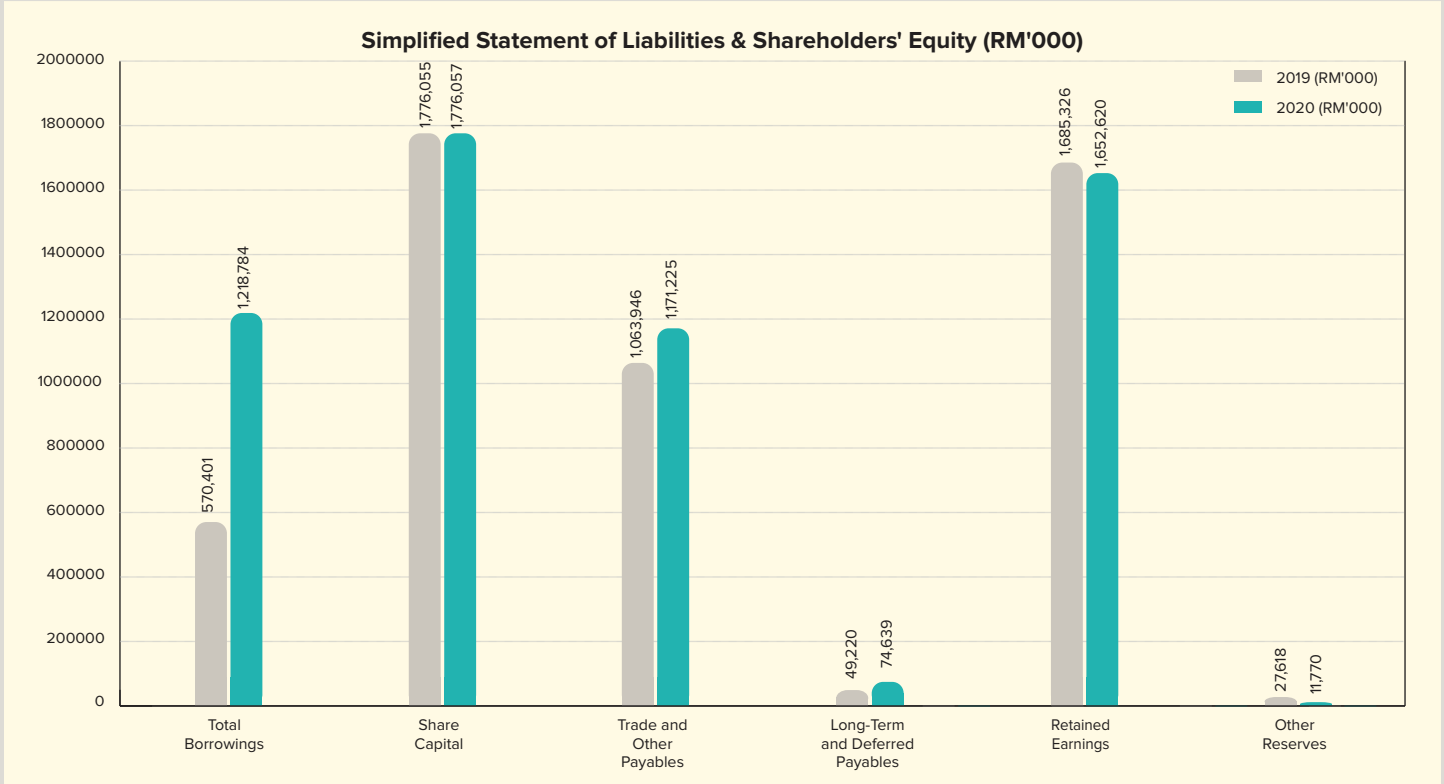
In terms of liabilities, Group borrowings have increased due to loans secured to fund business development and expansion activities. This includes the aforementioned penetration into glove manufacturing and business growth plans for both the property development and manufacturing operations.

The Group retains sufficient assets, notably a healthy cash position to meet all debt obligations and to meet working capital requirements.

Further explanation on the Group's performance for FY2020 is provided in the Management Discussion and Analysis.

STATEMENT OF VALUE ADDED DISTRIBUTION & SIMPLIFIED FINANCIAL STATEMENT
(CONT'D)





INVESTOR RELATIONS

Mah Sing remains committed to providing accurate and timely disclosure of the Group's business performance and on material matters as per mandated by regulatory requirements.

Above and beyond compliance, Mah Sing looks to continuously engage shareholders, prospective investors, analysts and fund managers towards providing transparent and accurate disclosure of the Group. This objective is pursued with the aim of enabling Mah Sing's investor community to obtain a true and fair perspective of the Group, not just on past performance but also on company announcements and developments as well as the Group's future prospects and outlook.

The COVID-19 pandemic has not deterred Mah Sing from engaging in two-way investor relations engagements. In FY2020, the Group's Investor Relations unit has increased its utilisation of virtual communication channels to maintain regular communications with the investment community.

In addition to the above, where possible, Mah Sing has continued to undertake briefing sessions, site visits, meetings and has also participated in relevant investor related roadshows and events.

As mandated by Bursa Malaysia, Mah Sing releases financial and material business information on a timely basis to the regulator, Bursa Malaysia, with this information published on the latter's website.

The Group maintains a dedicated investor relations webpage, which is regularly updated with the latest company announcements, quarterly results and other pertinent information, including the corporate presentation deck. Questions can also be asked through the contact details provided on the website with responses provided in a timely manner.

ANNUAL GENERAL MEETING AND EXTRAORDINARY GENERAL MEETING

During FY2020, the Group held an annual general meeting ("AGM") and an extraordinary general meeting ("EGM"), where beyond just presenting resolutions for shareholders' voting and approval, detailed presentations on the company's business and financial performance were presented by key senior management personnel. The presentations also included future plans and business strategies.

At the AGM and EGM, the board of directors were present to answer questions from shareholders. The Chairman of the AGM and EGM encouraged questions from the attendees and to seek clarification or further information on all matters deliberated at the meeting. At the immediate past AGM, all 8 ordinary resolutions and 1 special resolution were approved. At the immediate past EGM, the Group also obtained 99.9962% shareholders' approval for its proposed diversification into manufacturing and trading of gloves and related healthcare products.

The Group also publishes annual reports which provide detailed account of financial performance as well as the audited company accounts. For FY2020, the annual report has been strengthened with the publication of the inaugural integrated annual report ("IAR"), which beyond financial performance, provides disclosure on Mah Sing's business strategies, its business operations, risks and opportunities as well as both financial and non-financial values created.

Following is a snapshot of the various investor relations activities undertaken in FY2020:

47 MEETINGS AND CONFERENCES

6 SITE VISITS

1 ANALYST BRIEFING SESSION

COVERED BY 13 RESEARCH HOUSES IN FY2020

SHARE PRICE PERFORMANCE FOR THE PERIOD OF 1 JANUARY 2020 TO 31 DECEMBER 2020

HIGH:
RM1.24
(19 OCTOBER 2020)
* Based on daily closing price

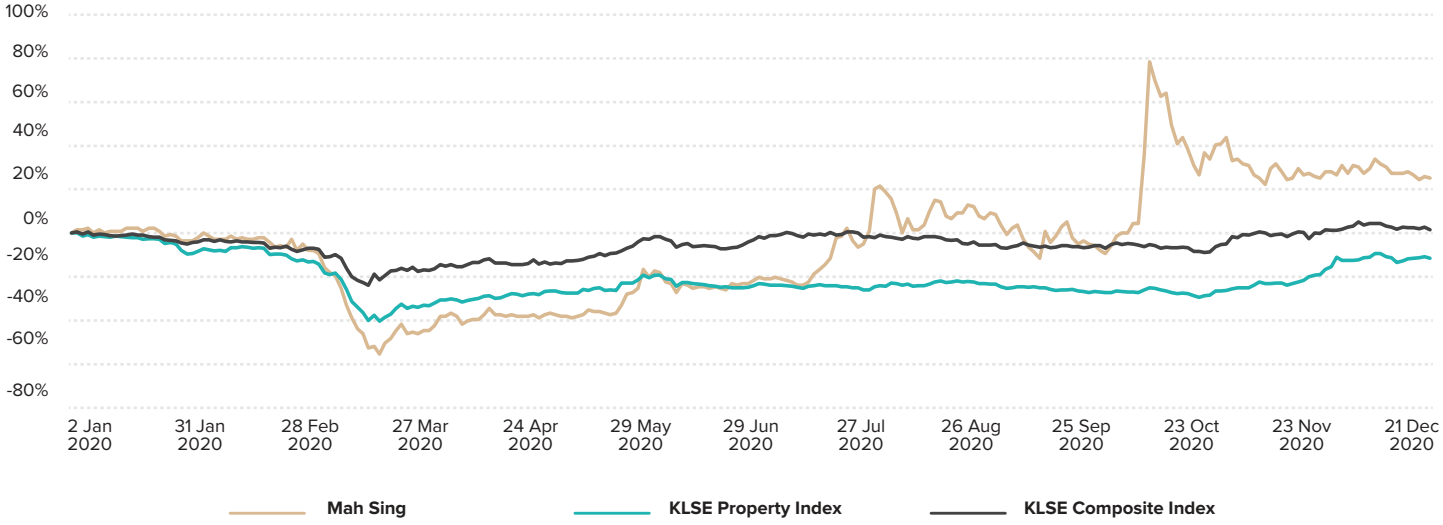
LOW:
RM0.31
(23 MARCH 2020)
* Based on daily closing price

MARKET CAPITALISATION
(AS AT 31 DECEMBER 2020):
RM2.1 billion

NO. OF SHAREHOLDERS
(AS AT 31 DECEMBER 2020):
37,647
(93.7% INCREASE)
FROM 19,440 SHAREHOLDERS
AS AT 8 MAY 2020.

INVESTOR RELATIONS
(CONT'D)

Share Price Performance (% Change)



Source: www.investing.com * Data is based on daily closing price

Year-on-year change (%)

Mah Sing	KLSE Property Index	KLSE Composite Index
25%	-11%	2%

DIVIDEND PERFORMANCE

DIVIDEND PER SHARE FOR FY2020:

1.66 sen

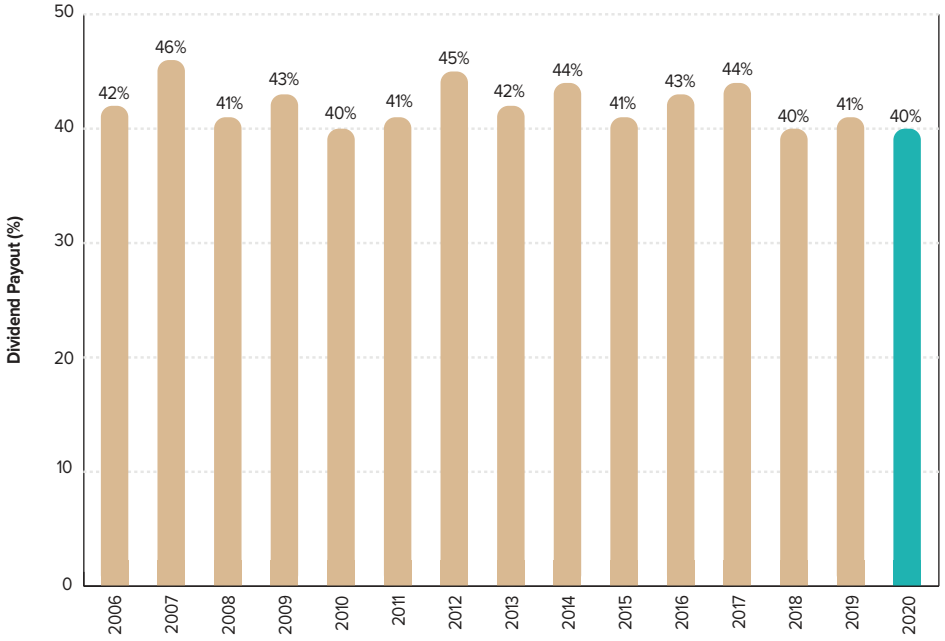
PER ORDINARY SHARE, SUBJECT TO SHAREHOLDER'S APPROVAL AT THE UPCOMING AGM

DIVIDEND PAYOUT RATIO FOR FY2020:

40.1%

(MINIMUM 40% UNINTERRUPTED FOR PAST 15 YEARS)

DIVIDEND PAYOUT RATIO (%)



INVESTOR RELATIONS CONTACT DETAILS

Mah Sing welcomes feedback on how it may enhance its investor relations engagement. Suggestions, clarifications and requests for information can be sent via:

- Email to: ir@mahsing.com.my
- Tel: +603-9221 8888

AWARDS AND RECOGNITION

CORPORATE AWARDS

ASEAN Property Developer Awards 2020
- Best Developer Award

Asia Recruitment Awards 2020
- Silver in Best HR Communication Strategy
- Bronze in Most Innovative and Sustainable Office Design

PropertyGuru Asia Property Awards (Malaysia) 2020
- Best Lifestyle Developer
- Special Recognition for Building Communities
- Special Recognition for CSR (Corporate Social Responsibility)
- Special Recognition for ESG (Environmental, Social, Governance)
- Special Recognition in Sustainable Construction
- Special Recognition in Sustainable Design

StarProperty Awards 2020
- All Stars Award – Best Overall Champion
- All Stars Award – Financially Strongest
- All Stars Award – Most Exceptional CEO for 2019 (Datuk Ho Hon Sang)

Sustainability and CSR Malaysia Awards 2020
- Company of the Year (Property Development)

The Edge Property Excellence Awards 2020
- Top Property Developers Award

TAN SRI LEONG'S LIFETIME ACHIEVEMENT AWARDS

ASEAN Property Developer Awards 2020
- Lifetime Achievement Award

PROJECT AWARDS

PropertyGuru Asia Property Awards (Malaysia) 2020
- Best Mass Market Condo/Apartment Development (Central) Award for M Oscar, Off Kuchai Lama

StarProperty Awards 2020
- The Skyline Award (Excellence) for M Oscar, Off Kuchai Lama
- The Family-Friendly Award (High-Rise) (Honours) for M Vertica, Cheras
- The Starter Home Award (Honours) for Orchid @ Meridin East, Johor

The Edge Property Excellence Awards 2020

PropertyGuru Asia Property Awards (Malaysia) 2020

StarProperty Awards 2020

Sustainability and CSR Malaysia Awards 2020

SNAPSHOTS IN 2020

JANUARY

Mah Sing unveiled its inaugural Chinese New Year music video titled – 'May You Be Blessed With The Home of Your Dreams'.

APRIL

Mah Sing and its strategic corporate responsibility partner, Mah Sing Foundation donated 20 ventilators to NADMA which were distributed to front line hospitals in need, in support of the fight against COVID-19 pandemic.

APRIL

Mah Sing together with Mah Sing Foundation contributed 150,000 face masks to the front liners through the Selangor and Penang State Governments, Housing and Local Government Ministry, Home Affairs Ministry and Kuala Lumpur City Hall, in an effort to help the government to contain the pandemic.

MAY

Mah Sing partnered with Maybank Islamic to offer HouzKEY, an inventive home financing solution for homebuyers with easy entry of 100% financing and lower monthly instalment.

JUNE

Mah Sing officially launched M Luna, the second project from its 2019 land acquisition trail. The first phase comprising 200 units saw a 90% take-up rate over its weekend launch.

JULY

M Adora was officially launched, marking the Group's first development in the Wangsa Melawati area. The project's weekend launch recorded a 90% take-up rate for Tower A comprising 378 units.

SNAPSHOTS IN 2020
(CONT'D)

AUGUST

Mah Sing created more excitement in Southville City, Bangi by unveiling its 9.62 acres Summit Park, serving the needs of the surrounding communities.

OCTOBER

Mah Sing announced its diversification into healthcare by venturing into glove manufacturing via Mah Sing Healthcare Sdn Bhd.

DECEMBER

Mah Sing's largest township by acreage, Meridin East held its first virtual official launch for Acacia Phase 2 and it successfully achieved above 80% take-up over one weekend.

DECEMBER

Mah Sing unveiled its newest anchor tenant in Star Avenue Lifestyle Mall with the official opening of the NSK Trade City outlet.

DECEMBER

Mah Sing received shareholders' approval for the Group's diversification into manufacturing and trading of gloves, and related healthcare products at the Extraordinary General Meeting.

DECEMBER

Phase 2A of Carya @ M Aruna, Rawang was officially launched and it achieved a take-up rate of 90% during its weekend launch.

MAH SING IN THE NEWS

Selebriti Hong Kong beli lot M Vertica

Mah Sing enhancing Southville City's offerings to the community

M Luna 90%單位獲預訂
馬星展銷廳遵守復管令SOP

Mah Sing Plastics inks RM12mil photovoltaic deal with Plus Solar

"This is a step in the right direction for corporates aiming for sustainability."

Ko Chuan Zhen

Hot for gloves

馬星Easy to Own銷售活動
低首付 獎勵 優惠回饋大家

马星基金会与InspiraComm推行CerDik助B40孩童

馬星集團HouzKEY
輕鬆擁屋銷售活動

New double-storey link project 70% sold

马星基金会关注疫情
10万医疗用品赠湖北

Keluar sarung tangan

馬星股東大會 通過進軍手套製造業

Carya@M Aruna 2A首周末获90%认购率

MAH SING IN THE NEWS (CONT'D)

Tranquil sanctuary in urban setting

New condominium project in Wangsa Melawati set to attract city dwellers

馬星攜大型料業務
伺機注華融廢弃経業

Developer hosts local singer's first social media concert in Wangsa Melawati

馬星集團Meridin East
Acacia雙層排屋熱賣

RM1.1 MILLION

MAH SING AIDS BATTLE AGAINST COVID-19

Group and CSR arm pledge donation for 20 critical-care ventilators and 100,000 face masks

KUALA LUMPUR

MahSing

馬星集團捐20呼吸器
交公共管機構分發醫院

Kadar langganan M Adora cecah 90 peratus

50 lucky draw winners receive Mah Sing prizes

Mah Sing mula pembinaan kilang sarung tangan getah

Mah Sing confident of achieving RM1.1bil target

"The group should also benefit from the five-year stamp duty waiver for properties priced below RM500,000 for first home buyers introduced in Budget 2021."

OUR INTEGRATED REPORTING JOURNEY

FY2020 marks Mah Sing's first year adoption of the globally recognised best practice Integrated Reporting ("<IR>") framework. The <IR> section provides comprehensive disclosure on the Group's approach to value creation, risks and opportunities as well as strategic priorities going forward.

Mah Sing's adoption of <IR> is guided by the International Integrated Reporting Council's principles-based framework, which comprises disclosures on the capitals consumed as well as guiding principles and content elements.

OUR APPROACH TO VALUE CREATION

Together with the Group's corporate values, the vision and mission provide the foundation for Mah Sing's value creation approach, defining what is deemed as value to the Group, and how it intends to realise these corporate aspirations.

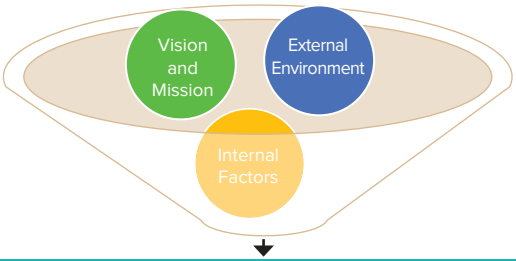
OUR VISION

INVENTING SUSTAINABLE FUTURE LIVING THAT ENHANCES QUALITY OF LIFE

OUR MISSION

- EMPOWERING our people towards personal and professional growth through continuous learning.
- Anticipating future MARKET TRENDS and providing the right solutions.
- Delivering our QUALITY PROMISE.
- CARING for the people, community and the environment.

The vision and mission coupled with the external operating environment and internal factors such as business strengths and competitive advantages are the drivers for Mah Sing's chosen approach to value creation. The Group's operations comprise three main divisions: property development, plastics manufacturing and the recent addition, healthcare (glove manufacturing).



Refer to the External Environment section on Pages 25 to 26 for more detailed information on the Group's external operating environments.

Refer to the Business Strengths section on Pages 27 to 29 for detailed information on the Group's internal environment and inherent business strengths.

Group Business Operations

Property Division	Plastics Division	Healthcare Division
+ Values Created	**+ Values Created**	**+ Values Created**
• Home ownership, built-environment transformation, job creation, local supply chain development, wealth creation.	• Providing quality goods which enable efficient transportation and storage of goods. • Drives recycling of plastic wastes, job creation, local supply chain, tapping renewable energy, proliferation of a circular economy, reducing wood consumption.	• Enhances hygiene and protects the health of workers across a wide range of industries. • Supports the fight against the global pandemic, job creation, local supply chain development, drives export value for the nation.
- Values Created	**- Values Created**	**- Values Created**
• Environmental impacts.	• Environmental impacts, increased demand and consumption of plastic products.	• Environmental impacts.

Refer to the Industry Value Chains section on Pages 30 to 33 for information on Mah Sing's business divisions.

Refer to the Value Creation Model on Pages 42 to 43 for detailed information on capitals consumed and values created.

Contribution to the realisation of selected UN SDGs'

Refer to the Sustainability Statement on Pages 92 to 109 or the standalone Sustainability Report for detailed information on Mah Sing's sustainability performance and contribution

In essence, the value creation approach is dynamic. It allows Mah Sing to achieve a strategic balance between its aspirations, its inherent business strengths as a corporate entity and the larger external factors that continue to shape the Group's operating environment.

Mah Sing remains cognisant of its values created. Beyond financial values, these include environmental, social and governance highlights for financial year 2020.

The Group continues to seek meaningful ways to enhance the sustainability of its business processes across its property development, plastics manufacturing and healthcare operations.

OUR EXTERNAL ENVIRONMENT

Mah Sing continues to remain cognisant of the various trends, developments and macro forces that exist within its external operating environment. It is imperative that Mah Sing continues to closely monitor the external forces in order to manage the impact on the business of the Group effectively.

These external forces can impact the Group's approach to value creation and its business operations. Potential or actual impacts include impacts to the availability of capitals, impacts on business processes (within Mah Sing's respective industry value chains) and ultimately, the creation of financial and non-financial values.

Through identification and understanding of the impacts, Mah Sing is better positioned to adopt strategic measures to ensure the continued relevance and effectiveness of the value creation approach. It is also more geared towards responding proactively to minimise business risks and capitalise on emerging opportunities.

EXTERNAL TRENDS AND DEVELOPMENTS	DESCRIPTION	SIGNIFICANCE / IMPACT TO AVAILABILITY OF CAPITALS & VALUE CREATION	EMERGING OPPORTUNITIES
Government initiatives and incentives	Various property friendly incentives have been provided to boost home ownership. These include Real Property Gains Tax exemption, uplift of the 70% margin of financing limit for the third housing loan onwards and the reintroduction of Home Ownership Campaign ("HOC").	The Group has aligned its marketing and promotional activities as well as property launches with the respective incentives.	The ability to tap on existing and new buyer segments to boost property sales.
Pandemic impact	The imposition of the Movement Control Order ("MCO") to curb the spread of COVID-19 had resulted in disruptions to many business sectors, including the property sector. Mah Sing's property (construction operations) and plastics operations had to be temporarily halted before resuming under adherence to government standard operating procedures ("SOPs"). Overall, productivity was only impacted at the initial stage of MCO.	The requirement for new COVID-19 related SOPs such as social distancing and etc. have led to changes to various business processes for both the property and plastics operations. Both the property and plastics industry value chains are being reassessed to make up for lost time due to pandemic-caused disruptions. As part of Mah Sing's ongoing transformation journey and Business Continuity Plan ("BCP"), the Group has strengthened its digitalisation initiatives by accelerating capabilities to market products digitally amid the current market environment due to the COVID-19 pandemic.	Supports business diversification into glove manufacturing by leveraging on manufacturing experience and capability.
Low interest rate environment	Following the impact of COVID-19 on Malaysia's economic activity, Bank Negara Malaysia announced multiple rounds of overnight policy rate ("OPR") reduction to a record low of 1.75% currently as an additional measure to accelerate the economic recovery.	The attractive low interest rate environment improved the affordability for home buyers to secure their ideal home with more savings in monthly instalment payment. Other than that, the Group also enjoyed cheaper borrowing costs. The Group has redeemed its RM540 million Perpetual Sukuk that carried a higher coupon rate, and issued a new RM600 million Islamic Medium Term Notes and another RM100 million Redeemable Convertible Islamic Medium Term Notes in 2020, which carry a much lower coupon rate.	Better sales conversion due to higher affordability for property buyers. Refinancing opportunities at lower interest rates.
Increasing digitalisation and technological adoption	The advent of new technologies such as digitalisation and e-commerce, are transforming the business model and industry value chain for both the Property and Plastics Divisions. The adoption of new technologies enables faster, higher quality production and at reduced labour costs, especially for the Plastics Division and the new Healthcare Division (glove manufacturing). The government's continuous support for manufacturing companies to adopt increased technologies via the provision of incentives is also a facilitating factor.	The Group continues to see greater adoption of technology across all its business divisions. The respective industry value chains continue to be digitalised with significant capital expenditure allocated for successful technological adoption. Mah Sing is one of the early proponents of innovation in Malaysia's property industry having led the way for adoption of various technology tools and platforms such as Microsoft Teams, MY Mah Sing App, as well as integration of Fintech, Proptech, and Big Data Analytics in its operations.	Enhanced operational efficiency and productivity. Improved operational and supply chain productivity for faster time to market, reduced costs, increased sales and expanded customer base.

OUR EXTERNAL ENVIRONMENT
(CONT'D)

EXTERNAL TRENDS AND DEVELOPMENTS	DESCRIPTION	SIGNIFICANCE / IMPACT TO AVAILABILITY OF CAPITALS & VALUE CREATION	EMERGING OPPORTUNITIES
Uncertainty in economic growth	Based on Bank Negara Malaysia's Economic and Monetary Review 2020 Report, Malaysia's economy contracted by 5.6% in 2020. This is largely attributed to the COVID-19 pandemic as many industries have been impacted. The property market sentiment was affected in 2020 but it was mitigated by the government's property friendly incentives which promote home ownership. The challenging condition also impacted the Group's Plastics Division but mitigation plans were taken to optimise its operations.	The Group continues to be strengthened through business diversification as well as via strategic shifts in operations and processes within the Property and Plastics Divisions. These include changes in the overall property mix towards ensuring alignment with shifting market realities. Beyond pricing, social capital such as brand loyalty and customer satisfaction becomes more prevalent. Providing compelling ownership propositions, including value added services, financial support and other measures are required beyond home ownership costs alone. With regards to plastics manufacturing, constant engagement with buyers to ensure timely and sufficient production is essential. There is also increased focus in the leasing model and a strategic shift into e-commerce platform for consumer market to increase the competitiveness of the Plastics Division.	Enhancement to quality of earnings through diversification and improvement to sources of income. Increased focus on social and relationship capital to drive business growth.
Government policies on foreign labour	The freeze in the sourcing of foreign workers and border closure increased labour costs, limits the supply of labour and increased related compliance costs.	The long-term strategy is to adopt construction and automation technologies that reduce reliance on unskilled, manual labour.	Increased productivity through technology.
Growing focus on reducing plastic usage and increasing recycling	The increasing focus on reducing and recycling plastics can present both challenges and opportunities. While it discourages new plastics production, it also supports the use of recycled plastics.	It is imperative that the Plastics Division continues to play a role in engaging relevant stakeholders via the Malaysian Plastics Manufacturers Association platform. A key message to convey is that recycled plastics is good for the environment by reducing the demand for new plastics and also reduce demand for natural resources such as wood, etc. Plastics can always be recycled and hence, always in circulation provided there are effective waste collection and recycling systems in place.	Better public education and awareness of recycled plastics.
Restriction on imported recycled plastic material	The restrictions imposed on imported recycled plastics materials into Malaysia may affect the supply of raw material for plastics production.	The availability of capital is impacted, necessitating a greater focus on local suppliers and improvements to supply chain management. The latter includes monitoring vendor performance and real time vendor inventories, expanding the vendor base, etc.	Development of stronger local supply chains that lead to improved reliability of supply and productivity.
Climate change and growing ESG awareness	The growing consciousness among almost all stakeholders on environmental and social performance necessitates that businesses today become focussed on a triple bottom-line - people, planet, and profit. Investors, shareholders, employees and regulators want businesses to be forces of good and not just profit based entities.	Mah Sing continues to take stock of non-financial values created across its business divisions. The Group is committed towards progressively becoming more sustainable with a growing focus on environmental, social and governance ("ESG") matters. These include wastes and emissions produced, consumption of natural capitals, human rights and labour standards and other material topics. Decisions are made based on consideration for profits as well as extent of environmental and social aspects. Compliance with regulations is prioritised.	To adopt a circular economy model and to improve ESG within business processes and value chain.

LEGEND

- Property Related
- Healthcare (Glove Manufacturing) Related
- Plastics Related
- Related to all Business Segments

OUR BUSINESS STRENGTHS

Mah Sing's business strengths are the Group's inherent competencies, capabilities and competitive advantages that support the business model.

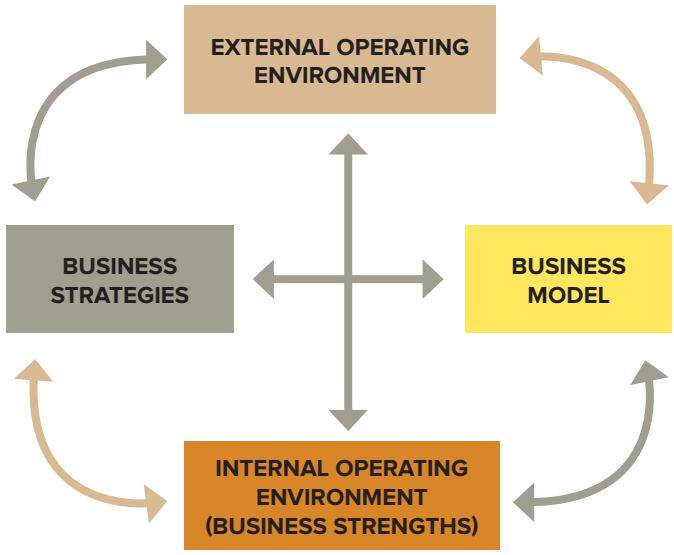
A sound understanding of its business strengths enables Mah Sing to leverage on its strengths for optimum effect, notably in the development of strategies.

Business strengths and business strategies are dynamically linked to the business model as well as the external operating environment, with each being able to influence the other at any given time.

The strengths and the business model may determine what strategic response is best towards addressing developments emerging from the external environment.

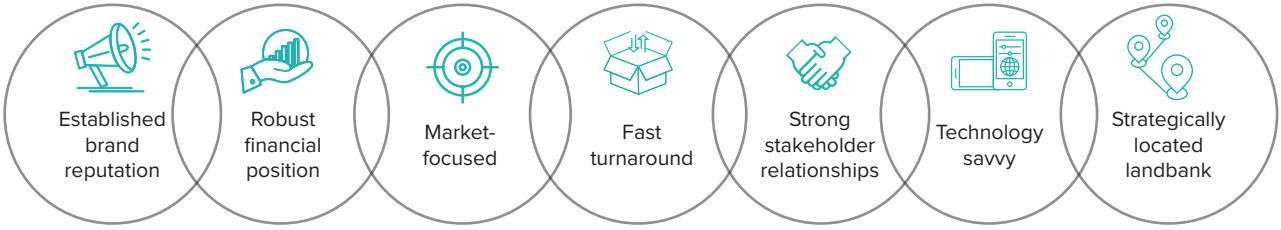
Similarly, external factors may enhance or diminish business strengths and may necessitate changes to the business model. These changes may lead to business strengths being retained or augmented over the short, medium and long-term perspectives.

At the same time, business strategies may serve as the catalyst for enhancements to be made to the business model. Improvements made to the business model may lead to the Group's business strengths being further solidified or new business strengths being created.



Business strengths and business strategies are dynamically linked to business model as well as the external operating environment, with each co-influencing the other at any given time.

BUSINESS STRENGTHS (PROPERTY)



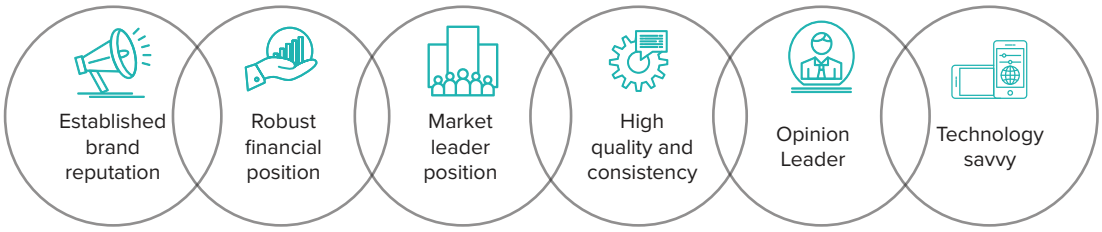
BUSINESS STRENGTHS	DESCRIPTION	RELEVANCE TO OPERATIONS AND BUSINESS STRATEGIES
Established brand reputation	Mah Sing has a good property development track record spanning over 27 years, and selling over 46,000 units since then. Mah Sing currently has 51 property projects across various locations in Malaysia. The Mah Sing brand name is an award-winning marque and the Property Division is well renowned for several industry firsts, including technology adoption and innovative marketing initiatives. Mah Sing is also a brand name that has strong and growing credibility with the government, contractors, international and local customers and other stakeholders across its respective value chains.	The strong branding instils customer confidence in Mah Sing's projects, which is advantageous during challenging economic conditions. Stronger social capital enables Mah Sing's properties to command better demand as well as better pricing (for certain property types) for its project launches. The strong branding also positions Mah Sing as an opinion leader by the media, regulatory authorities and industry bodies. Mah Sing is always ready to participate in discussion on industry issues, towards facilitating the development of the property sector. Stronger brand credibility also supports business diversification into new industries and business ventures, i.e. healthcare.

OUR BUSINESS STRENGTHS
(CONT'D)

BUSINESS STRENGTHS	DESCRIPTION	RELEVANCE TO OPERATIONS AND BUSINESS STRATEGIES
Robust financial position	Mah Sing's strong balance sheet and cash flow enables it to meet its capital expenditure ("CapEx") and operating expense ("OPEX") requirements for landbank acquisition or to launch projects. It also enables the Group to maintain a consistent dividend payout track record with a minimum 40% of net profit for the last 15 consecutive years.	The Group's strong financial strength enables the Property Division to better strategise its expansion plan and to be more aggressive in going to market and also in securing landbank. Mah Sing also practices a prudent fund management policy and leverage position with emphasis on a low gearing ratio. Given its healthy balance sheet, the Group enjoys stronger support from financial institutions. Strong financials also enable quick optimisation of emerging opportunities, i.e. diversification into new business sectors.
Market-focused	The Property Division continues to focus on meeting real market demand where products offered are well aligned with customers' financial capabilities and lifestyle preferences. A large portion of the existing property portfolio, including new launches are geared towards the mid-range segment.	A shift from being a premier-centric lifestyle developer to a mass-market property developer in response to the changing trends in the industry. The focus going forward in the immediate and mid-term is to continue providing more affordably priced properties in line with current market demand. Hence, the Property Division's approach in this regard would be to drive sales volume and to adopt a longer-term perspective towards securing larger market share. Buyers of affordably priced units today will likely translate into upgraders in the future.
Fast turnaround	Mah Sing is able to quickly transform landbank - from identifying and purchasing land, to planning and launching new projects in a short span of time. This is a significant competitive advantage.	With the ability to outpace the competition, the Property Division can achieve a faster turnaround of invested financial capital. Mah Sing usually takes 7 to 12 months from the initial land acquisition to project launches. This enables a faster pace of project launches and a quicker return on investment.
Strong stakeholder relationships	Mah Sing continues to leverage on the trust and confidence it has developed with stakeholders, namely local authorities, government agencies, contractors and suppliers.	The focus on social or relationship capital is vital in understanding the government's aspirations and supporting these as a good corporate citizen. It also ensures a two-way relationship that enables Mah Sing to convey industry issues and challenges to the government. Strong support from stakeholders such as contractors and suppliers will also ensure continued success in execution and a more competitive business structure.
Technology savvy	Mah Sing has invested in digital transformation to drive innovation and improve operational performance. The Property Division is proactively embracing digital technology for higher productivity, faster decision-making, improved workforce management, better stakeholders communications and customer relationship management.	The Group's propensity for technology adoption enables greater productivity and effectiveness across the value chain. Be it at the master planning or construction stages, or to better understand market forces and the customer journey, the Property Division is strategically placed to optimise resources, identify the key strategic priorities in any given scenario and to adopt the most effective go-to-market strategies.
Strategically located landbank	The Property Division's landbank comprising various land parcels nationwide are strategically located either in or close to the city centre as well as well-connected suburban areas. These land parcels have optimal plot ratios, and are generally free from restriction or encumbrances, and benefit from well-developed transportation networks such as highways and the MRT.	The Property Division's existing landbank comprises strategic land parcels located within or near the city centre, and suburban areas with good connectivity, well-developed public transportation networks and ready amenities. The strategic location of the landbank provides the Property Division with more options in developing a wide product mix which meets market demands within the affordable segment. Concepts can leverage on the inherent advantages to strengthen the overall value proposition.

OUR BUSINESS STRENGTHS (CONT'D)

BUSINESS STRENGTHS (PLASTICS)



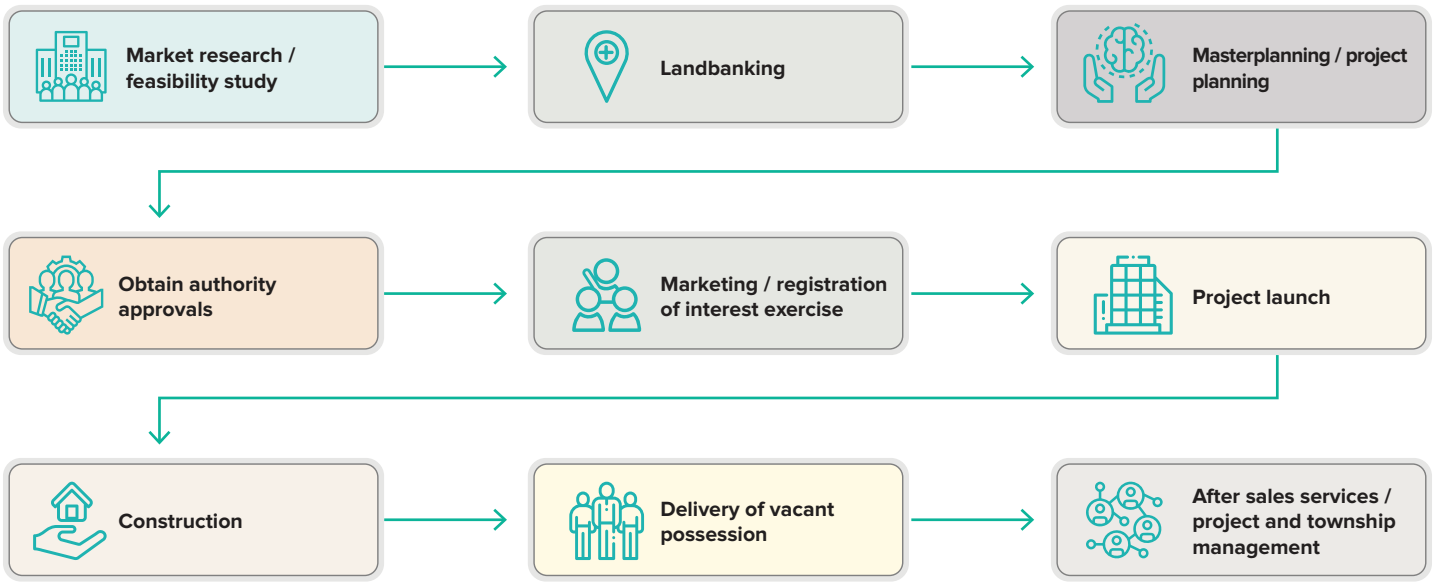
BUSINESS STRENGTHS	DESCRIPTION	RELEVANCE TO OPERATIONS AND BUSINESS STRATEGIES
Established brand reputation	Mah Sing Plastics Division has been operating successfully for over 40 years, producing a wide range of high quality plastic products for the local and international market. The Division's Malaysia operation has a proven track record of having expanded from a single factory OEM supplier to a high-tech, highly automated plant that exports ODM products to over 45 countries worldwide. Plastics Indonesia is also a trusted OEM supplier for many leading automotive brands.	The strength fuels the development of the plastics business, especially in attracting new corporate customers who require an assurance of steady supply of products that meet their exacting specifications. Leveraging on its strength, the Plastics Division is well placed to attract credible customers, especially for export sales of products. It is also better placed to seek financing from banks and attract talents.
Robust financial position	Mah Sing's strong balance sheet and cash flow enables it to meet its CapEx and OPEX requirements.	The Plastics Division is able to purchase raw materials in bulk to reduce costs, to secure better credit terms from suppliers to improve cash flow and derive various other benefits. Purchase of equipment or business expansion activities to new locations or to increase production capacity is also possible.
Market leader position	Mah Sing Plastics Division is one of the largest producer of plastics pallets in Malaysia.	As a market leader in Malaysia, the Plastics Division gets to enjoy better brand loyalty, distribution coverage, price advantage and savings from economies of scale.
High quality and consistency	The Plastics Division has achieved a high degree of consistency in quality which instils customer confidence in its operations. The division continues to invest in research and development as well as technology to further enhance its quality standards and operational efficiency.	The Plastics Division is better placed to acquire new customers, especially from foreign markets and also provide more high-spec products or supply to specific industries that have exacting quality standards.
Opinion leader	Mah Sing is a vocal member of the Malaysian Plastics Manufacturers Association, which provides the Group with an effective platform to create awareness on industry issues and to advance the development of the plastics manufacturing industry.	The Division can leverage on its unique position towards lobbying for industry interests in the development of facilitative policies that support the growth of Malaysian plastic manufacturers.
Technology savvy	The Plastics Division utilises state-of-the-art technology to drive its production processes. This ensures a high level of production quality and efficiency.	The adoption of technology will enhance productivity across the value chain and will reduce dependence on manual labour.

PROPERTY VALUE CHAIN

The property development value chain has many stages or key processes, with each being integral to the final completion of the project. The value chain is largely similar for all property types be it a residential, integrated development, a commercial or industrial building.

A thorough understanding of the value chain enables the Property Division to better assess the key challenges and considerations arising at each stage as well as the various opportunities to create or unlock financial and non-financial values for multiple stakeholders.

The property industry provides a large-scale multiplier effect to the economy, supporting more than 140 industries and subsectors. Hence, a robust property sector provides jobs, socioeconomic development, wealth creation and entrepreneurship opportunities on a significant scale.



STAGES OF BUSINESS PROCESS	CHALLENGES & CONSIDERATIONS	OPPORTUNITIES & VALUES CREATED
Market research / feasibility study	Prior to acquiring a new land and masterplanning the development, a consummate understanding of market requirements is essential towards ensuring that the right product is developed at the right location for the right target market, and at the right (affordable) price range.	Market research, design testing and feasibility studies enable stronger customer insights and strengthen stakeholders' relationships through engagement activities.
Landbanking	It is imperative that strategic located land be purchased at the right price, which suits the right product for the current market sentiment. Where relevant, land should come with approved optimal plot ratios or density to facilitate developments that are commercially viable and meet market demand.	By identifying, acquiring and developing idle land, the Property Division stirs interest for the land and the surrounding areas, often resulting in rising land valuations and attracting investors. Improvement of living environment may improve property prices in the vicinity. Local landowners, property owners and the local community are among the beneficiaries of landbanking activities.

PROPERTY VALUE CHAIN (CONT'D)

STAGES OF BUSINESS PROCESS	CHALLENGES & CONSIDERATIONS	OPPORTUNITIES & VALUES CREATED
Masterplanning / project planning	In masterplanning the development, consumer insights and needs must be considered along with land limitations, authority requirements, feasibility studies, competitors' products and other factors. Mindfulness is a must towards ensuring a compelling masterplan concept that is viable, sellable and executable. Considerations include achieving a good design equilibrium in relation to overall costs, regulatory compliance, infrastructure requirements, physical terrain limitations and other factors to ensure the viability of the masterplan.	Successful masterplanning attracts investment opportunities and creates both financial and non-financial value. It serves as a socio-economic development catalyst for multiple stakeholders, including Mah Sing.
Obtain authority approvals	It is imperative that full and speedy approvals are obtained by ensuring a high level of compliance with regulatory requirements. Any delays in this process would delay project launch, which will impact sales and also construction works.	The approval processes facilitate stronger engagement with stakeholders and enables a better understanding of local government aspirations and requirements.
Marketing / registration of interest exercise	In marketing and launching the project, key consideration must be given on positioning the unique value proposition of the project and in developing an effective heart and minds marketing and branding campaign. The ownership proposition developed for buyers must be attuned to present economic conditions.	Through branding and marketing activities, the Property Division stimulates demand for properties and creates sought after residential and commercial locations. This leads to industry growth, increases property transactions and supports capital appreciation.
Project launch		
Construction	Construction works to progress as per schedule with a focus on achieving desired quality at every stage of development. Other considerations include economic, environmental and social impacts.	Construction and development activity leads to job creation and economic activity. It also leads to the introduction of modern construction systems such as Industrialised Building System and the incorporation of more sustainable methods.
Delivery of vacant possession	Units ready for handover should have a low defect rate and should be ready on time to avoid fines for Liquidated Ascertained Damages ("LAD") due to late delivery, unless there are unavoidable and unforeseen circumstances.	Completed properties can be occupied, sold for profit or retained for rental. A home provides potential capital appreciation and rental yields, improved quality of living, convenience, access to public amenities, improved safety and security and other benefits.
After sales services / project and township management	Beyond project management, customer management activities should be systemised towards forging a long-lasting, mutually beneficial relationship. Good customer service is a prerequisite for developing Mah Sing brand ambassadors.	After sales services / project and township management enhances brand credibility and positions Mah Sing as a responsible, caring developer.

BUILDING HOMES, CREATING VALUES, EMPOWERING HOUSEHOLDS

Through property development, Mah Sing creates a wide range of stakeholder values. One of which is the enduring values unlocked and created for Mah Sing homeowners; the individuals, families and investors who come together to develop a sustainable community.

The development of quality homes and supporting facilities and infrastructure goes beyond the construction of a tangible product. Rather, it supports the development of a stable, prosperous community and contributes to socioeconomic development and nation building.

It provides a wealth of values such as stability, security, better lifestyle quality, social mobility, economic empowerment and more. It all begins with the single home.

A house or home meets the fundamental need for shelter. Beyond keeping residents safe, a home also provides financial security as a natural hedge against inflation.

Home ownership is the first rung on the ladder of life for many. With our homes focused on meeting real market demand, Mah Sing enables Malaysians to realise one of the key milestones of life that leads to future successes and accomplishments.

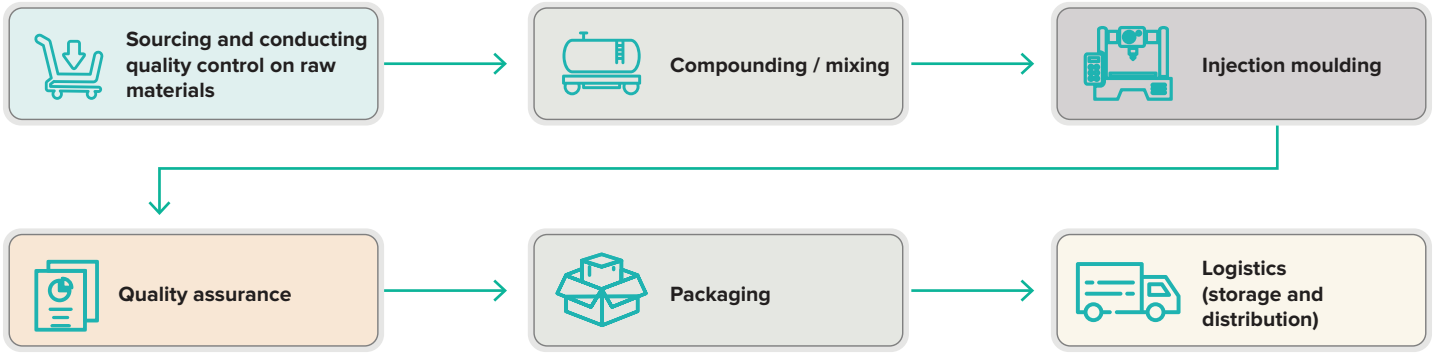
Beyond safety, shelter and comfort, a home is an enabler to social mobility, to becoming part of a community and to realise new life aspirations, goals and targets, lifestyle aspirations and more.

A good location address is the door to better education, job and other prospects.

A home is a solid capital investment that potentially generates capital appreciation as well as rental yields.

PLASTICS MANUFACTURING VALUE CHAIN

Mah Sing is one of Malaysia's largest high-tech plastics product manufacturers with a long-standing track record spanning more than 40 years. The Plastics Division's four manufacturing plants are located in Malaysia and Indonesia. The plants use 100% recyclable plastic materials to produce a wide range of plastic products that are used in many industries, both locally and abroad. In particular, the Division is a leading producer of plastic pallets in Malaysia and exports its products to more than 45 countries.



STAGES OF BUSINESS PROCESS	CHALLENGES & CONSIDERATIONS	OPPORTUNITIES & VALUES CREATED
Sourcing and conducting quality control testing on raw materials	The Plastics Division uses both recycled and virgin plastic as materials. Stringent screening of raw material suppliers is essential, especially on recycled plastic materials to ensure the quality of end products.	The commitment to 100% recyclable plastics goes towards a circular economy model to reduce the creation of new plastics and to enable zero waste. This is a significant benefit to environmental capitals. Prior to production, recycled plastic raw materials will be tested for quality purposes. This include moisture, flexural and tensile strength, density, IZOD impact and melt flow tests.
Compounding / mixing Injection moulding	In both processes, it is vital that the desired quality of products is attained. The Plastics Division has invested in high-tech machinery to improve the accuracy and efficiency of compounding / mixing and injection moulding processes.	By applying Total Quality Production Management and other quality improvement techniques, processes can be improved to reduce wastage and improve overall quality. This also includes operational efficiency as well as reduced energy consumption.
Quality assurance	Throughout the production process and at the final stage (finished product), product quality is carefully ascertained towards ensuring that regulatory standards for health and safety are met as well as products are fit for purpose.	The high benchmark quality standard set by Mah Sing has helped to uplift the overall quality of finished products within the plastic industry. The plastics division conducts vigorous and comprehensive tests on its final products such as dynamic load, welding strength, angle drop, impact, anti-slip, racking test and various other tests.
Packaging	A large quantity of end-products produced by the Plastics Division are for packaging use. Hence, packaging is not a major process at the manufacturing plants.	The reduced need for packaging translates to reduced costs.
Logistics (storage and distribution)	It is essential that products are shipped to customers on time and are received in good condition.	There are opportunities for closer, strategic collaboration with logistics partners towards realising further efficiencies in the logistics portion of the value chain. By leveraging on the Division's logistics hub in Johor and Penang, delivery of products can be expedited to drive the leasing business model.

RISKS AND MITIGATION STRATEGIES

Having strategically assessed its external and internal environments, Mah Sing is well positioned to determine its principal financial, business and operational risks. These risks either reside at the Group level or at the respective business divisions. Mah Sing has developed appropriate mitigation measures for its identified risks, with the focus on ensuring continued value creation.

IDENTIFIED RISKS	IMPACT	AFFECTED CAPITALS	MITIGATION MEASURES & ADAPTATION
Prolonged pandemic period	While the start of the vaccination campaign helps to stimulate economic recovery, uncertainty still persists on the efficacy and speed of the vaccination process and its ability to facilitate a swift return to a pre-COVID-19 operating scenario. An effective vaccination campaign needs to be supported by a comprehensive exit strategy to enable a successful transition from the present new normal to regular lifestyle and economic activity. Any new virus strains may also be a risk factor as a potential spike in cases due to outbreak of clusters may affect the present recovery momentum.	Financial Manufactured	Economic recovery of the nation is beyond the Group's control. However, the Group will continue to focus on the affordable property segment which remains in strong demand. In FY2020, Mah Sing achieved its sales target of RM1.1 billion, driven by its strategy in digital marketing and affordable properties offered at strategic locations. From an operational perspective, Mah Sing has activated its Business Continuity Plan ("BCP") to ensure seamless communication and to enable its workforce to work remotely efficiently. The Group had encouraged all staff to maximise the use of digital platforms and tools for work. This includes sales and marketing activities, meetings and more.
Cyber security issues	As the Group increases its adoption of digitalisation towards facilitating greater efficiency and productivity, there is an increasing possibility of exposure to ICT risks.	Intellectual Financial Social	The Group continues to enhance its ICT systems towards reducing potential risk of attack. Besides ensuring the safety and privacy of the information is intact, the focus remains on harnessing technology towards improving the business model and delivering greater stakeholder value.
Interest rate and foreign exchange currency	Any fluctuations in rates due to monetary policies may impact the Group's payables on existing borrowings and also impact its future plans to procure financing. Any changes in the strength of the Malaysian ringgit against major currencies may cause financial impact, i.e. changes to the cost of procuring raw materials and services. This will mainly affect Mah Sing's manufacturing businesses which includes plastics manufacturing and glove manufacturing moving forward.	Financial Natural Manufactured	As much as possible, Mah Sing's focus remains on using local procurement to reduce exposure to overseas currencies. Where foreign transactions are necessary, the Group adopts a natural hedging where purchase and sales of goods and services are denominated in the same currency between both buyer and seller. With regard to interest rates, Mah Sing adopts a hedging strategy by having both fixed and variable interest rate loans to manage its exposure to changes in interest rates. Where available, options to refinance to reduce borrowing costs are also adopted if rates are favourable.
Environmental and social non-performance	The business operations across any value chain may be disrupted by health and safety incidents or cases of pollution or non-compliance to regulatory requirements.	Natural Social Financial Manufactured	The Group continues to ensure compliance to all standards set by the relevant government ministries and agencies. Mah Sing also increasingly evaluates environmental, social and governance ("ESG") performance and seeks to be more environmentally and socially focussed. For more information, please refer to the Group's Sustainability Report.

RISKS AND MITIGATION STRATEGIES (CONT'D)

RISKS AND MITIGATION STRATEGIES (PROPERTY SPECIFIC)

IDENTIFIED RISKS	IMPACT	AFFECTED CAPITALS	MITIGATION MEASURES & ADAPTATION
Impacted property sales	Market conditions are expected to be challenging, yet with improvement in overall market sentiment despite the imposition of MCO 2.0, with pent-up demand for properties remaining strong. However, strict lending requirements by banks may impede buyers' ability to transact as they might face difficulties in securing maximum loan margins, causing high rate of withdrawals. The above coupled with stiff market competition may impact Mah Sing's property sales.	Financial Manufactured Intellectual	Continued refinement of the marketing mix - branding and promotion strategies are adapted to suit present market sentiment. Sales and launch targets will be developed based on the existing and future market scenarios with an increased focus on the affordable segment. Upcoming products and its launch timing will also continue to be planned towards meeting the market demand. Property launches are supported by home ownership packages and incentives that address challenges in purchasing property, i.e. HouzKey, an alternative home financing solution offered via collaboration with Maybank Islamic. In addition, there will be intensified focus on addressing stranded capital by driving existing inventory sales.
Timely project completion	Mah Sing seeks to maintain a good track record for on-time project completion. However, the Property Division continues to be vigilant against any factors that are outside of its control which may cause delays in project construction and completion such as the MCO in 2020 and 2021.	Financial Manufactured Intellectual Social	To reduce the impact of COVID-19, the government gazetted the Temporary Measures For Reducing The Impact of Coronavirus Disease 2019 (COVID-19) 2020 [Act 829], providing temporary relief from contractual obligations for the affected individuals and companies. Given the circumstances, Mah Sing had submitted extension of time requests to the relevant authorities and the requests were approved. Mah Sing continues to focus on excellent project management across the property value chain from landbanking to construction and eventual handover towards ensuring timely completion of all projects and at the specified quality. The continued investment in systems and processes to benchmark industry standards across the value chain will likely see potential capital trade-offs between financial resources, manufactured and intellectual capitals.
Securing required financing	Property development is typically financial capital intensive and a combination of external funding via bank loans as well as internally generated funds is tapped to develop projects. Stricter lending requirements by banks may require Mah Sing to rethink its launch pipeline of projects as well as pricing and product composition of the launches.	Financial Social	The Group has a strong balance sheet, in particular, a low net gearing and a healthy cash and asset position. Given its healthy balance sheet and robust financial position, Mah Sing has the option to leverage on internally generated funds to ensure sufficient financial capital for projects. Management may need to consider the capital markets for future capital. In this regard, the sound financials enable Mah Sing to also acquire required capital from the capital markets or financiers, who have stronger confidence in the Group. This includes lower financing rates and lower cost of borrowings. As an industry opinion leader, Mah Sing also remains in engagement mode – providing constant feedback and views to financiers, the government and other stakeholders towards creating a more conducive lending environment for the property market.

RISKS AND MITIGATION STRATEGIES
(CONT'D)

IDENTIFIED RISKS	IMPACT	AFFECTED CAPITALS	MITIGATION MEASURES & ADAPTATION
Learning curve in exploration and implementation of new construction technology	The group continuously explores new methods of construction. Amongst solutions evaluated and currently under pilot-study and implementation includes Industrialised Building System ("IBS") and other construction methods. At the initial stage of planning and implementing these solutions, allowances may need to be made for unforeseen challenges with an expected learning curve. Potential issues include wastage in raw materials, inadequate supply of skilled labour, as well as quality issues. Certain solutions such as IBS requires high economies of scale (mass production volume) to be commercially viable. Speed of sales must also be good for better cash flow management.	Manufactured Financial Natural	These solutions will be implemented in phases, beginning with smaller, standalone projects for a limited number of units. Progressively, with increased experience and know-how, the new construction methods can be used for a larger number of units and more complex building requirements. The development of a roadmap strategy on the roll-out of these solutions against a set timeline of milestones is ongoing. The development of some of these technical knowledge is also being facilitated through the sourcing of suitable strategic partners via a joint venture partnership approach.
Landbank scarcity	Property development necessitates suitable landbank at strategic locations. The lack of such strategic land coupled with increasing competition for such land, may lead to higher acquisition costs or inability to purchase new land and thereby replenish the existing landbank.	Natural Financial	Supported by the Group's healthy balance sheet and robust financial position, the Property Division remains in aggressive land acquisition mode for sourcing strategic parcels via a dedicated business development team. Features such as strategic location with good connectivity and accessibility as well as products that suit market conditions and favourable payment terms are among the factors for consideration during land acquisition. Aside from buying land outright, the division may also enter into joint ventures with landowners to reduce acquisition costs.

RISKS AND MITIGATION STRATEGIES (PLASTICS SPECIFIC)

IDENTIFIED RISKS	IMPACT	AFFECTED CAPITALS	MITIGATION MEASURES & ADAPTATION
Impacts on production target	Impacts arising from the external or internal environment may cause the Plastics Division to fall short of its sales and production targets.	Manufactured Financial Social	Develop new business sources, sales channels, as well as leverage on the new product leasing business opportunities and e-commerce platforms.
Disruption to raw material supply and inconsistent incoming quality	The production of plastics requires a steady supply of plastic raw material at the specified quality. Any acute or chronic disruption to incoming quantities will lead to inability to meet production volumes and customer demand.	Natural Manufactured Financial	The Plastics Division continues to expand its supplier base towards reducing dependence on a single or limited number of raw material suppliers. In particular, Mah Sing is looking to tap more local suppliers, given the present import restriction on recycled plastics raw material. Stringent quality checks are undertaken to ascertain that supplied raw materials meet specified standards. The Plastics Division continues to leverage on the Malaysian Plastics Manufacturers Association platform to engage with the government and regulatory authorities on the needs and interests of industry players.

RISKS AND MITIGATION STRATEGIES (CONT'D)

IDENTIFIED RISKS	IMPACT	AFFECTED CAPITALS	MITIGATION MEASURES & ADAPTATION
COVID-19 outbreak risks	Any pandemic outbreak in the manufacturing facilities or at workers' accommodation may cause a temporary or an indefinite shutdown of plant operations. Such a scenario would also pose health risks for workers, staff and the society.	Manufactured Financial Social	The Division has updated its BCP protocols to include measures to prevent, address and manage positive COVID-19 cases if any occurs. Stringent SOPs have been implemented at all manufacturing facilities. These include measures to quarantine potential positive cases, multiple shift operations and replacement teams as well as frequent testing of workers. Increasingly, the Plastics Division is working towards addressing potential areas outside of the Group's operations that may pose COVID-19 risks. Essentially, relooking into the supply chain such as workers' dormitories, transportation, health checks and more. The Emergency Response Team has been elevated into a Crisis Management Team during this present pandemic period.

RISKS AND MITIGATION STRATEGIES (GLOVE SPECIFIC)

IDENTIFIED RISKS	IMPACT	AFFECTED CAPITALS	MITIGATION MEASURES & ADAPTATION
Inherent industry risks	The diversification exposes the Group to risks inherent to the glove manufacturing industry. These may include general economic downturn in the global and regional economies, competition from existing players, social-political instability, changes in the legal and environmental framework within which this industry operates and changes in global demand of gloves.	Manufactured Financial Intellectual Human Social	The glove manufacturing operation is helmed by proven industry professionals with the necessary experience and knowledge to drive successful operations. Mah Sing continues to source for required talent to ensure sufficient technical knowledge to drive the division forward. The Group can also draw from its more than 40 years track record in plastics manufacturing. As such, there is transferable experience, expertise and knowledge that can be utilised for a more successful market entry. Key processes for both manufacturing operations such as procurement and compounding of raw materials, packaging, quality checking, logistics, warehousing and supply chain management are similar. A research and development team is also established to develop in-house competencies and to shorten the learning curve.
Lack of glove manufacturing experience	While there are similarities and experiences that can be drawn from the plastics manufacturing division, there are also areas where the Group lacks experience, being a new glove manufacturer.	Manufactured Financial Intellectual Human Social	
Stiff Competition	The Group's glove business may face competition from existing competitors and new entrants operating in the gloves industry, from both local and regional players.	Manufactured Financial Intellectual	The Group will continue to take proactive measures to remain competitive in this business by inter-alia, constantly keeping abreast with the latest market conditions, continuing efforts in maintaining a competitive edge in terms of cost and operational efficiency throughout its value chain and investment in automation, product development and technology for better productivity as well as product quality.
Availability and cost of materials	The materials, their availability and prices depend on local and global market conditions. The Group may find it difficult to source for these at prices that are commercially acceptable in a timely fashion.	Manufactured Natural Financial	The Group will seek to limit the impact of these by ensuring its production facilities are flexible and interchangeable to produce both natural and synthetic rubber gloves. The Group will find alternative options as well as continue to source for supplies from multiple sources, and maintain good relationships with suppliers.
Foreign labour shortage	The availability of foreign labour is scarce and is a challenge faced by the industry especially with the recent freeze and restrictions on the intake of foreign workers.	Financial Manufactured Human	The Group looks to tap local talent and to invest in automation to reduce reliance on workers and improve productivity. In addition, the plant is highly automated and the number of workers required per quantity produced is expected to be reduced as the production lines that the Group has installed are high speed new production lines.

STRATEGIC PRIORITIES AND FUTURE ORIENTATION

With Mah Sing's entry into the healthcare industry (glove manufacturing), the Group's organisational structure is progressively reshaping into a multi-business conglomerate with diverse sources of income portfolio. Earnings quality of the Group is further enhanced with its entry into the resilient healthcare sector that generates more recurring, export income to complement the project-based, domestic income of property development.

The strategic decision to venture into the high-potential niche industry of glove manufacturing has been made after careful consideration of the external environment, the Group's inherent strengths and capabilities and its present business model. Importantly, the entry into glove manufacturing is a natural expansion that enables Mah Sing to leverage on its more than 40 years experience and performance as a manufacturer.

Glove manufacturing is the first step in Mah Sing's journey to develop its presence in the healthcare industry. In the near future, the Group may explore manufacturing other healthcare related products such as personal protective equipment ("PPE"), pharmaceutical or medical products and services as well as related upstream and downstream activities. Eventually, the Group will explore the possibility of spinning off or listing its manufacturing/healthcare division separately from the Group to further create and unlock value.

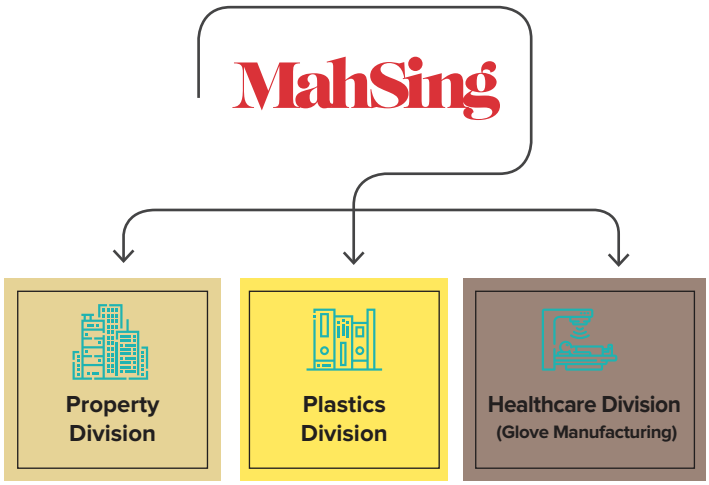
Mah Sing's entry into the healthcare sector via glove manufacturing has been made after having considered the following facilitating factors as well as strategic business and operational considerations:

Facilitating Factors +

- Healthcare being a resilient sector.
- Continued high demand for gloves driven by COVID-19 pandemic and other macro factors.
- Global glove supply remains far below demand levels, thus ensuring robust market prices.
- Increasing regulatory requirements globally and better hygiene awareness that will drive sustainable demand for gloves post-pandemic.
- Over 40 years of successful plastics manufacturing operations, where a large portion of the experience, best practices, know-how and human capital can be transferred for a faster and smoother start to operations.
- Ability to leverage on existing glove manufacturing ecosystem in Malaysia to move faster into market.
- Strong financials enables business diversification into new, commercially lucrative industries.
- Use of efficient and high speed machines (38,000 pieces of gloves per line per hour) that provides a production advantage.
- Highly automated new glove manufacturing plant that can compete effectively.
- Potential listing of the enlarged manufacturing or healthcare division separately to unlock value.

Key Considerations −

- Stiff market competition.
- Post-pandemic supply-demand dynamics.



BACKGROUND

According to Malaysian Rubber Glove Manufacturers Association ("MARGMA"), the rubber glove industry has been growing at an average of 8%-10% for the past 25 years before the COVID-19 pandemic.

The expansionary trend is expected to persist post-pandemic, underpinned by stricter regulations worldwide, the increase in awareness of the importance of hygienic practices, especially in emerging markets, where the glove consumption per capita is still low as compared to developed countries. MARGMA foresees that the demand for gloves will still continue to grow more post-pandemic, with an estimated growth at between 12%-15% per annum. This augurs well for future long-term industry prospects.

PHASE 1

12
production lines

Up to 3.68billion
pieces of gloves per annum
(38,000 pieces per line per hour)

\+

PHASE 2 - Optional

+12
production lines

* Exercise option for the next portion of the existing plant, or negotiate with landowner on the adjacent land.

Highly automated & Good Manufacturing Practice factory with auto strip, auto stack and auto count to maximise cost efficiency

Phase 1 of the diversification process will see Mah Sing commence operations with 12 production lines with a production target of up to 3.68 billion pieces of gloves per annum.

Should demand outstrip capacity for Phase 1, the Group has the option of adding an additional 12 production lines or more as future expansion.

STRATEGIC PRIORITIES AND FUTURE ORIENTATION (CONT'D)

GROUP SYNERGY

Notably, synergistic opportunities abound where best practices across the value chain from Mah Sing property development and plastics manufacturing can be transferred or leveraged to develop and grow the healthcare operations.

HARNESSING BUSINESS AND OPERATIONAL SYNERGY

There are opportunities for harnessing business and operational synergies from the property and plastics manufacturing operations to drive a more effective market entry for healthcare. Among these opportunities include cross-sharing of knowledge and proven practices and processes to the new business vertical.

Certainly, to a larger extent, insights and inherent expertise and experience from property development and plastics manufacturing can be leveraged upon to ensure a more successful start for the fledgling healthcare division. In particular, property, plastics and glove manufacturing could be synergised across their respective value chains from downstream to upstream.

Ultimately, this approach delivers a business model that is more resilient to the existing external environment and enables continued financial and non-financial value creation and the continued realisation of the Mah Sing vision and mission.

STRATEGIC PRIORITIES FOR PROPERTY DEVELOPMENT AND PLASTICS MANUFACTURING BUSINESS DIVISIONS

Mah Sing's Property and Plastics Divisions will continue to pursue their respective strategic plans to drive business growth and value creation.

The Property Division has been resilient, underpinned by strong take-up of newly launched projects. As a market driven property developer, the division will continue to focus on meeting real market demand. The division will maintain its quick turnaround and nimble business model approach, to adapt swiftly to present market conditions. This also includes focusing on demand and supply factors, location, pricing, and product packages.

The Plastics Division will continue initiating new product offerings as well as new selling mechanisms to expand its revenue base. Plans to improve operational efficiency include enhancing the current Enterprise Resource Planning ("ERP") system to phase out paper-based approvals and to continue the factories' automation journey via Industry 4.0 initiatives.

In 2020, approximately RM10 million has been invested to automate the production lines in the plastics manufacturing operations in Malaysia. Having completed the commissioning of a new manufacturing plant with fully installed production lines in December 2019, the Plastics Division aims to optimise capacity utilisation. Other future priorities include establishing logistic hubs in the Southern and Northern regions of Malaysia, venturing into plastics pallet rentals and to adopt e-commerce space.

In response to the external environment, the following strategic priorities for the respective business division have been identified:

PROPERTY DIVISION

STRATEGIC PRIORITIES	DEFINED ACTION PLANS	SIGNIFICANCE TO VALUE CREATION
Increase launches of affordably priced properties.	In catering to real market demand, the Property Division will maintain its present strategy to increase the number of affordably priced homes within its launch mix. Specifically, 91% of the Group's sales target in 2021 are for properties below RM700,000 and 51% are for properties below RM500,000.	With the launch portfolio being focused on affordable homes, there will be a greater focus on building houses quickly, yet with quality to ensure faster turnover of capital. It is likely that emphasis will be placed on exploring new construction technologies going forward.

STRATEGIC PRIORITIES AND FUTURE ORIENTATION
(CONT'D)

STRATEGIC PRIORITIES	DEFINED ACTION PLANS	SIGNIFICANCE TO VALUE CREATION
Exploring new construction technology	Continuous effort is made to explore new construction technology for more cost effective, faster and higher quality construction of properties. Priorities will be expanded towards reducing raw material consumption and dependence on foreign labour and to realise faster construction and more consistent quality. Wastage reduction will also be a focus, thus reducing environmental impacts.	Please refer to the Risks and Mitigation Strategies sub-section for more information on the Group's present and future plans on construction methods.
Increase Greater KL / Klang Valley portfolio	The Property Division will continue to focus on developing affordable landed homes in the outskirts/suburban areas and affordable high-rises in the central business district areas. Backed by its healthy balance sheet, the Group will continue to replenish its landbank with focus on acquiring strategic parcels within the city centre or suburban areas, especially in Greater KL and Klang Valley.	Greater KL and Klang Valley is a proven location with a high population base, urbanisation and strong demand for affordable and mid-ranged properties. This area also typically benefits from well-developed road and public transportation networks, as well as supporting infrastructure. These reduce infrastructure development costs when developing landbank. The goal is to continue securing suitable landbank and developing a broad product mix that meets real market demand.
Harnessing digitalisation	The division will accelerate its digitalisation journey, which has proven to be beneficial during the present COVID-19 pandemic.	Further digital adoption sees automation of processes, use of Big Data Analytics and essentially, a reshaping of the property business value chain with technology driving many strategic and operational decisions including allocation of resources, material topics and stakeholders' engagement.

PLASTICS DIVISION

STRATEGIC PRIORITIES	DEFINED ACTION PLANS	SIGNIFICANCE TO VALUE CREATION
Inorganic growth	Via local joint venture partners or outright mergers and acquisitions ("M&A"), the Plastics Division may tap inorganic growth strategies to grow its production capacity and footprint within Malaysia and abroad. However, joint venture partners and M&A targets must be selectively considered to ensure the proposals provide benefits rather than liabilities. Increasingly, industry competition in both Malaysia, Indonesia and the region may intensify, necessitating strategic changes to drive business expansion.	Business expansion will allow for greater market coverage and a larger customer base.
Organic growth	This will entail expanding production capacity within the four manufacturing plants or even establishing entirely new plants.	Expansion will entail capital resources being allocated to fund CapEx and other related development expenditure. Start-up costs may see an initial substantial outlay in funds, which will be recouped over medium and long-term by increased production and sales volumes. However, the division has remained cash flow positive and had built-up a healthy cash surplus, which can be tapped to capitalise on growth opportunities.

STRATEGIC PRIORITIES AND FUTURE ORIENTATION (CONT'D)

STRATEGIC PRIORITIES	DEFINED ACTION PLANS	SIGNIFICANCE TO VALUE CREATION
Pallet rental / leasing business model	In addition to the present manufacture and sell model, the division is expanding into the leasing of goods. The Plastics Division is developing a software to track the movement of goods to enhance customers' experience and to secure new strategic partners.	The pallet rental or leasing business model complements the present plastic products sales business model. In particular, leasing will generate additional recurring income streams by tapping new customer segments.
Go green	The Plastics Division invested RM5 million for solar photovoltaic ("PV") installations in 2020 and saved approximately RM500,000 in electricity costs by December 2020.	Green investments improve the division's and the Group's triple bottomline performance and strengthens the linkage between financial and non-financial values. It also increases the attractiveness of the value proposition amid growing ESG awareness among customers and investors.
Tapping technology	The division will further tap social media and also CRM and Big Data Analytics towards gaining more insights, and leverage on e-commerce to reach a wider customer base.	Access to larger customer base will potentially lead to increased orders and drive the need for expanded capacity. Revenue is also likely to increase.

HEALTHCARE DIVISION

STRATEGIC PRIORITIES	DEFINED ACTION PLANS	SIGNIFICANCE TO VALUE CREATION
Organic growth	Subject to demand condition, additional production lines will be added progressively to increase capacity. Any expansion in production capacity will be supported by sustainable increase in global glove demand.	Expansion will entail capital resources being allocated to fund CapEx with profits generated by the new manufacturing plant.
Use of automation	The first glove manufacturing plant in Kapar is highly automated with high speed machines, coupled with auto strip, auto stack, auto count features and in the near future, auto-pack capabilities. The plant also employs the Enterprise Resource Planning ("ERP") system and advanced Supervisory Control and Data Acquisition ("SCADA") system. The division will progressively reduce reliance on manual labour which is in short supply.	Better consistency in glove quality from automation, and improved productivity.
R&D and continuous improvements	The division has a dedicated team for research and development ("R&D") to drive continuous improvements in the production process, value chain, as well as product innovation.	New innovation derived from R&D efforts will increase sales of new products. Continuous improvements will generate efficiency and productivity in all areas of manufacturing.
Inorganic growth	Efforts are being made to engage with local and international healthcare brands for potential M&A and joint venture partnership opportunities.	To speed up the division's growth and to form alliances with established brands for greater market presence, market share, and knowledge transfer.
Healthcare related products and services	To explore expansion into other healthcare related products and services such as manufacturing and/or distribution of PPE, pharmaceutical or medical products and services as well as related upstream and downstream activities.	To grow Mah Sing Healthcare into an integrated healthcare brand for better brand loyalty, wider distribution coverage, and enjoy economies of scale advantages.
Future listing	To prepare for potential future listing within the next 5 years.	To unlock value for Mah Sing's shareholders and to tap on public capital markets for future growth, as well as enhance Mah Sing Healthcare brand visibility in the global market.

VALUE CREATION MODEL

SIGNIFICANCE OF CAPITAL	INPUTS
FINANCIAL Funding strategies through debt and equity are vital to finance our daily operation, project developments and new ventures.	◆ RM1.8 billion in share capital ◆ RM1.06 billion in cash and bank balances, and investment in short-term funds at the beginning of the year ◆ Net cash used in investing activities for the year: RM130.4 million ◆ RM1.2 billion in borrowings ◆ RM789.4 million in Perpetual Securities
MANUFACTURED Landbank in strategic locations ensures the sustainability of our property pipeline while plastic injection machines and glove production lines provide manufacturing capacity.	◆ 2,076 acres remaining landbank* ◆ Total number of projects to date: 51 projects across Klang Valley, Penang, Johor and Sabah* ◆ 4 plastics manufacturing plants ◆ 1 glove manufacturing plant (by 2021) ◆ 75 plastics injection machines ◆ 12 gloves production lines (by 2021) **Includes newly acquired land, M Senyum in Bandar Baru Salak Tinggi, Sepang*
INTELLECTUAL Wealth of property and manufacturing experience, strong brand reputation and robust systems allow us to deliver quality products and services that meet the market's needs.	◆ Brand presence: 27 years in property development and 42 years in manufacturing as at 2021 ◆ Industrialised Building System and other construction methods ◆ RM2.3 million invested in digitalisation for property division ◆ RM10 million invested in automation for Mah Sing Plastics Industries Sdn Bhd ("MSPI") ◆ Quality, Service and Sales Framework - ISO 9001:2015 Quality Management System, QLASSIC
HUMAN Having a group of talented, diverse, skilled and motivated MSians is instrumental to our success in encouraging innovation, creativity and effective teamwork.	◆ ISO 45001:2018 Occupational Health and Safety Management System ◆ 1,744 employees ◆ Experienced leadership team ◆ Competitive remuneration and benefits totalling RM133 million
SOCIAL Mah Sing builds strong and lasting relationships with key stakeholders through mutual trust and collaborative ventures to enhance individual and collective well-being.	◆ Proactive engagement and dialogue with stakeholders ◆ More than RM3.4 million contribution in community investment ◆ Partnerships and strategic alliances
NATURAL Mah Sing consumes renewable and non-renewable resources such as land, building materials, electricity, water and organic compounds in our business activities.	◆ ISO 14001:2015 Environmental Management System ◆ Green features in new property projects, i.e. waste management, rainwater harvesting, etc ◆ Use of recyclable raw materials in plastics manufacturing ◆ RM5 million Solar PV investment for MSPI

OUR BUSINESS MODEL

STRATEGIES FOR SUSTAINING OUR CAPITALS

- Prudent financial management to ensure efficient capital structure and optimal liquidity.
- Active landbank management and quick turnaround from acquisition to launch, and automation for manufacturing efficiency.
- Company culture practicing design thinking and continuous R&D as a catalyst for innovation and knowledge growth.
- Performance management and training to retain talent, optimise workforce efficiency and sustain leadership pipeline.
- Policy compliance and adoption of best practices to meet stakeholders' expectations.
- Minimising risk of adverse environmental impacts and reducing carbon footprint throughout all stages of projects and production.

OUR VISION

INVENTING SUSTAINABLE FUTURE LIVING THAT ENHANCES QUALITY OF LIFE

OUR MISSION

EMPOWERING our people towards personal and professional growth through continuous learning.

Anticipating future **MARKET TRENDS** and providing the right solutions.

Delivering our **QUALITY PROMISE.**

CARING for the people, community and the environment.

Supported by active management of our:

External Environment (Pages 25-26)

Risks and Mitigation Strategies (Pages 34-37)

Underpinned by:

Governance Framework (Page 112)

Note: Info presented in the Value Creation Model is for financial year 2020, unless otherwise specified.

VALUE CREATION MODEL (CONT'D)

Legend:
- Mah Sing Group Berhad
- Mah Sing Property Division ("MSPD")
- Mah Sing Plastics Division
- Mah Sing Healthcare Division
- Mah Sing Foundation

BUSINESS ACTIVITIES DRIVEN BY OUR VISION AND MISSION

- PROPERTY DIVISION
- PLASTICS DIVISION
- HEALTHCARE DIVISION (GLOVE MANUFACTURING)
- OTHERS

Our Material Matters (Page 100)	Stakeholder Engagement (Pages 97-99)
Sustainability Pillars (Page 93)	Strategic Priorities and Future Orientation (Pages 38-41)

VALUES CREATED

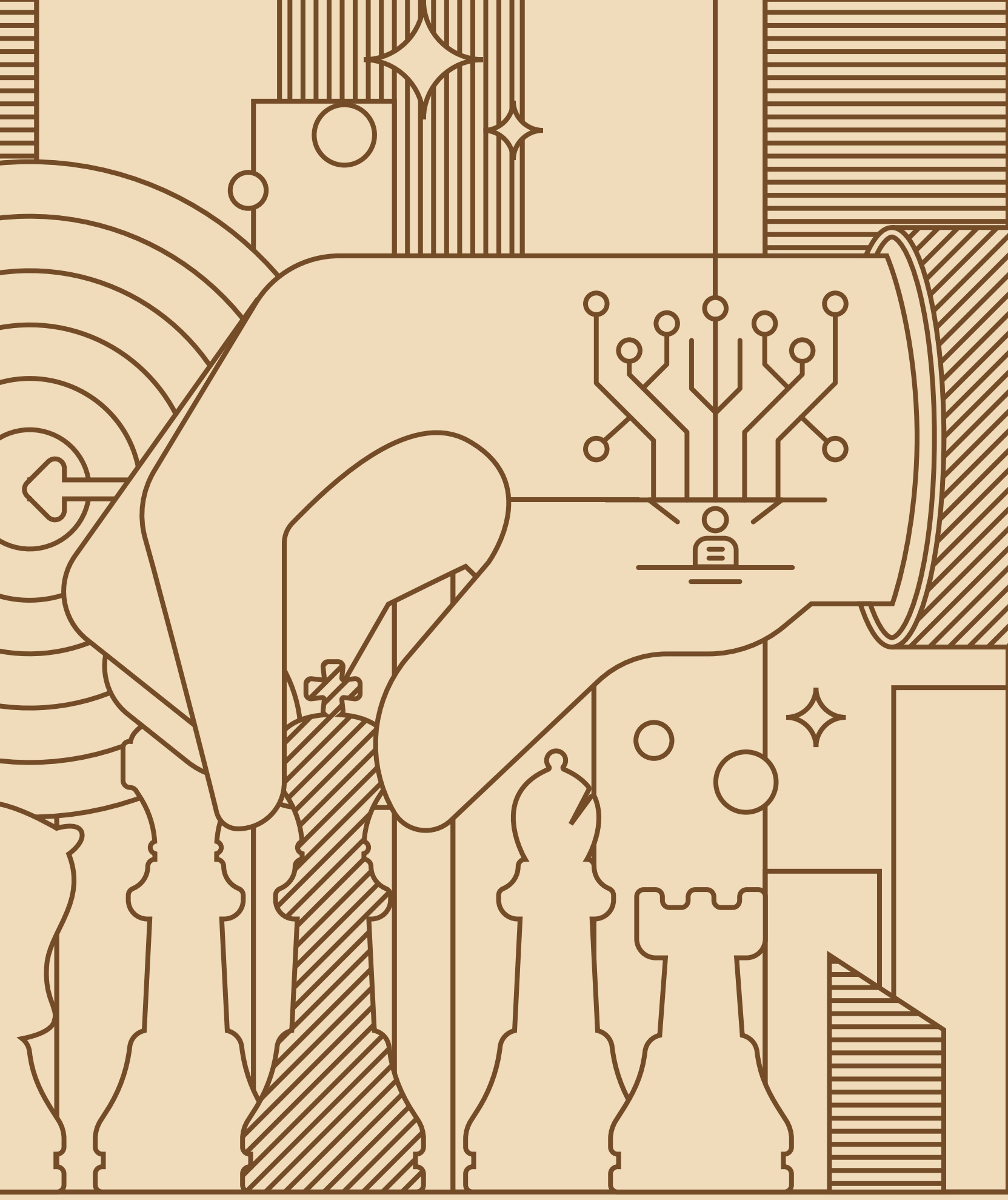
OUTPUTS & OUTCOMES	STAKEHOLDERS IMPACTED
◆ Revenue: RM1.5 billion ◆ Earnings before interest, taxes, depreciation and amortisation (EBITDA): RM217.7 million ◆ RM1.16 billion in cash and bank balances, and investment in short-term funds at the end of the year ◆ Net cash generated from operating activities for the year: RM302.7 million ◆ Net cash generated from financing activities for the year: RM201.2 million ◆ Taxes paid: RM82.5 million ◆ Wages, salaries, bonus and staff benefits: RM120.1 million ◆ Statutory contributions: RM12.9 million ◆ Market capitalisation: RM2.1 billion based on closing share price of RM0.87 as at 31 December 2020 ◆ Proposed dividend payout: 1.66 sen per ordinary share, subject to shareholders' approval at the upcoming AGM	• Investors / Shareholders • Employees • Government / Regulatory Authority • Business Partners • Suppliers / Vendors • Media
◆ Over 46,000 units of properties sold to date ◆ Remaining gross development value ("GDV") and unbilled sales of approximately RM24.64 billion* ◆ Planned adoption of IR4.0 for plastics manufacturing ◆ 12% increase in production in terms of value at MSPI plastics manufacturing plant ◆ Expansion of manufacturing capability to diversify into healthcare sector through glove manufacturing *Includes newly acquired land, M Senyum in Bandar Baru Salak Tinggi, Sepang*	• Customers • Community • Business Partners • Investors / Shareholders
◆ 19 corporate and project awards ◆ Growing brand appeal and market share ◆ Plastics division average customer satisfaction score: 4.05/5 ◆ MSPD's VP Survey 2020 customer satisfaction score: 4.3/5 ◆ 12,565 active MY Mah Sing app users ◆ MY Mah Sing app rating of 3.6/5 on iOS and 3.6/5 on Google Play ◆ Enhanced operational efficiency	• Business Partners • Employees • Customers • Suppliers / Vendors • Media
◆ 48% women in property division ◆ 74.5% employee engagement score from Our Voice 2020 results ◆ 78% interdepartmental collaboration rate from Internal Customer Experience Survey ◆ 29% employee turnover rate ◆ 17,442 man hours in employee training and development ◆ 2,747.5 total health and safety training hours ◆ Zero fatalities	• Employees • Shareholders • Suppliers / Vendors • Business Partners
◆ Supported over 35 schools and NGOs and impacted more than 160,000 individuals in Education, Health & Wellbeing and Community Development initiatives ◆ Partnership with a bank to provide alternative financing scheme for home buyers ◆ 91% of targeted property sales for 2021 are priced below RM700,000, hence promoting homeownership	• Community • Media • Business Partners • Employees
◆ 32,450MWh electricity consumption ◆ 96ML water consumed ◆ Scope 1 emissions at 673MT CO_2e ◆ Scope 2 emissions at 22,269MT CO_2e ◆ 1,378kg waste recycled at Wisma Mah Sing ◆ 4051.4MT of waste reused and recycled ◆ 394,615kWh energy saving achieved by MSPI for 2020 through energy efficient equipment ◆ 953.5MT CO_2 offset by Solar PV	• Customers • Community • Investors / Shareholders • Government / Regulatory Authority • Suppliers / Vendors

OUR STRATEGY & ACHIEVEMENTS

Amidst a dynamic year of change and challenge, Mah Sing has emerged stronger, more competitive and with a greater resolve to continue delivering value. In FY2020, on the back of its market-focused strategies and swiftness to adapt to external forces, the Group has continued to register a wide range of financial and non-financial achievements.

These include meeting sales targets, delivering profits and shareholder dividends as well as making progress in terms of environmental and social performance.

Looking ahead, Mah Sing will continue to embrace digital advancement in its business processes and products under the Group's transformation journey.



MANAGEMENT DISCUSSION AND ANALYSIS

DEAR VALUED SHAREHOLDERS,

WE ARE PLEASED TO PRESENT THE MANAGEMENT DISCUSSION AND ANALYSIS OF OUR INAUGURAL INTEGRATED ANNUAL REPORT.

THIS STATEMENT WILL PROVIDE A BRIEF ANALYSIS OF MAH SING'S PERFORMANCE FOR THE YEAR 2020, AS WELL AS OUR OUTLOOK FOR THE FUTURE, AS SEEN THROUGH THE EYES OF THE MANAGEMENT.

First and foremost, on behalf of the Board and Management, we would like to congratulate Mah Sing's Executive Director, Datuk Seri Leong Yuet Mei, who was conferred the Darjah Kebesaran Seri Mahkota Wilayah (S.M.W.), which comes with the title "Datuk Seri" in conjunction with the 2021 Federal Territory Day. Datuk Seri Leong Yuet Mei's contribution towards the growth of Mah Sing is widely recognised and we believe her continued dedication to serve the Group will offer enhanced value to the Mah Sing team and the Group's operations.

OVERVIEW

The COVID-19 pandemic outbreak has become the defining global crisis of our times. This unprecedented scenario has the potential to make or break a company, testing its resilience, its adaptability, and its commitment to its purpose and values.

Given the extraordinary circumstances, we are happy to report that Mah Sing has done considerably well, inspired by our vision of "Inventing Sustainable Future Living that Enhances Quality of Life", to adapt our operations for the new normal and ensure that we continue creating positive long-term value for all our stakeholders.

Please see page 24 for more information on Our Value Creation Approach.

We achieved property sales of RM1.1 billion for the year ended 31 December 2020 ("FY2020"), driven by our strategy in digital marketing and affordable properties offered at strategic locations, notwithstanding the challenging market environment throughout most of the period following the impact of COVID-19 pandemic.

We have a total of 51 property projects strategically located throughout Greater Kuala Lumpur, Klang Valley, Penang, Johor and Kota Kinabalu, Sabah, further solidifying our position as one of the foremost real estate developers in Malaysia, well known for our quick turnaround business model and our commitment towards sustainable value creation.

Our reputation coupled with our innovative marketing activities amid the pandemic, helped to garner the interest of homebuyers, allowing us to achieve annual property sales in the billion ringgit range for the 11th consecutive year.

The year 2020 also saw us expedite our digitalisation transformation, spurred on by the pandemic. We oversaw the smooth migration of our full workforce to remote working during the Movement Control Order ("MCO") period, utilising the digital infrastructure that was put in place under our Business Continuity Plan ("BCP").

51 PROJECTS*

IN GREATER KUALA LUMPUR, KLANG VALLEY, PENANG, JOHOR AND SABAH

* Includes newly acquired land, M Senyum in Bandar Baru Salak Tinggi, Sepang

11th CONSECUTIVE YEAR OF ANNUAL PROPERTY SALES IN THE BILLION RINGGIT RANGE

MANAGEMENT DISCUSSION AND ANALYSIS
(CONT'D)

TAN SRI DATO' SERI SITI NORMA BINTI YAAKOB
Chairperson/Senior Independent Non-Executive Director

TAN SRI DATO' SRI LEONG HOY KUM
Group Managing Director/Group Chief Executive

As part of Mah Sing's plan to expand its manufacturing division, the Group has diversified its business by venturing into the healthcare sector through glove manufacturing. The new gloves business provides the possibility of growth based on the anticipated pandemic-driven surge in demand which is outstripping estimated new supply coming in from major glove producers, the growth in gloves usage in the global healthcare services industry, global industrial production activities and other non-healthcare industries such as food and beverages and tourism, as well as the increase in gloves consumption from developing countries. This will also provide our Group access to the global market, complementing our property business which is more focused on the domestic market.

As we expand and diversify, we will also focus on realising synergies between the Group's gloves, plastics and property businesses to future-proof our business operations. The new gloves business can leverage on our existing processes from the plastics business such as the raw materials procurement, quality control, research and development, logistics, and supply chain planning, while from our property business, reliance can be placed on the strength of the branding and marketing, business development, project planning and human resource divisions.

MANAGEMENT DISCUSSION AND ANALYSIS
(CONT'D)

Artist impression of Cerrado Residential Suites@Southville City, Bangi

FY2020 OPERATING ENVIRONMENT

The year 2020 was unlike any other year in recent history – no one anticipated a pandemic at the start of the year. But by year end, it had become clear that the outbreak would continue to unfold even as we headed into 2021.

Its adverse impact on our daily lives, and hence the day-to-day operations of businesses the world over, has deeply dented the global economy, with a contraction of 3.5% in 2020 according to Bank Negara Malaysia's Economic and Monetary Review 2020 Report.

Locally, the Malaysian economy contracted by 5.6% overall for the year 2020 as compared to 4.3% growth in 2019. This is the largest contraction recorded since 1998's 7.4% drop. The performance was due to weak exports, production and domestic demand following unfavourable external conditions and the strict measures introduced by the Government to combat COVID-19. Such weak domestic economic activities subsequently saw labour market conditions deteriorating and lost of income which impacted consumer spending.

Bank Negara Malaysia also noted that the country's economic growth began to improve gradually in the second half of 2020, despite the challenging local and global operating environment. This is partly supported by the improvement in external demand and reopening of the domestic economy amid a more targeted approach to containment measures.

The property market was similarly affected by the unfavourable conditions of COVID-19 and the implementation of MCO, and in particular, the tight lending environment that prevailed throughout 2020. However, demand was buoyed by several policies announced by the government which included:

- Multiple rounds of interest rate reductions – record low overnight policy rate at 1.75%
- Reintroduction of Home Ownership Campaign ("HOC") – stamp duty waiver for instruments of transfer and loan agreement
- Uplift of 70% cap on margin of financing for third housing loan onwards
- Real Property Gains Tax ("RPGT") exemption, which is expected to encourage upgrades of homes, and boost both the primary and secondary property markets
- Budget 2021 – Stamp duty exemption on the instruments of transfer and loan agreement for first residential properties worth up to RM500,000, starting from 1 January 2021 until 31 December 2025

A GLIMPSE OF 2020

NET PROFIT
RM100.4 MILLION

REVENUE
RM1.5 BILLION

SALES
RM1.1 BILLION

More details of our External Environment factors can be found on pages 25 to 26 of this report.

Artist impression of M Arisa, Sentul

Hazel Double-Storey Link Homes in Meridin East, Johor

PERFORMANCE IN PERSPECTIVE

The situation presented both challenges and opportunities for Mah Sing, and we were able to minimise the impact of COVID-19 and manage our operations during this period due to our ongoing digitalisation efforts, implementation of cost saving measures and supported by the stimulus packages introduced by the government. The guidance of our senior company leaders and management members at this crucial time, and with the enthusiasm of our employees in embracing the changes required in this paradigm shift, have been instrumental in helping us overcome this adversity.

Financial Results

For the financial year ended 31 December 2020, the Group registered net profit of approximately RM100.4 million and profit before tax of approximately RM153.7 million on the back of revenue of approximately RM1.5 billion.

On the property development front, which is the key contributor to the Group's results, revenue was approximately RM1.2 billion while operating profit was approximately RM148.1 million for the 12-month period ended 31 December 2020. The 12 months under review was affected mainly by the lingering impact of MCO and Conditional Movement Control Order ("CMCO") where the level of activities on sites were generally lower. The strict lending environment also affected sales conversion which weighed on revenue recognition. In addition, contribution from matured projects like Lakeville Residence was lower as it was completed during the current year while new projects such as M Oscar, M Arisa, M Luna and M Adora were at initial stages of construction with minimal contribution.

The development projects which contributed mainly to the Group's results include M Vertica in Cheras, M Centura in Sentul, Southville City in Bangi, Meridin East in Johor and Lakeville Residence in Jalan Kuching. Other projects which also contributed include M Oscar in off Kuchai Lama, M Aruna in Rawang, M Luna in Kepong, M Adora in Wangsa Melawati, Ferringhi Residence and Southbay City in Penang, as well as Sierra Perdana, Meridin @ Medini and Mah Sing i-Parc in Johor.

Our four decades old Plastics Division stalwart, continued to contribute positively to the Group, recording a revenue of approximately RM288.2 million and an operating profit of approximately RM17.2 million in the financial year ended 31 December 2020.

Financial Highlights	FY 2019	FY 2020
Balance Sheet Items		
Paid-up share capital (RM mil)	1,776	1,776
Total equity (RM mil)	4,826	4,241
Cash and bank balances, and investment in short-term funds (RM mil)	1,063	1,156
Borrowings (RM mil)	570	1,219
No. of shares (unit'mil)	2,428	2,428
Net asset per share (RM)	1.44	1.42
Income Statement Items		
Revenue (RM mil)	1,790	1,531
Net profit (RM mil)	200	100
Basic earnings per share (sen)	4.49	1.12
No. of projects	50	50

With a very prudent and disciplined financial management, our cash and bank balances, and investment in short-term funds remain strong at approximately RM1.16 billion at the close of FY2020, ensuring that we are well positioned to meet any challenges and opportunities beyond the horizon.

The Financial Statements on pages 152 to 262 provide a thorough accounting of the Group's financial position and financial activities for the year 2020.

MANAGEMENT DISCUSSION AND ANALYSIS
(CONT'D)

KEY PERFORMANCE INDICATORS

ACHIEVED SALES OF
RM1.1 BILLION
maintaining the Group's sales consistency in the billion ringgit range since 2010

PROPOSED DIVIDEND
1.66 SEN
per ordinary share

2020

REMAINING LANDBANK
2,076 ACRES*

NET PROFIT
RM100.4 MILLION

REVENUE
RM1.5 BILLION

HEALTHY BALANCE SHEET
Strong cash and bank balances, and investment in short-term funds. Approximately
RM1.16 BILLION

* Includes newly acquired land, M Senyum in Bandar Baru Salak Tinggi, Sepang

MANAGEMENT DISCUSSION AND ANALYSIS
(CONT'D)

WORKFORCE

720
Property Division

453
Plastics Malaysia

517
Plastics Indonesia

54
Hotel Division

TRAINING
17,442 HOURS
for employees in 2020

2021 SALES TARGET
RM1.6 BILLION

2021

CONSISTENT DIVIDEND PAYOUT OF MINIMUM
40%
SINCE 2006
in rewarding shareholders

MAH SING FOUNDATION DONATED
>RM3.4 MILLION
in 2020

STRONG GROWTH
Asset Turnover Ratio
34%
on average for the past 5 years (above comparable peers' 5-year average of 16%)

MANAGEMENT DISCUSSION AND ANALYSIS
(CONT'D)

Dividend

In view of these results, the Board of Directors is pleased to propose a dividend of 1.66 sen per ordinary share in respect of the financial year ended 31 December 2020, subject to shareholders' approval at the upcoming Annual General Meeting.

Mah Sing has been consistent in paying dividend rates of at least 40% of net profit for the 15th consecutive year, upholding its commitment to reward shareholders while maintaining a prudent and disciplined approach for long-term sustainable growth.

For more information on our Investor Relations activities, please turn to pages 15 to 16.

MAINTAINING MINIMUM DIVIDEND PAYOUT OF 40% FOR 15TH CONSECUTIVE YEAR

REVIEW OF OPERATIONS

Property Division

PROPERTY DIVISION AT A GLANCE

Property Strength

51* TOTAL PROJECTS	**2,076 ACRES*** REMAINING LANDBANK
21 PROJECTS COMPLETED	**RM24.64 BILLION*** REMAINING GROSS DEVELOPMENT VALUE + UNBILLED SALES
30* ONGOING PROJECTS	

STRATEGIC LOCATION MIX (remaining gross development value + unbilled sales)

GREATER KL / KLANG VALLEY
21* PROJECTS (70%)

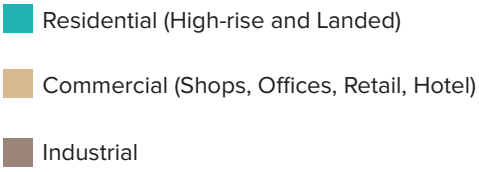
JOHOR
4 PROJECTS (20%)

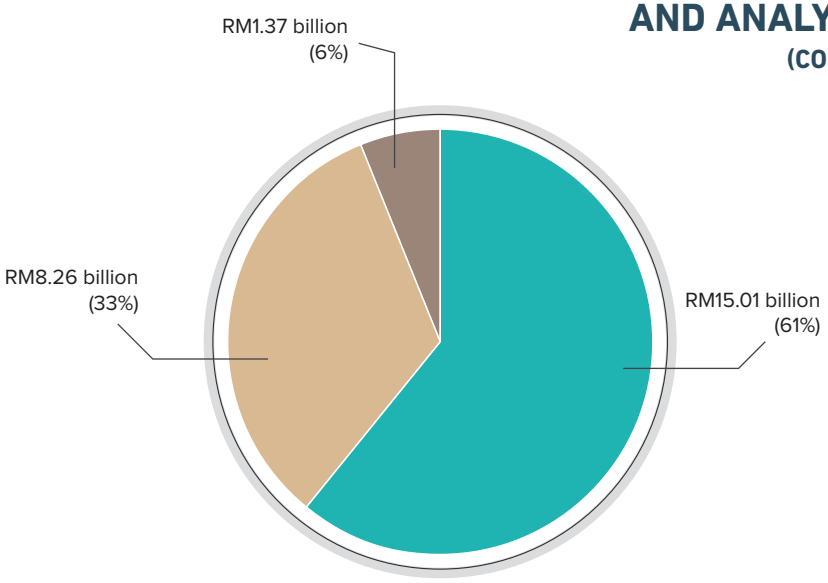
PENANG
5 PROJECTS (10%)

* Includes newly acquired land, M Senyum in Bandar Baru Salak Tinggi, Sepang

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

BROAD PRODUCT OFFERINGS
(remaining gross development value + unbilled sales)





The overall Malaysian economy including the property industry experienced a challenging period in view of the global pandemic, especially during the MCO and CMCO periods implemented in the first half of 2020.

As a player in the local property market, Mah Sing was likewise affected, and we were quick to implement several initiatives that gave us a competitive advantage in this field:

COVID-19 IMPACT ON MAH SING	HOW WE RESPONDED
Home-based Operations The day-to-day operations of the company had to be conducted remotely from home during MCO, requiring effective, proactive and constant communication among staff, and a stable IT infrastructure as enablers.	**Digitalisation Drive** Well before the onset of the pandemic and MCO, Mah Sing had embarked on a digitalisation drive as part of our ongoing transformation journey and BCP. Technological collaboration tools have been implemented company-wide for some time now, and these were activated to mitigate the effects of COVID-19. Hence, we were able to have a smooth migration of our full workforce to remote working during the MCO period with minimal disruptions. Workflows were tracked and streamlined on project management platforms, while video conferencing infrastructure facilitated client-consultation-meetings that were held online. Communication with external parties, including buyers, were conducted seamlessly across the various digital platforms.
Construction Halted Construction of all property projects were halted during the MCO period, slowing the progress of planned projects and consequently our revenue recognition, while also inflating operational costs.	**Managing Cost and Efficiencies** Cognisant of the risks the pandemic poses to our construction staff, we worked with our contractors to put in place COVID-19 SOPs so that construction could resume safely once the restrictions were lifted and prevent possible outbreaks that may jeopardise the health of our workers and stall projects. To ensure that the company is well-prepared to brace through this challenging period, we have also implemented several cost saving measures such as retraining and redeploying staff for better work efficiencies, having more digital marketing over traditional advertising, introducing e-annual reports and e-brochures to cut down on printing costs, deferring non-essential capital expenditures, exploring cost efficient construction via value engineering and temporarily freezing recruitment. These measures enabled us to maintain a healthy balance sheet and sufficient cash flow, which is one of Mah Sing's key strengths that is essential to sustain our business and ensure that we are well-positioned to grab the opportunity when it presents itself, especially when the market recovers.

MANAGEMENT DISCUSSION AND ANALYSIS
(CONT'D)

COVID-19 IMPACT ON MAH SING	HOW WE RESPONDED
Housing Loan Delays With the shrinking availability of credit due to the pandemic loan moratoriums, banks have tightened their lending practices, compounding the housing loan eligibility issue faced by the real estate industry for the past few years. Delays in mortgage approvals threatened to slow sales conversion.	**Alternative Financing Options** In response to the needs of buyers and in line with our growth strategy to be flexible and quickly adapt to market changes, we have launched the Eazy to Own campaign to target buyers who are undecided or those who are not able to obtain conventional loans. As part of the campaign, we worked with Maybank Islamic to offer HouzKEY – an alternative financing scheme to provide buyers with easy entry of up to 100% financing and lower monthly instalments, which is especially timely in the current market condition.
Closure of Sales Galleries As non-essential business premises, property sales galleries had to close during MCO. Even as restrictions lifted, cautious homebuyers may be hesitant to visit the galleries in person, potentially dampening sales.	**Virtualised Home Ownership Journey** We have successfully integrated key parts of our digitalised sales processes, which include the launching of virtual show units on our official website, boosting and leveraging more on digital campaigns, conducting online bookings and payments, as well as adding incentives for sales conversion. Upon the announcement of MCO, we notified our existing purchasers that our customer service team remains fully operational and are reachable via phone, WhatsApp, email, direct messaging through Mah Sing Facebook and Instagram, and live chat on MY Mah Sing app. Our ongoing digital transformation has made it more flexible and easier for agents and sales personnel to market and sell properties, even during the MCO period. Buyers also find it more user-friendly to purchase Mah Sing properties with everything virtualised and streamlined for a smooth home ownership journey, allowing us to achieve our sales target for the year.

Artist impression of M Luna, Kepong

MANAGEMENT DISCUSSION AND ANALYSIS
(CONT'D)

While the market has been relatively slow during and after the MCO, Mah Sing bucked the trend by launching M Luna in Kepong in June 2020, and M Adora in Wangsa Melawati in July 2020. This concludes the launch of all three new lands that we acquired in 2019, following M Oscar, which was launched at the end of the same year.

PROJECT	LAND ACQUISITION	LAUNCH
M Oscar, off Kuchai Lama	28 March 2019	5 & 6 October 2019
M Luna, Kepong	23 July 2019	13 & 14 June 2020
M Adora, Wangsa Melawati	06 August 2019	18 & 19 July 2020

Our rapid speed in planning and marketing the new developments is in line with our quick turnaround model that boasts a 7 to 12 months' land acquisition to launch turnover speed. Our capability to launch products swiftly even with the challenging market conditions of MCO is a major achievement that augers well for our growth strategy.

Housing and Local Government Minister, YB Datuk Hajah Zuraida Kamaruddin, along with Mah Sing's senior management team and guests at the grand opening of M Adora's sales gallery.

Other significant unveiling in 2020 include:

- Launch of M Arisa, our second project in Sentul in January 2020
- Launch of Acacia Phase 1 in Meridin East, Johor in February 2020
- Unveiling of Summit Park in Southville City, a pioneering 'green sanctuary' public playground park, launched in August 2020 together with the opening of MERCEARIA Grocer as Southville City's neighbourhood grocer
- Launch of Acacia Phase 2 in Meridin East, Johor in early December 2020
- The official opening of NSK Trade City outlet, the newest anchor tenant in Mah Sing's Star Avenue Lifestyle Mall, in December 2020
- Launch of Carya @ M Aruna, Rawang, also in December 2020

Acacia @ Meridin East, Johor

MANAGEMENT DISCUSSION AND ANALYSIS
(CONT'D)

MERCEARIA Grocer in Southville City has started its operations since July 2020 to serve the residents

The new project launches garnered positive response despite the closure of sales galleries during MCO, thanks to increased digitisation efforts to interact and communicate with our home buyers, as well as our innovative marketing campaigns, which have allowed us to achieve our RM1.1 billion sales target.

Our continued investment in infrastructure development for our matured properties even in these challenging times, such as the Summit Park in Southville City, Bangi, as well as working with retail tenants to facilitate the opening of MERCEARIA Grocer in Southville City and NSK Trade City in Star Avenue Lifestyle Mall, reflect our commitment to enhance the lives of home owners and the surrounding communities in line with our vision and mission.

Overall, the Management is pleased with our Property Division's ability to rise to the occasion. We are of the view that our Property Division remains competitive and resilient, with remaining gross development value ("GDV") and unbilled sales totalling approximately RM24.64 billion* and remaining landbank of 2,076 acres* to shore up our prospects for 2021 and onwards.

*Includes newly acquired land, M Senyum in Bandar Baru Salak Tinggi, Sepang

More details on property projects' status are provided in the Key Developments section on pages 68 to 77.

Summit Park in Southville City, Bangi is officially open for its residents

MANAGEMENT DISCUSSION AND ANALYSIS
(CONT'D)

Plastics Division

PLASTICS DIVISION AT A GLANCE
Plastics Manufacturing Strength
OVER 40 YEARS IN MANUFACTURING
ONE OF THE BIGGEST HIGH-TECH PLASTICS PRODUCT MANUFACTURERS AND ONE OF THE LARGEST PLASTIC PALLETS PRODUCERS IN MALAYSIA
>45 EXPORT COUNTRIES
4 FACTORIES
75 INJECTION MACHINES
60-4,000 TONNES CLAMPING FORCE (4,000 TONNES IS AMONG THE LARGEST IN SOUTHEAST ASIA)
Main Industries Served
PLASTIC PALLETS: Food and beverage Electronic and electrical Chemical and pharmaceutical Paper and printing industries
MULTI-PURPOSE INDUSTRIAL PLASTIC CONTAINERS: Industrial Food and beverage Agriculture Fishery Poultry Household and wholesale distribution use
OTHERS: Automotive Furniture

In line with the digitalisation impetus at the Group level, our Plastics Division has leveraged on technology and digitalisation to improve operational efficiency. Throughout FY2020, we invested approximately RM10 million in the automation of production lines in Malaysia, which includes processes to improve quality checks, as well as investments in machines. These investments were undertaken with an eye towards conversion to smart factories to ensure Mah Sing's Plastics Division remains competitive in the era of IR4.0.

Other efforts towards this end includes the expansion of new production capacity and a semi-automated raw material warehouse with a target commencement date in 2021, as well as the investment in Automated Guided Vehicle in our factories to convey finished goods from production floor to warehouse.

In 2020, we have invested RM5 million to install a solar photovoltaic ("PV") system at Mah Sing Plastics Industries Sdn Bhd's ("MSPI") factory in Klang, which has contributed approximately RM500,000 in electricity savings by December 2020. This brings Mah Sing closer to our ESG goals that are aligned with our sustainable manufacturing agenda. We hope for our plastic products to have lower environmental impact in every phase of their life cycle, which includes production, distribution, transportation, waste collection, treatment and end-of-life disposal. The second phase of the solar PV installation is currently under review.

35%
SALES FROM EXPORT

RM10 MILLION
INVESTMENT IN AUTOMATION

RM5 MILLION
INVESTMENT IN SOLAR PV SYSTEM

MANAGEMENT DISCUSSION AND ANALYSIS
(CONT'D)

MSPI hosted a media tour to showcase the manufacturing capabilities of its factory.

Our commitment to research and innovation, stringent processes and over four decades of manufacturing know-how are the foundation for our confidence to diversify into the manufacturing of gloves, which will leverage on the operational strength of our Plastics Division, while we continue to expand our plastics business and synergise across divisions.

In the Management's opinion, the Plastics Division is a well-managed and profitable business with very good systems, and is able to impart best practices to the other divisions.

Additional information on our Plastics Division's processes are discussed on page 33 in the Plastics Manufacturing Value Chain.

Healthcare Division

HEALTHCARE DIVISION AT A GLANCE

Glove Manufacturing Strength

1
FACTORY IN KAPAR, KLANG

228,800SQ FT
BUILD-UP AREA

PHASE 1
– 12 PRODUCTION LINES

AUTOMATED & HIGH SPEED PRODUCTION LINES - PRODUCING
38,000 PIECES OF GLOVES PER LINE PER HOUR

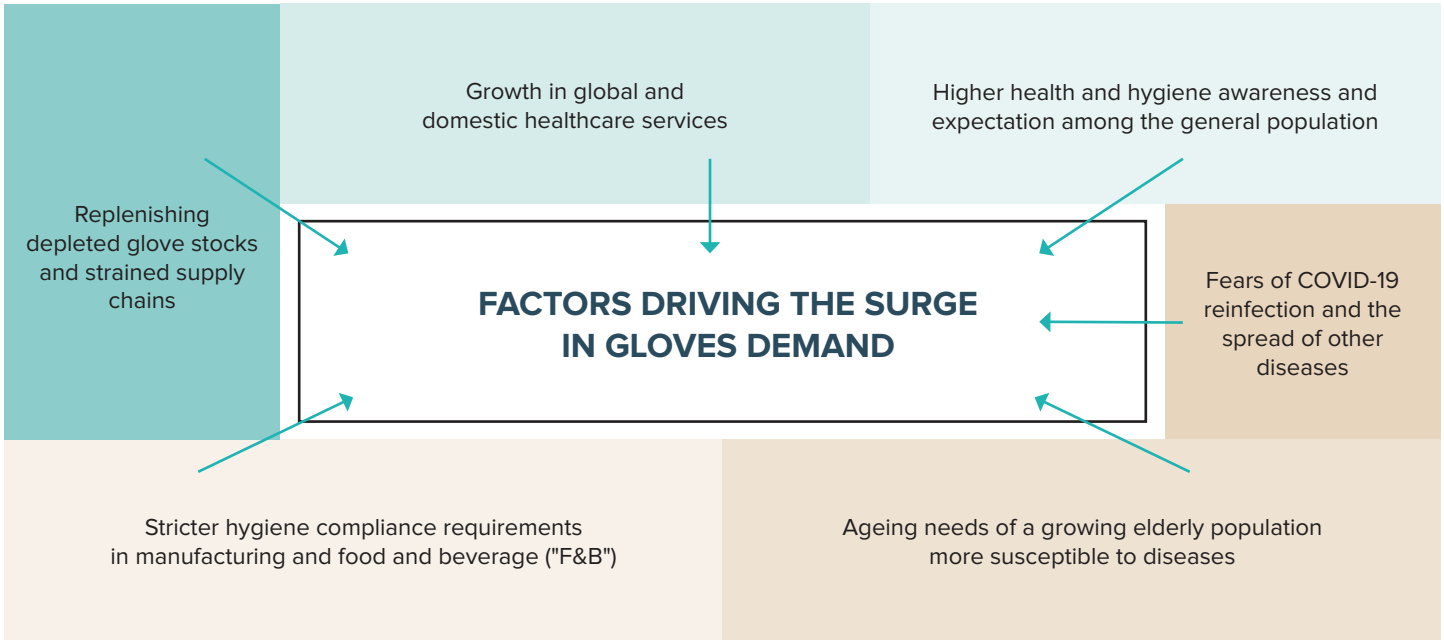
MAXIMUM CAPACITY OF UP TO
3.68 BILLION
PIECES OF GLOVES PER ANNUM

TARGETED PHASE 2 EXPANSION - ADDITIONAL 12 PRODUCTION LINES
(WHEN DEMAND OUTSTRIPS SUPPLY FOR PHASE 1)

Global demand for gloves soared during the COVID-19 outbreak and is expected to continue outstripping supply in the next 2 to 3 years as gloves usage becomes the norm. Given our inherent strengths in manufacturing and the availability of natural, human and intellectual capital in our country of operations, as well as the potential upsides in earnings, the Management has deemed this environment conducive for us to capitalise on this timely opportunity to diversify into healthcare by venturing into glove manufacturing via Mah Sing Healthcare Sdn Bhd ("Mah Sing Healthcare"), a wholly owned subsidiary of MSPI, which in turn is owned by Mah Sing Group Berhad.

The Group is pleased to have received shareholders' approval for the diversification at the Extraordinary General Meeting held virtually on 21 December 2020.

MANAGEMENT DISCUSSION AND ANALYSIS
(CONT'D)



CATALYSTS FOR DIVERSIFICATION

Sustained Global Demand
Since the spread of COVID-19 outbreak, demand for personal protective equipment ("PPE") such as gloves has been rising significantly, with the global supply estimated to reach 420 billion pieces of gloves this year, according to the data from the Malaysian Rubber Glove Manufacturers Association as at 14 March 2021. The supply pressure is expected to continue even after the COVID-19 vaccine roll out, driven by regulatory requirements, enhanced health awareness, increased use of gloves in industries such as the F&B and aviation industries, as well as an ageing population and population growth.

Existing Internal Capabilities
With over 40 years of experience in the plastics manufacturing business, the Group has inherent capabilities that can complement this venture. The gloves business can leverage on the existing processes from Mah Sing's plastic business such as the raw materials procurement, quality control, research and development, logistics and supply chain management. The Group's property development business on the other hand can support in terms of branding and marketing, business development, project planning, as well as expertise in human capital.

Inherent National Capabilities
With Malaysia being the world's largest producer of gloves and occupying 67% of market share, Mah Sing can tap on the inherent wealth of manufacturing knowledge and expertise, which includes skilled human capital and best practice business processes. This reduces the learning curve and accelerates time to market, while enabling cost efficiencies, higher quality and improved productivity.

Strong Earnings Prospects
Although the glove manufacturing industry is rapidly expanding with existing manufacturers increasing capacity and new players joining the fray, it is expected that the global supply growth will take several years to catch up to demand and replenish the supply chain. The Group's gloves business is mainly focused on the export markets, which bodes well for our earnings potential with favourable exchange rates.

MANAGEMENT DISCUSSION AND ANALYSIS
(CONT'D)

Illustration of Mah Sing's proposed glove packaging

For Phase 1, Mah Sing Healthcare has converted a warehouse in Kapar, Klang into its first glove manufacturing factory. With a build-up of approximately 228,800sq ft, the factory can house 12 production lines with an estimated maximum capacity of up to 3.68 billion pieces of gloves per annum – at a speed of 38,000 pieces of gloves per production line per hour.

The capital expenditure for the first phase of our new gloves business is estimated to be approximately RM160 million, which includes the installation of production lines, other machineries and equipment needed, external services as well as the factory refurbishment work. The capital expenditure will be funded by a combination of sources which may include internally generated funds, bank borrowings and the newly raised Convertible Sukuk, and unutilised portion of Sukuk Programme and Perpetual Securities Programme.

The strategic location of the factory within an industrial area that is equipped with ready infrastructure and is within close proximity to our existing MSPI factory allows for swift and easy set-up of the production lines and ease of monitoring.

In April 2021, Mah Sing successfully completed the testing and commissioning of its first two glove production lines, and is expected to start operation in May 2021. The Group anticipates the first shipment of gloves to be delivered in May and June 2021.

Mah Sing is on track to see another four production lines to be operational in 2Q 2021 and followed by another six production lines in 3Q 2021.

Mah Sing's first glove manufacturing factory is fitted with automated processes designed for higher efficiency and cost-effective systems. It is equipped with an Enterprise Resource Planning (ERP) system and advanced Supervisory Control and Data Acquisition (SCADA) system to support the operations. This includes real time monitoring of the production of gloves, managing the operations of the factory's machines and equipment, order completion and delivery tracking.

Starting from scratch allows the Group to put best practices in place from the get-go. Mah Sing's high speed production lines at the glove manufacturing factory are equipped with auto strip, auto stack and auto count features as well as auto dosing of solutions for higher efficiency. There are also plans for auto-boxing and the factory will also be ready to adopt the IR 4.0 ecosystem to improve its efficiencies and competitiveness.

Mah Sing's 12 productions lines are capable of producing at a speed of 38,000 pieces of gloves per line per hour

Mah Sing has successfully completed the testing and commissioning of its first two glove production lines

MANAGEMENT DISCUSSION AND ANALYSIS
(CONT'D)

The glove manufacturing factory is also designed with an efficient layout and work flow in mind, with the administrative office linked directly to the production lines. The workplace is optimised to be future ready and will have enough space to accommodate more headcounts for the potential Phase 2 expansion. The second floor of the administrative office also houses two meeting rooms, a gallery to showcase the competitive capabilities of the Group, and also an observation deck where visitors can see the production lines directly from the office – offering them a unique factory experience.

Mah Sing's first glove manufacturing factory in Kapar, Klang will be an exemplary model for its future factories to emulate, whereby the Group can replicate the scale, standard operating procedures and systems that are already in place.

In addition, Mah Sing so far has obtained certifications from the relevant authorities namely the US Food & Drug Administration (FDA), and is progressing well in obtaining other certifications such as the Conformitè Europëenne (CE) Marking for the export to the European region. This shows Mah Sing's commitment in upholding the highest safety standards, along with the strength to penetrate and expand its presence in the international market for its products.

The Group has also secured sufficient raw materials to meet the overwhelming orders and interests from its buyers and distributors. The buyers are mainly serving markets such as the United States, Canada, Middle East, Europe, United Kingdom, Japan, China, Korea, Singapore, Russia and Latin America. We are encouraged by the support and confidence shown by these buyers, many of whom are prominent brands in the healthcare industry.

We foresee sustained demand post-pandemic as a result of more stringent regulations and higher awareness on the importance of hygienic practices. Moving forward, we are also targeting a second phase of expansion when demand outstrips supply for Phase 1. Phase 2 is expected to see the addition of another 12 production lines and is estimated to increase the capacity by up to another 3.68 billion pieces of gloves per annum, doubling the initial capacity.

As we move towards realising this venture, we are cognisant of the risks that may affect its success, including our lack of experience in the gloves business, competition from existing and new players, availability and cost of raw materials, socio-political and economic instability, changes in the legal and environmental framework within which this industry operates, and changes in global demand of gloves which is affected by the severity of the COVID-19 pandemic and the success of mass vaccination programmes.

The glove manufacturing labour force is another key concern for the business, as the industry is traditionally reliant on foreign labour which is now scarce due to the recent freeze and restrictions on foreign workers intake. We are also mindful of the potential risk of outbreaks among the workforce which would affect the health of our glove employees and force a shutdown of operations.

Automated glove stripping line


Mah Sing's automated, high speed production lines

MANAGEMENT DISCUSSION AND ANALYSIS
(CONT'D)

WORKFORCE RISK MITIGATION MEASURES

- We seek to employ as many locals as possible to fill the factory floor positions, as well as look into hiring more skilled workers such as engineers and chemists to perform higher-value tasks.
- We have invested in automation to reduce reliance on workers and improve productivity, opting for new high-speed production lines capable of producing up to 38,000 pieces of gloves per hour per line.
- As we are starting new, we have more flexibility to ensure whatever we do pertaining to labour and workers comply with the guidelines by local Human Resources Ministry and also the recommended best practices by International Labour Organisation.

We will also focus on enhancing the workers' welfare in the factory and have provided them with facilities such as male and female prayer rooms, air-conditioned sick bay, and a subsidised canteen which can accommodate up to 150 workers per session. We will also provide a secured locker room with 600 individual lockers for the factory workers to store their personal belongings during working hours.

Eazy to Own Campaign

In view of the promising global gloves prospect and the meticulous planning and implementation by our team, the Management is confident of our ability to navigate these risks and bring this new business to fruition.

HIGHLIGHT OF ACHIEVEMENTS

Responsive Property Campaigns

At Mah Sing, we believe the best marketing comes in the form of word-of-mouth recommendations, anchored by property products that fit the criteria that home buyers are looking for coupled with a strong delivery track record and a personalised sales journey. This is complemented with a strategy of innovative marketing campaigns that homes in on the evolving needs of the market and addresses the pain points of the homeownership journey to boost sales.

Despite the lack of physical launch events in the year of the pandemic, we are pleased to have received continuous interest in our property products with the support of key sales and marketing campaigns carried out during the year under review that has helped us to achieve our RM1.1 billion sales target.

In February 2020, we launched the 'Eazy to Own' sales campaign, offering low upfront costs and other incentives and savings to address the specific pain points of the home ownership journey. This was followed by the introduction of HouzKey in partnership with Maybank Islamic as an enhancement to the 'Eazy to Own' campaign, providing an alternative home financing solution to enable homebuyers to own their dream home with a financing plan that is easy on their wallet.

Mah Sing donated RM50,000 to the Tabung Bencana Negeri Johor

Upskilling and Reskilling Our Workforce

The global pandemic has highlighted the importance of continuous lifelong training as a key enabler to future proof a company. Today, digital transformation is top priority for most companies including Mah Sing.

As the nature of our job processes is changing with the times, Mah Sing is committed to helping our employees gain the necessary skills to perform at their best. We have invested a total of 17,442 manhours (or an average of 10 training hours per employee) in staff training, upskilling and reskilling to match employees with the right jobs and skill sets and ensure we continue to have the right people to come up with the right products to meet the demand and market trends.

It is our aim to become more efficient and more productive, producing similar or better results at a reduced cost, and ensure our organisation is moving towards a common direction.

Integrated Reporting Adoption

The Group has also committed to the adoption of Integrated Reporting ("<IR>") framework espoused by the International Integrated Reporting Council ("IIRC") as a crucial step towards better governance. This adoption process will see us implementing corporate reporting best practices progressively towards the goal of improved transparency of our operations to catalyse Integrated Thinking within the Group and facilitate our shareholders' capital allocation considerations. Rest assured that due consideration will be given to ensure that none of the information disclosed can adversely impact the Group or reduce our competitive advantage.

COVID-19 Contributions

As a compassionate and responsible corporate citizen, Mah Sing together with its strategic corporate responsibility partner, Mah Sing Foundation have stepped up to lend a helping hand to our front liners since the outbreak of the COVID-19 pandemic in March 2020, contributing support to the hospitals and front liners. This includes the provision of heavy duty ventilators, face masks, personal protection equipment and cash donation to the various quarters involved in the fight against this disease.

Prior to that, Mah Sing and Mah Sing Foundation also donated RM100,000 worth of medical supplies to medical institutions in Wuhan, China through #OpsHarapan non-profit aid organisation, in February 2020.

Details of our COVID-19 contribution are outlined on pages 64 to 65 of Mah Sing's standalone Sustainability Report.

MANAGEMENT DISCUSSION AND ANALYSIS
(CONT'D)

Representatives of Mah Sing Foundation, InspiraComm Sdn Bhd and SK Kampung Batu together with the participants of CerDik Programme during its kick-off session

MAH SING FOUNDATION'S 2020 IMPACT AT A GLANCE

DONATED MORE THAN
RM3.4 MILLION

SUPPORTED OVER
35
SCHOOLS AND NGOS

IMPACTED MORE THAT
160,000
INDIVIDUALS

Repaired and upgraded suspension bridge in Kampung Kaung Ulu, Sabah

Charitable Endeavours by Mah Sing

Aside from COVID-19 related outreach, Mah Sing continues to uplift the lives of the surrounding communities through Mah Sing Foundation, the Group's strategic corporate responsibility partner that oversees all our community and charitable initiatives that are in line with the Group's vision and mission.

Following the success of the Student Bursary Programme launched in 2019, Mah Sing Foundation collaborated with social enterprise, InspiraComm Sdn Bhd to empower B40 children through education by funding the CerDik Programme (CERita dalam mendiDik). The kick-off session was held in March 2020 at Sekolah Kebangsaan (SK) Kampung Batu. The 6-month programme benefiting 40 Year 5 students is a part of the Foundation's ongoing commitment to enhance the lives of underserved and marginalised communities through basic needs support, quality education, and life skills.

In line with the Foundation's vision of 'Reinventing Hope, Creating Lasting Change in Children's Lives', Mah Sing supported a live-streamed fundraising concert performance by renowned Malaysian singer, Zhuang Xue Zhong, in June 2020 with a donation of RM20,000 for the Sau Seng Lum International School (Special Education) building fund. Zhuang Xue Zhong performed 13 songs live from Mah Sing's M Luna sales gallery, which was cross streamed on Mah Sing and Zhuang's Facebook pages, garnering over 8,800 viewers online and raised RM70,148 for the last stage of the school building fund.

In August 2020, Mah Sing Foundation once again joined hands with non-profit organisation, Hopes Malaysia for the Sustainable Livelihood Project 2020. With a contribution of approximately RM222,000, the initiative was aimed at tackling the five main problems faced by the villagers - public safety and accessibility; education and empowerment; sustainable agriculture and environment development; food security and better livelihoods; and community socioeconomic development. The project benefited about 50 households in the rural villages of Kota Belud such as Kampung Bokilong, Kampung Podois and Kampung Kaung Ulu.

Overall, Mah Sing and Mah Sing Foundation have impacted more than 160,000 individuals through 23 programmes and initiatives in 2020.

MANAGEMENT DISCUSSION AND ANALYSIS
(CONT'D)

OUTLOOK AND PROSPECTS

According to Bank Negara Malaysia's Economic and Monetary Review 2020 Report, the global economy in 2021 is expected to continue its gradual and uneven recovery path from the second half of 2020. Prospects for global growth will continue to be shaped by developments surrounding the COVID-19 pandemic, especially the rollout of vaccines, ongoing structural shifts in the economy, and the extent of scarring in labour markets. Notwithstanding the expected global recovery, continued policy support will be vital to sustain the overall growth momentum amid elevated uncertainty. Meanwhile, on the local front, the Malaysian economy is projected to rebound to between 6.0% and 7.5% in 2021, with the growth trajectory to be mainly influenced by the COVID-19 developments, particularly the extent and duration of containment measures and the rollout of vaccines.

We believe the global demand and domestic policy support is expected to improve the country's economic activities, with the improved economic outlook propping up the property industry for an upswing in recovery. The mid to long term property outlook remains positive, supported by strong fundamental demand for properties due to the young demography.

The property friendly incentives under the PENJANA plan announced by the government previously which includes the reintroduction of HOC, uplift of 70% margin of financing limit for third housing loan onwards, and RPGT exemption, has helped to cushion the impact in 2020 and is expected to further improve the recovery of the property market in 2021. The announcement of full stamp duty exemption on the instruments of transfer and loan agreement for the purchase of first residential properties worth up to RM500,000, which starts from 1 January 2021 until 31 December 2025 in Budget 2021, will also help to boost home ownership within these 5 years especially for first time home buyers. Multiple rounds of overnight policy rate cut to a record low of 1.75% has also made it more affordable to own a home now and is beneficial for the property sector. We expect these property friendly incentives to continue promoting home ownership and upgrade of homes.

Looking ahead, we are exploring the possibility to inch closer towards the use of digital construction tools, as well as incorporating spacious common facilities, information technologies and enhanced design features into our developments in consideration for the safety and welfare of home buyers. It is important that we understand how the new norms can influence consumers' and customers' behaviour, expectation, perception and demands, particularly pertaining to health and hygiene, sense of personal space, protection in shared spaces and interactions within social circles, and service these considerations in the design of our future developments.

Innovation will also remain as one of the key focus for Mah Sing to compete and excel in this ever-changing industry. This is deeply embedded in our company culture and we will be looking at different ways to enhance our business processes, partnerships and products. We will also be exploring new construction technologies to be more efficient in terms of construction costs, and look to realise operational synergies between our divisions.

The ongoing digitalisation transformation will continue, as it has propelled our reach to our valued buyers, and is in line with what the future entails for the property industry. Moving forward, we intend to continue leveraging on the strengths of our existing digital market platforms to boost sales by streamlining our processes from awareness to bookings, and conversations to be captured on a single platform with all the various marketing pipelines integrated. This will allow us to gain greater access to data and increase visibility on performance.

The Plastics Division on the other hand, will be building on our factory upgrade efforts and continue to emphasise on research and development efforts as a growth strategy to develop products that meet fundamental market needs and to cater to the specific requirements of our customer base. Other than using virgin plastics material, our Plastics Division has also cultivated methods to process recycled plastics into quality pallets in recent years – a process that is more environmentally friendly, whilst reducing cost to customers, and will remain a key focus of the division in line with the Group's commitment to reduce, reuse and recycle for a sustainable ecosystem.

Targets for 2021 and Beyond

As a market driven developer, we always tailor our business strategies and product offerings to meet the current market demand. As affordability remains one of the key concerns for the property industry, especially in view of the wide-ranging effects of the pandemic on the economy, we will continue to focus on offering affordable landed homes in the outskirts/suburban areas and affordable high rise developments in the central business district areas, where demand remains resilient as a key strategy to lead the Property Division's growth.

Although MCO 2.0 was imposed in early 2021, Mah Sing is still cautiously optimistic that the local economy will improve moving forward as the government's ongoing National COVID-19 Immunisation Programme has instilled confidence into the public that the pandemic will be contained soon and this has given a huge boost to the local economy.

2021 SALES TARGET

91%
PROPERTIES PRICED <RM700,000

51%
PROPERTIES PRICED <RM500,000

MANAGEMENT DISCUSSION AND ANALYSIS
(CONT'D)

Mah Sing's senior management at the official launch of 'Home With Mah Sing' Campaign which kickstarted in January 2021

With sound fundamentals, responsive product range and innovative marketing strategy, Mah Sing targets to achieve property sales of RM1.6 billion in 2021, with 91% of products priced below RM700,000 and 51% below RM500,000, in line with the expected growth in the general economy and projected recovery of purchasing power.

As a first step towards this end, we have kicked off the new year with the 'Home with Mah Sing' campaign, launched in January 2021. The campaign has further removed the hurdles to homeownership during this challenging time, offering payment-free terms for up to 4 years as well as other incentives, in hopes of catalysing the nation's socioeconomic growth while driving sales for our property creations.

In February 2021, we continued the momentum by announcing our plan to develop a new 100 acres land in Bandar Baru Salak Tinggi, Sepang comprising mainly affordable landed homes that have an estimated GDV of approximately RM656 million. Based on preliminary plans, the development to be named as M Senyum is envisaged to be a landed residential project comprising mainly double story terrace houses with indicative land size of 20'X60', 20'X65' and 20'X70'. The project is indicatively priced from RM440,000, with the registration of interest and launching targeted to be in the Q4 2021. This marks Mah Sing's first land deal in 2021.

Other than M Senyum, Mah Sing also has a list of planned new launches for 2021, which include Tower E of M Vertica, Cheras, remaining phases of M Arisa, Sentul, Phase 2 of Cerrado Suites and Tower B Sensory Residences at Southville City, Bangi, Phase 3 of M Aruna and M Panora in Rawang, service apartments in Southbay City, Penang and double-storey link homes in Meridin East, Johor Bahru.

We will continue building on the strengths of our quick turnaround business model and focus on our strategic priorities of increasing launches of our affordably priced properties, exploring new construction technologies, and landbank replenishment especially in the Greater KL and Klang Valley area to ensure continuous growth.

For our glove manufacturing business, we believe that the demand for gloves is expected to remain resilient post-pandemic, as a result of more stringent regulations and higher awareness on the importance of hygienic practices, especially in emerging markets where the glove consumption per capita is still low.

Artist's impression of Grand Entrance Statement for M Aruna

Mah Sing's first glove manufacturing factory in Kapar, Klang

The Group is optimistic on the potential long-term growth of the glove industry and we seek to fill up the current demand and supply gap through our production capabilities in both nitrile and latex gloves. Besides original brand manufacturer (OBM) gloves under our MS Glove brand, Mah Sing will also be producing original equipment manufacturer (OEM) gloves. The Group will explore the possibility of manufacturing non-medical, industrial specialty and other gloves in the mid to long term.

Mah Sing will also be looking at continually improving its products through investment in Research and Development ("R&D") as developing new and innovative products is important in sustaining business growth. The Group remains committed to R&D to enhance its competitive strength in product and material development, sustainable technologies, engineering and automation.

Having started our new venture into gloves, we target to expand further under Phase 2 should the glove demand continue to outstrip supply for Phase 1 of our glove manufacturing business. Looking ahead, the Group aims to be one of the top 5 glove producers in Malaysia in the future. Eventually, we will be exploring listing of our manufacturing/healthcare division separately to better unlock value for Mah Sing shareholders.

Technology plays an important role in the efficiency of the glove manufacturing

We are mindful of the risks inherent in our operations and will keep an eye on the known and anticipated factors, while leveraging our strong cash and bank balances, and investment in short-term funds of approximately RM1.16 billion as of 31 December 2020. This is in addition to the remaining landbank of 2,076 acres and remaining GDV and unbilled sales totalling of approximately RM24.64 billion including the new land, M Senyum in Bandar Baru Salak Tinggi, Sepang to capitalise on opportunities beyond the horizon. We will also leverage our healthy balance sheet to continue our landbanking efforts, shoring up our collection of lands in strategic locations that has remained one of our key competitive advantages.

Backed by a disciplined management team, a motivated workforce and strong business fundamentals, the Management of Mah Sing is cautiously optimistic of our ability to turn in another commendable performance in 2021.

Please see:
Strategic Priorities and Future Orientation on pages 38 to 41 of this report for more information on the Group's plans going forward.

Risk & Mitigation Strategies on pages 34 to 37 for a detailed discussion on the identified risks and the Group's mitigation measures.

APPRECIATION AND ACKNOWLEDGEMENTS

On behalf of the Board and Management, we wish to record our heartiest thanks to our shareholders, business associates, employees, home buyers, the government and local authorities, for spurring us on through these challenging times. With your continued support, we remain steadfast in our commitment to continue inventing sustainable future living that enhances the quality of life.

KEY DEVELOPMENTS

2020 was indeed an unprecedented year for most businesses and the property market as we embraced and adapted to the new norm. While the market was relatively slow during and after the Movement Control Order ("MCO"), Mah Sing remained steadfast to launch several affordably priced developments last year which saw promising results, especially in the second half of the year when the market was building up the momentum towards recovery.

In June 2020, Mah Sing bucked the trend by launching M Luna in Kepong while M Adora in Wangsa Melawati was launched a month after that, with increased digitisation efforts to interact and reach out to the home buyers. M Luna's Tower A registered over 80% take-up, while M Adora also received an overwhelming response of 90% take-up rate for its Tower A. The launches of these two projects also concluded the official unveiling of all three new lands that Mah Sing acquired in 2019, following M Oscar which was launched at the end of 2019.

Apart from the project launches of the two new lands in 2020, Mah Sing also recorded positive responses from its other landed and high-rise residential developments. In January 2020, the Group launched its second project in Sentul – M Arisa, driven by the success of M Centura, its maiden project in the same area. M Arisa garnered positive response with 98% take-up rate for its Phase 1 & 2 despite the absence of official launch event and closure of sales gallery during MCO.

With gradual improvements in terms of sentiments and confidence in the property market, Mah Sing's new landed residential projects that were launched in Q4 2020 – Phase 2 of Acacia in the Meridin East township in Johor achieved over 80% take-up over the launch weekend during early December. Similarly, Phase 2A Carya @ M Aruna in Rawang also successfully recorded a 90% take-up during its launch in mid-December 2020.

Despite the disruption from MCO and the challenging operating conditions, Mah Sing successfully carried out Vacant Possession ("VP") for a few projects throughout 2020, including Covil@Meridin Bayvue in Q1, Southville City's Cerrado Suite (Phase 1) in Q2, as well as Lakeville Residence's Tower D in Q2, and Lakeville Residence's Tower C & G in Q3.

Ferringhi Residence, Penang

KEY DEVELOPMENTS
(CONT'D)

CENTRAL REGION

M OSCAR

LOCATION:
Off Kuchai Lama,
Kuala Lumpur

M Oscar is a freehold serviced apartment situated at the crossroads of Old Klang Road and Sri Petaling with 2 main blocks separated by a Podium/Facilities Deck. The North side faces KL City whilst the South side faces Sri Petaling. It composes of 4 unit types; 2 bedrooms, 3 bedrooms, 4 bedrooms and Dual-key ranging from 708sq ft to 1,198sq ft.

With plenty of facilities and open spaces, M Oscar allows its residents to de-stress by making time for oneself and others, hence encouraging stronger bonds within the community. M Oscar is suitable for home buyers who are looking for an easy commute to PJ/KL for work and young families who are looking to upgrade their homes for enhanced security and lifestyle.

M Oscar was launched in Q4 2019 and is targeted to VP in Q4 2023.

Awards won in 2020:
- PropertyGuru Asia Property Awards (Malaysia) 2020 – Best Mass Market Condo/Apartment Development (Central) Award for M Oscar, Off Kuchai Lama
- StarProperty Awards 2020 - The Skyline Award (Excellence) for M Oscar, Off Kuchai Lama

EST. GDV:	SIZE:	STATUS:	DEVELOPMENT:
RM505 million	4.6 acres	Ongoing	High-rise residential

M ARISA

LOCATION:
Sentul,
Kuala Lumpur

M Arisa is a freehold residence strategically located in Sentul, Kuala Lumpur within the vicinity of matured surrounding neighbourhoods such as Batu Caves, Gombak, Kepong, Segambut, and Setapak. It is 5km from the city centre. All units are North-South facing, where the South is facing KL city whilst the North is facing the amazing facilities view. It encompasses 5 unit types; ranging from 1-4 bedrooms with built-ups from 550sq ft to 1,025sq ft.

M Arisa is designed to provide residents a contemporary and quality lifestyle with complete facilities for an optimised living experience. It will include Sentul's very first 2 acres themed Urban Forest multi-level sky garden, providing an improved and quality environment and making living and working in the city centre a pleasant and enjoyable experience. Aimed at enhancing the lives of the community living within, M Arisa will be well equipped with various green features, i.e. centralised garbage disposal system, rainwater harvesting system, EV charging station and multi-level gardens as well as other lifestyle features such as a 50m length pool, co-working spaces & games room, and a floating gym.

M Arisa's sales gallery was officially opened in Q4 2019, and the project was launched in Q1 2020 and targeted to VP by Q3 2024.

EST. GDV:	SIZE:	STATUS:	DEVELOPMENT:
RM653 million	3.3 acres	Ongoing	High-rise residential

KEY DEVELOPMENTS
(CONT'D)

CENTRAL REGION

LOCATION:
Kepong,
Kuala Lumpur

M Luna is located strategically close to the Forest Research Institute Malaysia (FRIM) and adjacent to the 253 acres Kepong Metropolitan Park. M Luna enables home owners to experience the amazing Bukit Lagong Forest Reserve view. Being next to the MRR2, Jalan Kuching Interchange, DUKE and North-South Expressway, residents have excellent connectivity to the rest of the city. This project is Mah Sing's second residential development in Kepong.

M Luna consists of 2 blocks of serviced apartments with 57 storeys each block, offering a variety of unit sizes, i.e. 700sq ft, 850sq ft and 1,000sq ft – ranging from 2 to 4 bedrooms. All units of M Luna are North-South oriented and designed with low volatile organic compound paint. The project is also equipped with express car park ramps for buyers' convenience.

With over 35 facilities for all in the family, one can definitely find a spot to spend quality time with their loved ones. The opening of M Luna sales gallery was in December 2019, followed by the official launch in June 2020.

EST. GDV:	SIZE:	STATUS:	DEVELOPMENT:
RM705 million	5.47 acres	Ongoing	High-rise residential

LOCATION:
Wangsa Melawati,
Kuala Lumpur

M Adora is strategically connected to the city with serene, cascading mountain ranges as its backdrop. It is a contemporary urban sanctuary where serenity, both in body and mind, comes naturally because all the little things are taken care of, which makes day-to-day living inspired, safe, convenient and enjoyable.

M Adora offers a variety of unit sizes – 850sq ft (3 bedrooms), 1,000sq ft (3+1 bedrooms) and 1,200sq ft (4 bedrooms/Dual Key). With excellent connectivity to a few main accesses (MRR2, DUKE, EKVE, AKLEH) and free shuttle service to Sri Rampai LRT station, residents can reach the city centre in less than 15 minutes. The project is well equipped with 35 exclusive facilities, making the living experience more memorable and enjoyable.

M Adora was launched in July 2020 and is targeted to VP in Q2 2024.

EST. GDV:	SIZE:	STATUS:	DEVELOPMENT:
RM378 million	4.5 acres	Ongoing	High-rise residential

KEY DEVELOPMENTS
(CONT'D)

CENTRAL REGION

CENTURA
SENTUL, KL CITY

LOCATION:
Sentul,
Kuala Lumpur

M Centura is a freehold high-rise residential development that offers convenience of being in the heart of the city, providing its dwellers with a modern urban living experience.

M Centura offers 3 types of layout which are Type A (646sq ft), Type B (850sq ft) and Type C (1,001sq ft). Type A and C units are fully taken, whilst a limited number of selected Type B units which are partially furnished are still available for sale.

Being located in a prime location, accessibility to M Centura is a given. The development is situated nearby the Sentul Timur LRT Station, Sentul LRT Station and 3 KTM stations which are Sentul, Kampung Batu and Batu Kentonmen. Furthermore, direct shuttle services to the LRT and MRT stations are also available.

M Centura was launched in Q4 2017, with an overall take-up rate of 98%. As of Q2 2020, the project's construction is at 83%. M Centura is targeted for VP in Q4 2021.

EST. GDV: RM570 million | SIZE: 4.66 acres | STATUS: Ongoing | DEVELOPMENT: High-rise residential

VERTICA
KL CITY

LOCATION:
Jalan Cheras,
Kuala Lumpur

Strategically situated in the matured neighbourhood of Cheras, **M Vertica** comprises five towers: A, B, C, D and E. The transit-adjacent development (TAD) sits approximately 500m and within walking distance from the Maluri MRT/LRT interchange and 800m to the Taman Permata MRT Station. M Vertica is a mixed development with built-ups of 850sq ft (3 bedrooms) and 1,000sq ft (4 bedrooms) for its residential component.

In Q1 2018, M Vertica launched Phase 1 of the development, Towers A and B. M Vertica's Tower A had its topping up ceremony in Q1 2021. This project has achieved 92% take-up for the first three towers. Limited choices of units in Tower D are available for selection, and the upcoming launch of Tower E is expected to be happening in the first half of 2021.

Construction progress of M Vertica's Phase 1 which comprise of Towers A and B is currently at around 65%, while the construction progress of Phase 2 which consist of Tower C, D and E has reached approximately 45%. M Vertica's Phase 1 is expected to deliver VP in Q1 2023.

Awards won in 2020:
- StarProperty Awards 2020 – The Family-Friendly Award (High-Rise) (Honours) for M Vertica, Cheras

EST. GDV: RM2.0 billion | SIZE: 11.25 acres | STATUS: Ongoing | DEVELOPMENT: High-rise residential and retail shops

KEY DEVELOPMENTS
(CONT'D)

CENTRAL REGION

Southville City

LOCATION:
Bangi,
Selangor

Built and designed as a township in order to create a sustainable and safe environment for multi-generational living, **Southville City** can also add accessibility to its list of attributes as the direct interchange from North-South highway was completed in Q1 2018, situating the development a mere 19km away from Kuala Lumpur.

Southville City also comes with a 9.62 acres Summit Park, which was officially open to public in July 2020. This is the first public park playground in Malaysia which is in compliance with the International Playground Safety Standard certified by the Playground Safety Association of Malaysia (PSAM).

The Cerrado Suite (Phase 1) has delivered VP in June 2020. Cerrado Residence (Phase 2) is now open for registration of interest.

EST. GDV:	SIZE:	STATUS:	DEVELOPMENT:
RM11.1 billion	428 acres	Ongoing	High-rise residential, landed residential, retail shops & more

M ARUNA RAWANG

LOCATION:
Rawang,
Selangor

M Aruna represents the Group's third township in Rawang after M Residence and M Residence 2. Phase 1 comprises two types of 2-storey linked homes - Aster and Basil, which are fully sold out. Phase 2 of the township was launched in Q4 2020 and Phase 3 is targeted to launch in Q2 2021.

The township is being developed based on the concept of 'Secret Garden'. M Aruna will provide a green sanctuary to encourage sustainability and an ideal layout to promote energy savings within the township. Outdoor living is further enhanced in M Aruna with the range of facilities offered including a 2 acres central park with a tree house themed playground, relaxing hammocks, jogging track, bicycle challenge park and a half basketball court. It is the perfect place to leisurely unwind for families.

The township benefits from the added access to the LATAR Expressway, as well as the extension from Jalan Tasik Puteri, which has started operating. This has shortened the travelling time to KL. M Aruna's Phase 1 - Aster and Basil is also Mah Sing's first development to adopt IBS with Aster achieving a score of 85.

EST. GDV:	SIZE:	STATUS:	DEVELOPMENT:
RM520 million	96.7 acres	Ongoing	Landed residential & retail shops

KEY DEVELOPMENTS
(CONT'D)

CENTRAL REGION

Lakeville Residence

LOCATION:
Jalan Kuching,
Kuala Lumpur

Situated nearby the Sungai Buloh-Serdang-Putrajaya (SSP) MRT Line 2 via the Sri Delima MRT Station, **Lakeville Residence** offers dwellers an opportunity to stay in the city with a peaceful ambience. It comprises Towers A, B, C, D, E, F and G.

This development is a quaint residential enclave with captivating views of the KL city skyline. It is located only 8km to KLCC with a straight toll-free drive.

Lakeville Residence has one of the largest residential podiums with 38 dedicated facilities.

Lakeville Residence was fully VP-ed by 2020.

EST. GDV:	SIZE:	STATUS:	DEVELOPMENT:
RM1.5 billion	12.38 acres	Completed	High-rise residential and retail shops

Icon City

LOCATION:
Petaling Jaya,
Selangor

Icon City is a mixed integrated development strategically located at the intersection of the Lebuhraya Damansara-Puchong (LDP) and the Federal Highway. It also has direct access from the Federal Highway via an elevated ramp.

Icon City obtained MSC Cybercentre status for its entire development and is certified with 3 green standards which are the Green Building Index (GBI), Green Mark and LEED. All towers have received Certificate of Completion and Compliance ("CCC").

EST. GDV:	SIZE:	STATUS:	DEVELOPMENT:
RM1.2 billion	10 acres	Completed	High-rise residential, SoVo tower, MSC building and shops

KEY DEVELOPMENTS
(CONT'D)

CENTRAL REGION

LOCATION:
Shah Alam, Selangor

The **Star Avenue Commercial Centre** is strategically located fronting the thoroughfare of Jalan Sungai Buloh, neighbourhood to Sultan Abdul Aziz Shah Airport (Skypark) Subang, Kota Damansara, Shah Alam and Sungai Buloh districts.

The two phases of development are:
- Phase 1: 4 blocks of 62 units of 3-storey shop offices
- Phase 2: 4 blocks of 30 units of 3-storey shop offices, 4 levels open mall with 89 retail units and an air-conditioned mall with a total of 116 retail units, spread from Level 1 – Level 4, a Basement and a Podium (Level 2) of carpark facilities.

The Star Avenue Lifestyle Mall (SALM) has a gross built-up area of 297,323sq ft. and net lettable area of 182,271sq ft.

As at Q4 2020, SALM has an occupancy rate of 55% with key tenants such as Magica Events & Wedding Hall, Brands Outlet, Mr. DIY, Original Classic, Subway, Singlock and NSK Trade City (recently opened in 18 December 2020). Other complimenting tenants include Texas Chicken Restaurant, Secret Recipe, Sushi King Restaurant, Guardian Pharmacy, Maxis and Enrich Gym.

The mall regularly organises festive and thematic events as well as promotions to further enhance awareness of the mall.

EST. GDV:	SIZE:	STATUS:	DEVELOPMENT:
RM465 million	18 acres	Completed	Commercial centre consists of shop offices, retail mall and carpark facility

NORTHERN REGION

LOCATION:
Batu Ferringhi, Penang

Ferringhi Residence 2 is strategically situated near international beach hotels, 5-star resort condos and The International School of Penang (Uplands) in the surrounding vicinity.

The site is accessible through the newly built Persiaran Sungai Emas 1. It branches off from Jalan Batu Ferringhi in front of Starbucks at Batu Ferringhi where residents can conveniently walk from their homes to visit the tourist sidewalks along Jalan Batu Ferringhi.

Ferringhi Residence 2 comprises a 32-storey high-rise residence, a 10-storey mid-rise residence and a 4-storey low-rise residence, with a total of 632 residential units all linked together via a podium car park. Each block has its own exclusive entrance lobby with a distinctive design. Ferringhi Residence 2 features a total of 5 types of built-ups ranging from the smallest, 1,208sq ft to the biggest, 2,900sq ft. Tower B was first launched in Q3 2016.

Currently, construction of Phase 1 (Block B and car park podium) has completed and obtained CCC in Q4 2020.

EST. GDV:	SIZE:	STATUS:	DEVELOPMENT:
RM614 million	9.95 acres	Ongoing	Resort condominium

KEY DEVELOPMENTS
(CONT'D)

NORTHERN REGION

LOCATION:
Batu Maung, Penang

Southbay City is located along the scenic Jalan Permatang Damar Laut in Bayan Lepas and is only 1km away from the Penang's 2nd bridge. The renovated sales gallery provides spacious and enhanced accessibility for Mah Sing's customers.

It serves home buyers interested in Mah Sing's Northern projects, namely The Loft, M Vista, Ferringhi Residence and Legenda. The uplift of the sales gallery also extended to its surrounding area, which now provides a secure car park exclusively for customers and eases the drive into the sales gallery from Jalan Muzium Perang.

The Loft@Southbay City was honoured with a high QLASSIC Achievement Award in the High-Rise Residential Development Category with an impressive score of 83%.

EST. GDV:	SIZE:	STATUS:	DEVELOPMENT:
RM2.59 billion	32.298 acres	Ongoing	High-rise serviced apartment, office suites, hotel, shopping mall and retail shops

LOCATION:
Batu Maung, Penang

M Vista consists of one 23-storey tower with a total of 237 residential units. It features 5 types of build-ups, ranging from a 536sq ft studio unit to a 1,201sq ft unit with 3+1 bedrooms. M Vista also has green units with their own garden at the podium floor. The size of these units ranges from 933sq ft to 1,430sq ft (3+1 bedrooms).

Strategically located only 1km from Penang's 2nd bridge, 9km from Penang's 1st bridge and nearby Tun Dr Lim Chong Eu Expressway, residents can easily access the mainland and Georgetown area. Families will find it convenient to have shopping malls, hotels, banks, schools and entertainment centres located within 10km of M Vista and the Penang airport only 7km away.

The overall progress of the tower and podium are at 59% as at December 2020.

EST. GDV:	SIZE:	STATUS:	DEVELOPMENT:
RM133 million	2.02 acres	Ongoing	High-rise serviced apartment

KEY DEVELOPMENTS
(CONT'D)

SOUTHERN REGION

MERIDIN EAST

LOCATION:
Pasir Gudang, Iskandar Malaysia

Spanning 1,313 acres with over 500 acres of lush greenery and bonny lakes, **Meridin East** represents Mah Sing's largest masterplan development in Eastern Iskandar Malaysia. Easily accessible via major highways like Pasir Gudang Highway, Senai-Desaru Highway and JB East Coast Highway, Meridin East is located in the heart of Pasir Gudang, which has been upgraded to city status in November 2020 with a population size of over 530,000.

In 2020, 2 phases of residential properties with a total of 187 units were launched – Acacia Phase 1 with 93 units was launched in February 2020, while Acacia Phase 2 with 94 units was launched in December 2020.

Road infrastructure is an essential component in every township. To improve the accessibility of Meridin East, Jalan Kong Kong, the main road which connects Meridin East to the Senai-Desaru Highway, has been upgraded to a dual-carriageway with 4 lanes.

Apart from the new launches and upgrades, The Hazel double-storey link homes have obtained CCC with VP in Q4 2020. To date, Mah Sing has offered more than 1,500 residential units within the Meridin East township, and has completed and handed over houses to over 900 happy and satisfied families.

Awards Won in 2020:
- StarProperty Awards 2020 - The Starter Home Award (Honours) for Orchid@Meridin East, Johor

EST. GDV: RM5 billion | SIZE: 1,313 acres | STATUS: Ongoing | DEVELOPMENT: Landed residential, high-rise residential, shop offices and light industries

MERIDIN@MEDINI
Iskandar Puteri, Iskandar Malaysia

LOCATION:
Iskandar Puteri, Iskandar Malaysia

Meridin@Medini is located in Iskandar Puteri, which is part of the Iskandar Malaysia Flagship Zone B. Iskandar Malaysia is a Special Economic Corridor (SEC), and Zone B allows foreigners to purchase property without the RM 1 million cap. Meridin@Medini is surrounded by education and tourism hotspots such as Educity, Legoland, Puteri Harbour and Iskandar Malaysia Studios. A state-of-the-art hospital, Gleneagles Hospital Medini, is only a stone's throw away. Besides that, Singapore is only 13km away and is easily accessible through the Second Link Expressway.

In Q1 2021, Japanese Conglomerate Sankyu Group announced its plan to invest RM100 million to set up its first human resources training centre outside of Japan in Medini Central Business District, which is located only 5 minutes away from Meridin@Medini.

Meridin@Medini consists of high-rise residential, executive suites, hotel suites and retail shops. Surrounded by a lake and hill, Meridin@Medini offers an opportunity for nature living in the heart of the city of Iskandar Puteri.

To cater to the demand of residents and the surrounding community, several new businesses such as Kapitan Grocer, pre-school, laundry and restaurants have been set up in Meridin@Medini. Located in a special economic zone, Meridin@Medini is a development well sought after by foreigners, hence Mah Sing continues to expand its overseas awareness to other countries.

EST. GDV: RM1.42 billion | SIZE: 8.2 acres | STATUS: Completed | DEVELOPMENT: High-rise residential, executive suites, hotel suites and retail shops

KEY DEVELOPMENTS
(CONT'D)

SOUTHERN REGION

i-Parc
Tanjung Pelepas, Iskandar Malaysia

LOCATION:
Tanjung Pelepas, Iskandar Malaysia

i-Parc is situated in the heart of the Golden Triangle of Import & Export. Located only 1km away from Port of Tanjung Pelepas, i-Parc benefits business owners with its great convenience by reducing supply chain lead time and costs. Situated only 5km away from Tuas Checkpoint via Second Link Expressway, i-Parc is perfect for businesses which target the Singaporean Market. The new Pontian-JB bridge located only 3km from i-Parc allows business owners to explore the tertiary market of Johor. Due to complete in mid-2021, this bridge reduces travel time between Pontian and JB city by 25 minutes.

Despite the tough economic condition caused by the COVID-19 Pandemic, i-Parc was still well received by the public as most of the business owners who purchased i-Parc in 2020 are planning to set up their businesses there.

i-Parc multi-functional industrial hub caters to the diversified needs of businesses with its 6-in-1 concept, combining factory, warehouse, office and showroom in one place. This makes i-Parc the perfect choice for business owners who are looking for cost savings through space consolidation. A 24-hour cloud controlled security system is also in place to ensure the safety of business owners and their assets. An upcoming workers' hostel and petrol station make i-Parc one of the most complete industrial parks in the region.

Completed and handed over to purchasers, businesses from multiple industries such as e-commerce, manufacturing and logistics have already moved in and begun operations in i-Parc. Join them now and be a part of our i-GROW Business Community.

EST. GDV:	SIZE:	STATUS:	DEVELOPMENT:
RM883 million	210 acres	Completed	Industrial factories, 3-storey shop offices, commercial land, industrial land, hostel land, and petrol land

MERIDIN BAYVUE
@ Sierra Perdana, Iskandar Malaysia

LOCATION:
Sierra Perdana, Iskandar Malaysia

Meridin Bayvue sea-view serviced apartments fronting JB East Coast Highway connecting Pasir Gudang to Johor Bahru City Centre, is the epitome of urban living by the sea. The direct access road to JB East Coast Highway was completed in January 2019, providing excellent connectivity to all directions of Johor Bahru and also direct access to Singapore via Woodlands CIQ.

Caspian@Meridin Bayvue was completed with CCC in 2017, while Covil@Meridin Bayvue was completed with CCC in February 2020 and VP has been carried out progressively to hand over 588 units to purchasers.

Bayvue Avenue is a well-planned retail zone suitable for a variety of businesses. Currently the businesses found at Bayvue Avenue are convenience stores, salon, laundry, restaurants and etc., which provide convenience to the residents.

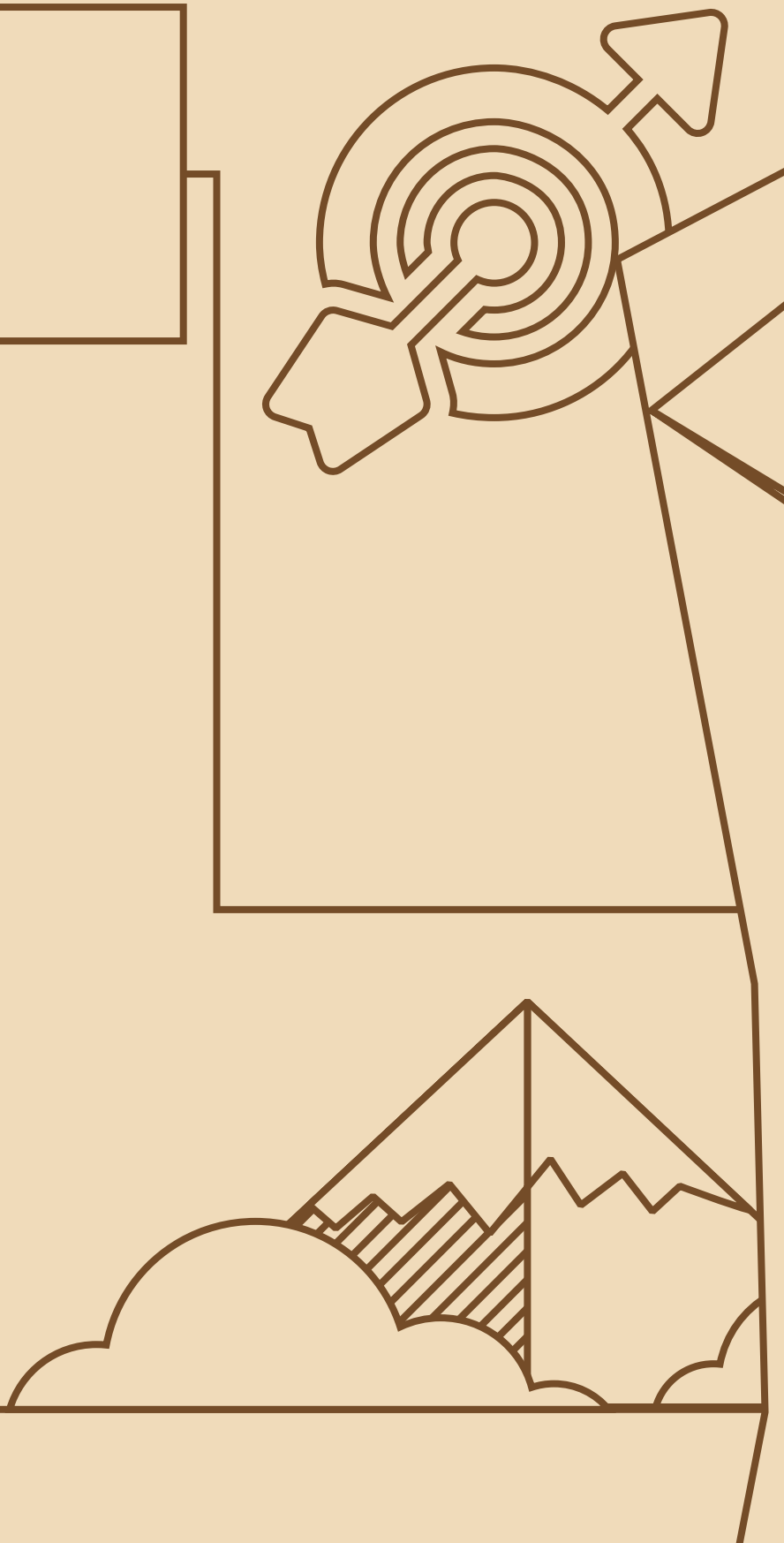
EST. GDV:	SIZE:	STATUS:	DEVELOPMENT:
RM630 million	10 acres	Completed	High-rise residential and retail shops

OUR LEADERSHIP

At the helm of Mah Sing is its dynamic, visionary and proven leadership team, who continue to steward the Group towards onward progress and success. Since its inception, Mah Sing's leadership bench has been at the forefront of the Group's business development, expansion and achievements.

The leadership team continues to see a diverse blend of new ideas with proven industry experience, of wisdom and youth and continues to advocate equal opportunities for both men and women. A comprehensive succession plan is in place to enable the development of talents becoming ready for the mantle of leadership.

As at end of FY2020, approximately 43% of Mah Sing's board of directors are women while approximately 48% of the management team in the property division are women. This is in line with the national agenda for corporations to increase the involvement of women at decision making levels.



BOARD COMPOSITION

BOARD COMPOSITION

Executive Directors

4
(57%)

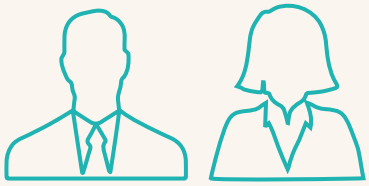
Independent Non-Executive Directors

3
(43%)

NATIONALITY

Malaysian
100%

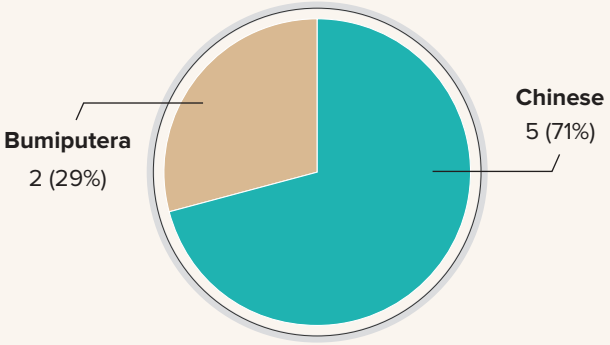
BOARD GENDER DIVERSITY



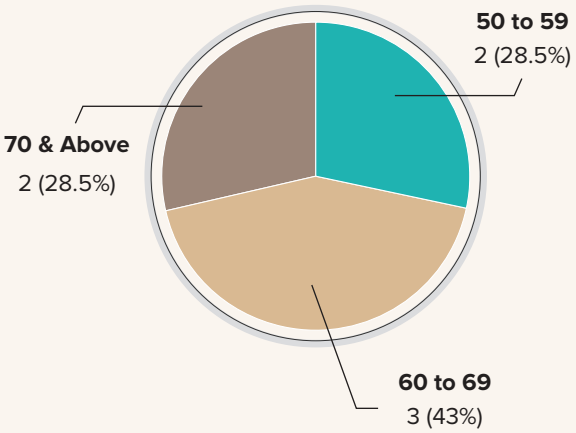
Male
4 (57%)

Female
3 (43%)

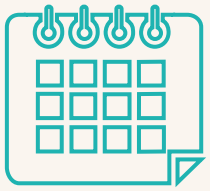
BOARD ETHNIC DIVERSITY



BOARD AGE DIVERSITY



TENURE OF INDEPENDENT NON-EXECUTIVE DIRECTORS



Below 5 years
100%

PROFILE OF THE BOARD OF DIRECTORS

TAN SRI DATO' SERI SITI NORMA BINTI YAAKOB

Chairperson/Senior Independent Non-Executive Director

Age:
80

Gender:
Female

Nationality:
Malaysian

Date of Appointment:
16 April 2018

- Chairperson of the Nomination Committee
- Chairperson of the Remuneration Committee
- Member of the Audit Committee
- Attended 3/4 Board Meetings convened during the financial year

ACADEMIC / PROFESSIONAL QUALIFICATION (S)

Tan Sri Dato' Seri Siti Norma Binti Yaakob was first called to the English Bar in 1962 and she holds a Barrister-at-Law degree from the Honourable Society of Gray's Inn, London. Her career achievements over a period of 43 years marked many firsts for women in the Judicial and Legal Service of Malaysia. She rose to become the first woman to be appointed to an executive position in the Judicial and Legal Service in 1963 and was elevated to the High Court Bench in 1983. In 1994 she was appointed as a Court of Appeal Judge and as a Federal Court Judge in 2001. Sworn in as Chief Judge of Malaya on 8 February 2005, Tan Sri Dato' Seri Siti Norma subsequently retired in January 2007.

In January, 2008, the Ruler of Dubai appointed Tan Sri Dato' Seri Siti Norma as one of six pioneer judges to the Dubai International Financial Centre (DIFC) Courts thereby becoming the first female judge to join the DIFC Courts. She served in the DIFC Courts until November 2013.

In addition to her distinguished career on the Bench, both at home and abroad, Tan Sri Dato' Seri Siti Norma's other accolades include:

(1) the Women Development Institute Fellowship in 1988;
(2) an Eisenhower Exchange Fellowship in 1990;
(3) the BrandLaureate Most Eminent Brand Icon Leadership Award in 2011;
(4) the Johan Setia Mahkota (JSM) Award in 1978;
(5) the Dato' Setia Negeri Sembilan (DSNS) Award in 1987;
(6) the Panglima Mahkota Negara (PMN) Award in 2005;
(7) her election as an Honorary Bencher of Gray's Inn London on 8 March 2007;
(8) the Darjah Setia Paduka Tuanku Jaafar Yang Amat Terpuji Award in 2007;
(9) appointed Pro-Chancellor, University Malaya since 2007; and
(10) the conferment as Emeritus Fellow by the Malaysia Institute of Management on 27 March 2014.

Tan Sri Dato' Seri Siti Norma has also served on the following Boards:

(1) KAF Investment Bank Berhad as a Director from July 2007 to November 2012;
(2) CIMB Foundation as Chairman from 15 November 2007 until 7 March 2015;
(3) RAM Ratings (Lanka) Limited as Chairman from 24 March 2008 until 2013;
(4) Tenaga Nasional Berhad as a Director from 12 September 2008 until 18 December 2017;
(5) Tun Suffian Foundation Incorporated as a Trustee from November 2008 until June 2014;
(6) the Financial Mediation Bureau as Chairman from 30 April 2009 until 31 December 2015;
(7) the Malaysia Competition Commission as its Chairman from 1 April 2011 until 31 March 2017; and
(8) Bank Negara Malaysia as a Director from 1 March 2015 until 30 November 2019.

There is no family relationship between her and any director and/or major shareholder of the Company.

PROFILE OF THE BOARD OF DIRECTORS
(CONT'D)

TAN SRI DATO' SRI LEONG HOY KUM
Group Managing Director/Group Chief Executive

Age:
63

Gender:
Male

Nationality:
Malaysian

Date of Appointment:
3 December 1991

- Member of the Remuneration Committee
- Attended 4/4 Board Meetings convened during the financial year

ACADEMIC / PROFESSIONAL QUALIFICATION (S)

Tan Sri Dato' Sri Leong Hoy Kum founded the plastics manufacturing division in 1979 and listed Mah Sing Group Berhad on the Kuala Lumpur Stock Exchange in 1992. He also led Mah Sing's venture into property development in 1994.

His vast experience spanning over 40 years as well as his entrepreneurial spirit culminated in the Group expanding rapidly with projects in Malaysia main growth corridors, namely Greater Kuala Lumpur, Klang Valley, Johor, Penang and Sabah. In 2020, Tan Sri Leong also led Mah Sing to diversify into the healthcare industry via glove manufacturing.

In recognition of his achievements, he was conferred the Darjah Paduka Mahkota Selangor (D.P.M.S.) which carries the title of "Dato" and the Jaksa Pengaman (J.P.) awards by his Highness, Sultan of Selangor in 1996 and 2001 respectively. Tan Sri Dato' Sri Leong was conferred the Darjah Kebesaran Sultan Ahmad Shah Pahang Yang Amat DiMulia - Peringkat Pertama Sri Sultan Ahmad Shah Pahang (S.S.A.P.) which carries the title "Dato Sri" on the Sultan Pahang's 77th birthday on 3 November 2007 and the Darjah Panglima Setia Mahkota (P.S.M.) which carries the title "Tan Sri" in 2009.

He also sits on the Board of Directors of various other private companies. He is the brother to Executive Director, Datuk Seri Leong Yuet Mei.

PROFILE OF THE BOARD OF DIRECTORS
(CONT'D)

DATUK HO HON SANG
Chief Executive Officer

Age:
60

Gender:
Male

Nationality:
Malaysian

Date of Appointment:
1 August 2016

- Attended 4/4 Board Meetings convened during the financial year

ACADEMIC / PROFESSIONAL QUALIFICATION (S)

Datuk Ho Hon Sang has 37 years of experience in the property development industry as well as relevant fields which include engineering, consultancy, road privatisation and general management.

He holds a Bachelor of Engineering (Honours) degree from the University of Malaya and is a Member of the Institution of Engineers, Malaysia and the Board of Engineers of Malaysia. Datuk Ho is also the Chairman of Real Estate & Housing Developer's Association (REHDA) Selangor, Vice President of REHDA Malaysia and a National Council Member of FIABCI Malaysia.

Datuk Ho began his professional career as an engineer involved with the development of the North-South Expressway. He was also the Managing Director of the Property Development Division of Sunway Berhad.

Over the course of his career, Datuk Ho was involved in property development and property investment projects ranging from masterplanned townships and integrated developments with retail, commercial, educational, medical, hospitality and leisure components.

Prior to joining Mah Sing Group Berhad, Datuk Ho served as the Chief Executive Officer of Sunsuria Berhad for 3 years.

In recognition of his achievements, Datuk Ho was conferred the Darjah Kebesaran Panglima Mahkota Wilayah (PMW) which carries the title "Datuk" on 1 February 2017.

There is no family relationship between him and any director and/or major shareholder of the Company.

PROFILE OF THE BOARD OF DIRECTORS
(CONT'D)

DATO' STEVEN NG POH SENG
Executive Director

Age:
55

Gender:
Male

Nationality:
Malaysian

Date of Appointment:
27 June 2005

- Attended 4/4 Board Meetings convened during the financial year

ACADEMIC / PROFESSIONAL QUALIFICATION (S)

Dato' Steven Ng Poh Seng has more than 30 years of experience in audit, accounts, corporate finance and financial investment. He holds a Bachelor of Science degree majoring in accounting from the University of Wales (UK). He is a member of both the Institute of Chartered Accountants in England and Wales and the Malaysian Institute of Accountants. He worked in a Chartered Accountancy firm in United Kingdom and upon his return to Malaysia, he served as a Manager in Malaysian International Merchant Bankers Berhad before joining S P Setia Berhad. After 8 years of service in S P Setia Berhad, he left as Head of Corporate Affairs prior to joining the Company.

In recognition of his achievements, Dato' Steven Ng was conferred the Darjah Kebesaran Mahkota Pahang Yang Amat Mulia – Peringkat Kedua Darjah Indera Mahkota Pahang (DIMP) which carries the title "Dato" on the Sultan Pahang's 82nd birthday in 2013.

He is currently the Executive Director of the Company heading the Group Corporate and Investment division.

There is no family relationship between him and any director and/or major shareholder of the Company.

PROFILE OF THE BOARD OF DIRECTORS
(CONT'D)

DATUK SERI LEONG YUET MEI
Executive Director

Age:
66

Gender:
Female

Nationality:
Malaysian

Date of Appointment:
17 November 1997

- Attended 4/4 Board Meetings convened during the financial year

ACADEMIC / PROFESSIONAL QUALIFICATION (S)

Datuk Seri Leong Yuet Mei has more than 22 years of experience in the property industry. Datuk Seri Leong holds an ACCA Certified Diploma in Accounting and Finance. Datuk Seri Leong was a member of the Malaysian Institute of Management (MIM) and the Research Institute of Investment Analysts Malaysia (RIIAM). She was attached to RHB Securities Sdn Bhd as a Dealers Representative since 1991. Prior to that Datuk Seri Leong was with KAF Discount Berhad as a Senior Accountant.

In recognition of her achievements, Datuk Seri Leong was conferred the Darjah Kebesaran Panglima Mahkota Wilayah, which carries the title "Datuk" on 1 February 2018.

She was also conferred the Darjah Kebesaran Seri Mahkota Wilayah (S.M.W.), which carries the title "Datuk Seri" by Duli Yang Maha Mulia Seri Paduka Baginda Yang di-Pertuan Agong on 1 February 2021.

Datuk Seri Leong is the elder sister to Group Managing Director/ Group Chief Executive, Tan Sri Dato' Sri Leong Hoy Kum (a major shareholder of the Company).

PROFILE OF THE BOARD OF DIRECTORS
(CONT'D)

ENCIK ABD MALIK BIN A RAHMAN
Independent Non-Executive Director

Age:
72

Gender:
Male

Nationality:
Malaysian

Date of Appointment:
16 April 2018

- Chairman of the Audit Committee
- Member of the Nomination Committee
- Member of the Remuneration Committee
- Attended 4/4 Board Meetings convened during the financial year

ACADEMIC / PROFESSIONAL QUALIFICATION (S)

Encik Abd Malik Bin A Rahman is a Chartered Accountant member of the Malaysian Institute of Accountants (MIA), Fellow of the Association of Chartered Certified Accountants (UK), and a member of the Malaysian Institute of Certified Public Accountants. He is also a member of the Malaysian Institute of Management and a Fellow of the Institute of Corporate Directors Malaysia.

Encik Abd Malik has 50 years of experience in finance and corporate services. He previously held various management positions from his employment with Peat Marwick Mitchell (now known as KPMG), ESSO Group of Companies, Colgate Palmolive (M) Sdn Bhd, Amway (Malaysia) Sdn Bhd, Fima Metal Box Berhad and Guinness Anchor Berhad. He later joined Kelang Multi Terminal Sdn Bhd (now known as Westports Malaysia) in 1994 and was the General Manager of Corporate Services Department before his retirement in 2003.

Apart from his directorship in the Company, he is also a director of Amway (Malaysia) Holdings Berhad, a public listed company.

There is no family relationship between him and any director and/or major shareholder of the Company.

PROFILE OF THE BOARD OF DIRECTORS
(CONT'D)

MS HO KIM POI
Independent Non-Executive Director

Age:
57

Gender:
Female

Nationality:
Malaysian

Date of Appointment:
28 March 2019

- Member of the Audit Committee
- Attended 4/4 Board Meetings convened during the financial year

ACADEMIC / PROFESSIONAL QUALIFICATION (S)

Ms Ho Kim Poi is a member of the Malaysian Institute of Accountants (MIA) and a member of CPA Australia. She holds a Bachelor of Science from University of Adelaide and Masters in Business Administration from University of Lincoln.

Ms Ho has more than 30 years of experience in finance, human resource, supply chain and change management through her involvement in local conglomerate and multinational companies.

Ms Ho began her career in KPMG as a tax senior consultant. She previously held senior management positions including regional roles from her employment with multinational corporations in pharmaceutical and multi-level marketing industries.

There is no family relationship between her and any director and/or major shareholder of the Company.

Declaration by Board of Directors
- No conflict of interest between him/her and the Company.
- Other than traffic offences, if any, no conviction for any offences within the past 5 years and no public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

PROFILE OF SENIOR MANAGEMENT TEAM

MR. YEOH CHEE BENG

Chief Operating Officer

Age:	Gender:	Nationality:	Appointed as Chief Operating Officer:
48	Male	Malaysian	1 March 2018

Mr. Yeoh Chee Beng graduated from University Sains Malaysia with a Master of Business Administration and Management. He also holds a Bachelor of Economics from University of Western Australia. He has more than 26 years of experience in the property industry spearheading effective sales and marketing strategies.

He joined the Company in 2011 and has widely contributed to the business through his forte, the Sales & Marketing department. Mr. Yeoh is currently responsible for the sales planning and strategy as well as overseeing sales activities to drive business performance and achievements.

He is also one of the profit centre managers responsible for overall planning, project implementation, sales and after sales service of projects assigned.

MR. BENJAMIN ONG CHIN YEE

Chief Operating Officer

Age:	Gender:	Nationality:	Appointed as Chief Operating Officer:
43	Male	Malaysian	1 November 2018

Mr. Benjamin Ong Chin Yee holds a Bachelor of Science (Hons), Quantity Surveying from University of Reading, United Kingdom (UK) and Masters in Business Administration from University of Strathclyde Business School, UK. He is a Member of the Royal Institute of Chartered Surveyors (RICS) and a part of the Engineering Council of International Cost Engineering Council (ICEC).

He started his professional career as a Chartered Quantity Surveyor in Davis Langdon & Seah for 8 years before venturing into the property development industry in 2008. Since then, he has been successfully developing projects and acquisitions across Greater China and Southeast Asia, covering a wide range of portfolio from commercial, industrial and residential properties.

Mr. Benjamin joined the Company in 2017 and is currently responsible for the overall operations of projects assigned across Central, Northern and Southern region. This includes project development, sales & marketing, property management and asset management. He is also involved in sourcing potential new acquisitions and leading the relationship management for the Southern region office.

Apart from the project operations, Mr. Benjamin is overseeing the leasing and marketing activities for the Company's commercial assets, and is also responsible for the international sales and marketing initiatives.

MR. KEVIN LEW SHEE CHOONG

Chief Design Officer

Age:	Gender:	Nationality:	Appointed as Chief Design Officer:
56	Male	Malaysian	7 November 2018

Mr. Kevin Lew Shee Choong graduated from Kansas State University, United States of America (USA) with a Bachelor of Architecture (Hons) in 1989. He is a Registered Architect with the USA National Council of Architectural Registration Boards and member of the American Institute of Architects. Mr. Kevin has over 30 years of experience in architecture and development industries globally across USA, Middle East and Southeast Asia.

Prior to joining Mah Sing in 2018, Mr. Kevin took on several senior leadership roles with various property development companies and possesses vast experience in international projects. He has been involved in strategising and overseeing several integrated developments locally and overseas.

Mr. Kevin is currently championing the Company's development programmes as well as strategising all aspects of design planning from business development, conception, to design innovation and engineering based on design thinking approach, aligning to the Company's vision of Inventing Sustainable Future Living that Enhances Quality of Life.

PROFILE OF SENIOR MANAGEMENT TEAM (CONT'D)

MR. TEONG SZE HOWE

Group Financial Controller

Age:	Gender:	Nationality:	Appointed as Group Financial Controller:
34	Male	Malaysian	29 December 2020

Mr. Teong Sze Howe graduated from the University of Technology, Sydney with a Bachelor of Business majoring in Accounting and Finance. He is a member of Malaysia Institute of Accountants (MIA) as well as a member of CPA Australia.

Prior to joining Mah Sing, Mr. Teong was an Audit Director and he has more than 12 years of working experience mainly with one of the big four accounting firms (including an 18 months internal secondment to the United States), specialising in the areas of property development, manufacturing, technology, retail and trading. Throughout his career, Mr. Teong was also involved in multiple Initial Public Offerings (IPO), Reverse Take Over (RTO) and fund raising exercises.

Mr. Teong joined Mah Sing in 2020 and is currently responsible for the management of financial affairs of the Group.

MR. LEE FOO KEONG

Executive Director

Age:	Gender:	Nationality:	Appointed as Executive Director:
53	Male	Malaysian	1 July 2020

Mr. Lee Foo Keong graduated from University of Warwick, United Kingdom, with a Master Degree in Manufacturing Systems Engineering in 1992. After completing his studies, he returned to Malaysia and joined Mah Sing Plastics Industries Sdn Bhd ("MSPI"). He is currently the Executive Director of MSPI and is overseeing the plastic operation. He has been the key proponent of MSPI's continued push for research and development, operational cost reduction, factory digitalisation & automation, as well as the new business and talent development.

He has been holding different managerial positions in MSPI's Research & Development, Factory Operations, Sales & Marketing and Strategic Business Development divisions. He served as the General Manager and Chief Operating Officer of MSPI prior to his appointment as Executive Director in MSPI.

Throughout the years, he has accumulated various experiences in business development, operational, managerial, marketing and customer relations roles. With that, Mr. Lee will also lead the Group's venture into the glove manufacturing industry by providing advisory services to Mah Sing Healthcare Sdn Bhd specifically on the manufacturing activities of the glove business.

Declaration by Senior Management Team

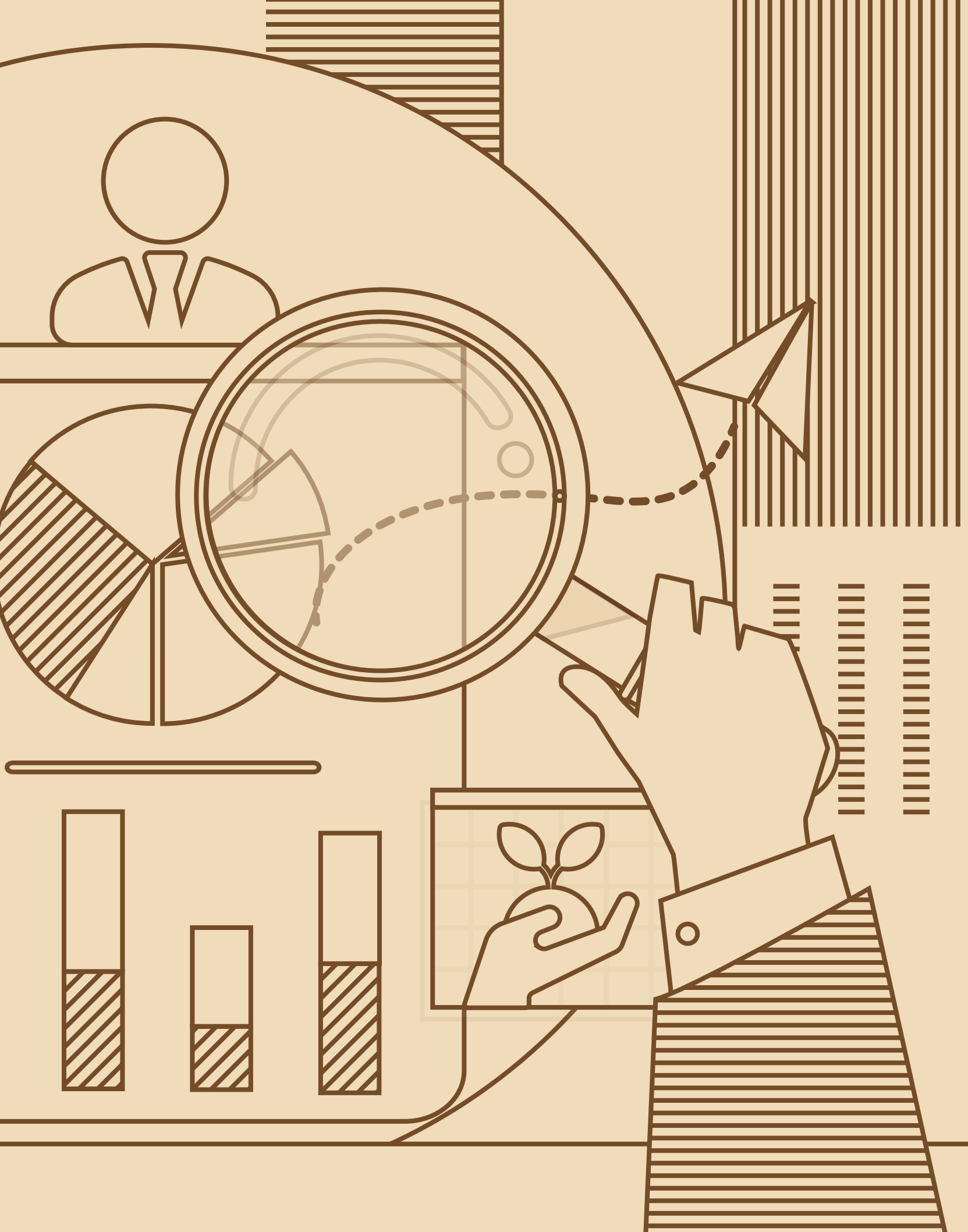
- No family relationship with any director and/or major shareholder of the Company.
- No other directorship in public companies and listed issuers.
- No conflict of interest between him and the Company.
- Other than traffic offences, if any, no conviction for any offences within the past 5 years and no public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

OUR SUSTAINABILITY STATEMENT

Mah Sing's sustainability statement outlines how the Group has performed from a triple bottom line perspective of profit, people and the planet.

The statement provides a concise narrative of how Mah Sing has reflected its commitment towards addressing its environmental, social and governance impacts as well as being cognisant of such impacts on its ability to create financial and non-financial values. The statement also discloses the Group's strategies in managing prioritised sustainability-related risks and opportunities.

Full disclosure of Mah Sing's sustainability initiatives can be found in Mah Sing Sustainability Report 2020.

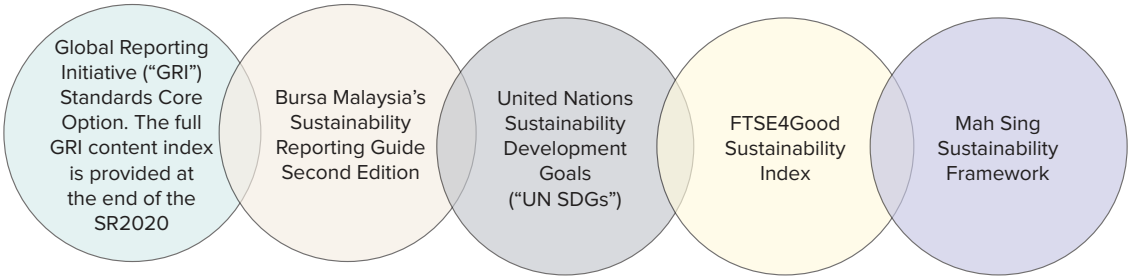


OUR SUSTAINABILITY STATEMENT

SUSTAINABILITY IS EMBEDDED WITHIN THE CORE OF OUR VISION AS WE STRIVE TO INVENT A SUSTAINABLE FUTURE LIVING THAT ENHANCES THE QUALITY OF LIFE OF OUR STAKEHOLDERS. AS WE CONTINUE TO PUSH BOUNDARIES, WE RECOGNISE THE IMPORTANCE OF SUSTAINABILITY AS AN ENABLER IN OUR BUSINESS STRATEGY.

FRAMEWORKS APPLIED

This Sustainability Statement ("Statement") has been prepared in reference to the following frameworks and guidelines:



STATEMENT OF USE

The Board of Directors of Mah Sing, which is the Group’s highest decision-making body, acknowledges responsibility for the following statement of use: The information reported by Mah Sing for the financial year ended 31 December 2020 (“FY2020”) has been prepared in reference to the GRI Standards.

SCOPE & MATERIAL BOUNDARY

This Statement is scoped to the business operations and activities of the holding company and all major subsidiaries within the Group. These are the:

- Property Division (“MPSD”)
- Plastics Division in Malaysia (“MSPI”) and Indonesia (“PTMSI”)
- Healthcare Division – glove manufacturing (preliminary disclosures only, as the venture only commenced in the latter part of FY2020 and hence data is limited).
- Investment and other divisions that come under direct managerial control.

We exercise a “local-where-we-operate” practice. The reporting period for this Statement is from 1 January 2020 to 31 December 2020 unless otherwise specified. Our boundaries are determined based on the prioritisation of our materiality aspects and topics and the GRI’s Reporting Principles for defining report content and report quality.

OUR SUSTAINABILITY STATEMENT
(CONT'D)

SUSTAINABILITY POLICY AND SUSTAINABLE DEVELOPMENT FRAMEWORK

Mah Sing's approach to sustainability is driven by the Group's sustainability framework with the Group's vision and mission at the apex of this framework.

VISION
INVENTING SUSTAINABLE FUTURE LIVING
THAT ENHANCES QUALITY OF LIFE

MISSION

EMPOWERING our people towards personal and professional growth through continuous learning

Anticipate future **MARKET TRENDS** and providing the right solutions

Delivering our **QUALITY PROMISE**

CARING for the people, community and environment

GOVERNANCE

ECONOMIC

- Economic Performance
- Anti-corruption
- Compliance
- Customer Satisfaction
- Indirect Economic Impact
- Innovation
- Procurement Practices and Supply Chain

ENVIRONMENTAL

- Waste
- Energy
- Emissions
- Water and Effluents
- Materials
- Biodiversity
- Product and Services Responsibility (Environmental)

SOCIAL

- Occupational Health and Safety
- Employment
- Training and Education
- Community Development
- Product and Services Responsibility (Social)

***COMMUNICATIONS**

Social Media ■ MY Mah Sing app ■ Email ■ Newsletters
Annual General Meeting ■ Corporate Website ■ Events

STAKEHOLDERS

Shareholders and Investors ■ Employees ■ Customers ■ Government and Regulatory Authority
Media ■ Suppliers and Contractors ■ Communities ■ Business Partners

*Kindly refer to pages 97 to 99 for further details on how we engage with our stakeholders

OUR SUSTAINABILITY STATEMENT
(CONT'D)

In essence, Mah Sing's vision establishes that for continued growth in financial value creation, equal strategic focus must be provided to non-financial values as the latter are directly or indirectly connected to the realisation of the former, in the short, medium and long-term. The Group sees its purpose as a business entity that should deliver win-win outcomes for stakeholders and to sustainably utilise resources, notably natural resources.

With the Group vision providing the apex aspiration for sustainability, the Mah Sing mission pillars outline how sustainability will be pursued. The pillars enable the development of sustainability policies, strategies and the identification of material economic, environmental and social ("EES") topics.

Material topics are ascertained based on the identified topics' potential or actual impact on financial and non-financial value creation. Subsequently, comprehensive management approaches towards addressing these material topics are developed and implemented.

A comprehensive and empowered governance structure provides oversight on the entire sustainability agenda. The aforementioned sustainability framework is supported by the Group's Sustainability Policy. Details of the policy can be found on https://www.mahsing.com.my/sustainability.

CONTRIBUTION TO THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS ("UN SDGs")

In FY2019, Mah Sing adopted Goals 4, 8 and 12 of the United Nations Sustainable Development Goals ("UN SDGs"). In FY2020, additional UN SDGs were adopted. These are SDG 5: Gender Equality, SDG 9: Industry, Innovation and Infrastructure and SDG 11: Sustainable Cities and Communities. Following is a snapshot table of how the Group linked its sustainability efforts in FY2020 to its adopted UN SDGs.

LINKAGE OF ADOPTED UN SDGS TO MATERIAL TOPICS

MISSION PILLARS	MATERIAL TOPICS	UN SDG LINKAGES
EMPOWERING our people towards personal and professional growth through continuous learning	■ Employment ■ Training and Education ■ Economic Performance ■ Innovation ■ Anti-corruption	
Anticipate future MARKET TRENDS and providing the right solutions	■ Economic Performance ■ Innovation ■ Customer Satisfaction ■ Product and Services Responsibility (Environmental) ■ Product and Services Responsibility (Social) ■ Employment	
Delivering our QUALITY PROMISE	■ Economic Performance ■ Materials ■ Occupational Health and Safety ■ Customer Satisfaction ■ Innovation ■ Procurement Practices and Supply Chain ■ Product and Services Responsibility (Social) ■ Compliance ■ Anti-corruption	
CARING for the people, community and environment	■ Indirect Economic Impact ■ Community Development ■ Occupational Health and Safety ■ Product and Services Responsibility (Environmental) ■ Compliance ■ Waste ■ Energy ■ Emissions ■ Water and Effluents ■ Materials ■ Biodiversity	

OUR SUSTAINABILITY STATEMENT
(CONT'D)

COMMITMENTS AND PLEDGES

Mah Sing has made the following sustainability commitments:

Reduce / avoid the impact or improve efficiency of greenhouse gases ("GHG") emissions towards addressing climate change.

Increase efficiency of raw materials and resources, notably plastics to reduce / avoid impacts associated with resource consumption.

Committed to improving health and safety for workers, employees and other stakeholders across our business operations and value chain.

GOVERNANCE OF SUSTAINABILITY

Aside from the aforementioned sustainability framework, Mah Sing's sustainability agenda is driven by its comprehensive governance structure. The sustainability governance structure maintains oversight on a wide range of material topics. These include ESG related risks, health and safety, labour issues, cyber security, pollution, anti-corruption and more.

MAH SING'S SUSTAINABILITY GOVERNANCE STRUCTURE

 **BOARD OF DIRECTORS**	■ Directs the overall sustainability strategy and other related matters for the Group. ■ Supervises and is ultimately accountable for sustainability performance. ■ Provides oversight on key sustainability and governance topics such as Anti-Bribery and Anti-Corruption ("ABAC") Policy, Personal Data Protection Act ("PDPA") Policy, Code of Conduct and Ethics and the Whistleblowing Policy and Procedures. ■ Reviews and approves the sustainability report.
 **SUSTAINABILITY MANAGEMENT COMMITTEE**	■ Engages leadership across the Group and provides oversight and strategic guidance. ■ Formulates sustainability objectives, targets, priorities, policies and goals. ■ Oversees the implementation of sustainability strategy and related matters. ■ Monitors and tracks the Group's sustainability performance. ■ Evaluates economic, environmental, social and governance risks and opportunities within the Group.
 **SUSTAINABILITY WORKING COMMITTEE**	■ Executes the approved sustainability strategy and related matters. ■ Coordinates and implements Group-wide sustainability activities. ■ Supports the Sustainability Management Committee in monitoring sustainability activities and performance.

OUR SUSTAINABILITY STATEMENT
(CONT'D)

GROUP ANTI BRIBERY & ANTI CORRUPTION POLICY
[Anti-Corruption, Compliance]

Mah Sing takes a zero-tolerance approach to bribery and corruption not just within the Group's business operations but also across its supply chain.

The tone of zero-tolerance to all forms of bribery and corruption begins at the top, with the Board of Directors setting a clear moral compass with the development and implementation of policies and practices at the highest level of decision making. The same is cascaded to all employees.

Mah Sing's management approach to driving anti-corruption within the Group and its supply chain is achieved via the newly formulated Mah Sing Group Berhad's Group Anti-Bribery and Anti-Corruption ("ABAC") Policy. The Group's ABAC Policy can be viewed here: https://www.mahsing.com.my/files/pdf/ABAC-policy-31052020.pdf.

Compliance with the ABAC Policy is a requirement in all contracts awarded to contractors, suppliers, consultants, goods and service providers.

In addition, all contracts have been embedded with an anti-corruption clause which requires the contracting party to comply with amongst others, anti-corruption laws.

GAP ASSESSMENT ON ANTI-CORRUPTION CONTROLS

In 2019, Mah Sing performed an anti-corruption gap assessment exercise to identify key areas for improvement. Subsequently, efforts to address these gaps have been initiated. One of which was the formulation of the ABAC Policy in FY2020. With the establishment of the Company's ABAC Policy organisation-wide, procedures to address anti-bribery and anti-corruption risks have been enhanced across the group.

Future gap assessment will be conducted by the Group's Legal, Integrity & Secretarial Department and Internal Audit Department in a combined effort towards ensuring a comprehensive assessment for potential weaknesses within the organisation for corruption practices. This also extends to the Group's value chain.

ANTI-CORRUPTION COMMUNICATION AND TRAINING

Mah Sing continues to provide awareness sessions and/or training on anti-corruption (which covers the ABAC Policy) to its staff as well as its supply chain.

All new staff are provided training during their induction and subsequently at periodic intervals. The same applies to the Group's Board of Directors and its senior management.

Anti-corruption related communications are also reinforced via various channels such as the company website, the company intranet and others. In FY2020, the Board of Directors has attended anti-corruption training.

CODE OF CONDUCT AND ETHICS

The Group has established a Code of Conduct and Ethics ("Code") that stipulates acceptable and unacceptable corporate behaviour including actions that are deemed unethical. In FY2019, Mah Sing implemented the updated Code and Letter of Undertaking ("LoU") to comply with the Code and in FY2020, the ABAC Policy was implemented.

The Code and Employee Handbook is disseminated to all staff to ensure awareness of Mah Sing's high standards of corporate governance and for the staff to abide by it.

Vendors must agree to the Code, LoU and ABAC Policy and affirm their commitment to the aforementioned as a prerequisite for being qualified to tender for contracts.

GIVING & RECEIVING GIFTS, ENTERTAINMENT & HOSPITALITY

As a general rule, Mah Sing's staff are disallowed from receiving, soliciting or providing gifts, entertainment and/or hospitality in order to avoid allegations of favouritism, cronyism, discrimination, collusion or similar unacceptable practices.

However, exceptions can be made in limited circumstances, such as gifts that are perishable, for instance, fruits and food items during festive occasions can be considered, subject to specific monetary thresholds and if declared openly.

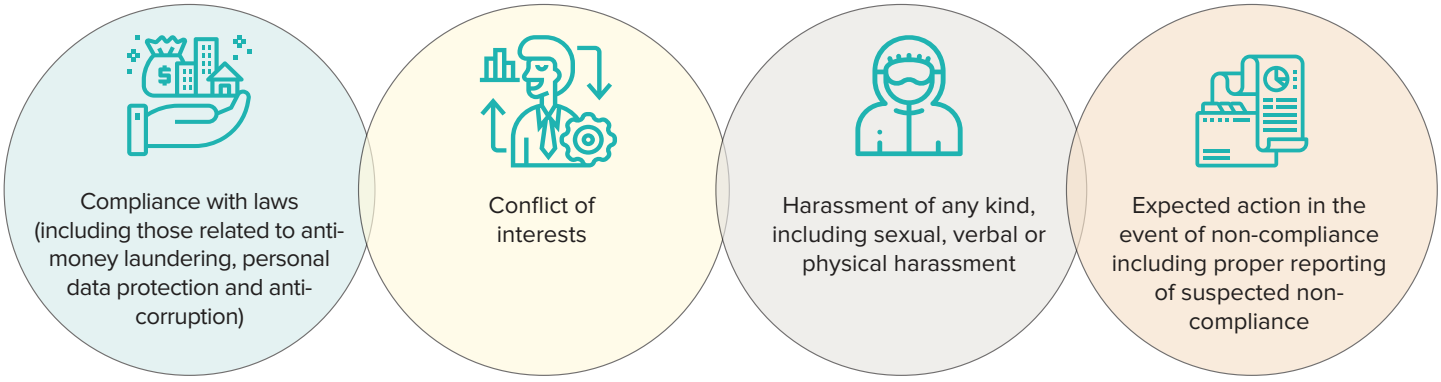
Mah Sing employees may provide company items towards promoting the Group's brand such as goodie bags to media, customers and other stakeholders, where relevant, specific monetary sums are determined for such items.

Full details on the Group's Gift, Entertainment and Hospitality Procedures are provided in the ABAC Procedures.

In FY2020, almost all vendors have signed acceptance and returned the Code, LoU and ABAC Policy.

Mah Sing's Board of Directors, employees, contract workers, suppliers and vendors are bound by the Code. The Code provides a clear understanding of what constitutes as unacceptable behaviour or practices and includes the following topics:

OUR SUSTAINABILITY STATEMENT
(CONT'D)



The Board of Directors reviews the Code as and when necessary, to ensure that it continues to be effective. For more details on the Code, please refer to our corporate website.

WHISTLEBLOWING MECHANISM

Any suspected violation of the Code and ABAC Policy may be reported via the whistleblowing mechanism. The Company has enhanced the Group's Whistleblowing Policy and Procedures which is available on the company website and developed the Whistleblowing Investigation Manual to set out the whistleblowing measures.

The whistleblower shall be provided immunity from any form of punitive action, intimidation or reprisal irrespective if the allegation is substantiated or proven to be unfounded provided that the report has been made in good faith. The identity of the whistleblower is also kept confidential unless otherwise required by law or for purposes of proceeding against or by the Group.

In FY2020, there were no reported cases of violation of the Code or on corruption. There were also zero cases reported through the whistleblowing mechanism.

REGULATORY COMPLIANCE

As a result of its strict adherence to its policies and standard operating procedures, Mah Sing reports that for FY2020, the Group has not been censured or fined by the regulatory authorities for breach of social compliance and non-compliance with environmental laws. Neither has it faced any regulatory action on matters relating to breach of corporate governance.

STAKEHOLDER ENGAGEMENT

Constant, two-way engagement with stakeholders is vital in ensuring that the Group's approach to sustainability is inclusive and that the creation of financial and non-financial values includes the perspective of stakeholders.

The Group defines stakeholders as individuals, entities or organisations that are impacted by Mah Sing's business model and its business operations and conversely, individuals, entities or organisations that have the capability to impact Mah Sing's business model and its operations.

OUR SUSTAINABILITY STATEMENT
(CONT'D)

STAKEHOLDER ENGAGEMENT

STAKEHOLDERS	ENGAGEMENT METHODS	CONCERNS & INTERESTS	OUR RESPONSE
 **Customers** Existing and potential customers of products and services	■ Social media ■ MY Mah Sing app ■ SMS communication ■ Newsletters ■ Customer service office	■ Product quality ■ Design efficiency ■ Security of development ■ End-to-end customer experience ■ Customer experience ■ Low-maintenance products ■ Social contributions	■ Timely response to customer's feedback ■ Customer satisfaction surveys ■ Digitisation of customer engagement platforms ■ Adherence to quality standards ■ Application of technology to enhance safety and efficiency ■ Eco-friendly development features
 **Employees** Individuals employed by Mah Sing, including Board of Directors	■ Townhalls ■ Internal emails (MSeries) ■ Meetings ■ Health, Safety and Environment ("HSE") meetings ■ Employee Handbook ■ Employee engagement survey (Our Voice) ■ Internal Customer Experience Survey ("ICES") ■ Voluntary programmes ■ Recreation club activities	■ Work-life balance ■ Training and development ■ Health and safety ■ Diversity and inclusion ■ Engagement and visibility ■ Job satisfaction and retention ■ Employee benefits and welfare ■ Strategy and direction ■ Job security ■ Effective leadership	■ Regular updates on company strategy and performance ■ HSE training and activities ■ Transparent performance appraisal process and rewarding scheme ■ Provision of training programmes ■ Increased employee engagement platforms ■ Employee benefits
 **Shareholders and Investors** Retail and institutional investors	■ Annual General Meeting ■ Corporate website ■ Meetings and site visits ■ Investor briefings ■ Email communication ■ Teleconference calls ■ Annual reports	■ Sustainable financial returns ■ Transparency ■ Operational efficiency ■ Company liquidity ■ Responsible business ■ Good governance ■ Effective leadership	■ Timely updates on company strategy and performance through our quarterly financial reporting and announcements on Bursa Malaysia ■ Timely communication on risk management and governance matters with investors
 **Government and Regulatory Authority** Malaysian Federal and State Governments, municipal councils and regulators	■ Industry workshops ■ Reporting ■ Certifications ■ Events	■ Compliance ■ Product quality ■ Affordable housing ■ Transparency ■ Environmental impacts ■ Health and safety ■ Tax payment ■ Social contributions	■ Monitoring of compliance through industry requirement legal checklist ■ Transparent reporting and communications through annual reports, quarterly financial reporting and announcements on Bursa Malaysia ■ Launching of "Eazy to Own" campaign ■ Adoption of Green Certifications ■ Use of recyclable materials ■ Contributions to local communities

OUR SUSTAINABILITY STATEMENT
(CONT'D)

STAKEHOLDERS	ENGAGEMENT METHODS	CONCERNS & INTERESTS	OUR RESPONSE
Business Partners Joint venture partners, technical consultants and advisors	■ Auditing & Assessment ■ Training / Briefing ■ Meetings ■ Email notification in the event of any revision or changes in the Integrated Management System ("IMS") documents	■ Strategy and direction ■ Timely payment ■ Fair treatment ■ Job and business opportunities ■ Relationship ■ Knowledge sharing	■ Timely updates on company strategy and performance via emails, meetings, quarterly financial reports and periodic announcements to the regulator ■ Engagement activities as part of the business agreement or collaborations
Media Online and print outlets to deliver information to the wider audience	■ Press release ■ Conferences and media briefings ■ Media interviews ■ Product launches and corporate events ■ Award ceremonies	■ Reliable and timely information ■ Market and industry insights ■ Strategy and direction ■ Job and business opportunities	■ Proactive and timely engagements (press releases and briefings) ■ Social engagements such as festive get together celebrations and property-related media events ■ Interviews with the senior management ■ Participation in media property and business awards platforms
Suppliers and Contractors Local suppliers and contractors who provide materials and services	■ Contractor training programmes ■ Email communication ■ Supplier and contractor evaluations ■ Meetings ■ Relationship building sessions	■ Contractual terms ■ Selection process ■ Sourcing of materials ■ Job and business opportunities ■ Health and safety ■ Pricing ■ Environmental Management System ■ Design efficiency ■ Timely payment	■ Open tender process for all procurement promotes fairness and transparency ■ 97% of contractors engaged are performing and meeting requirements ■ Mandate all contractors accept and comply with Mah Sing's Code of Conduct and Ethics ■ Mandate all contractors attend QLASSIC training ■ Mandate all contractors comply with Mah Sing's site safety, health and environment rules
Communities Local communities who are impacted directly and indirectly by operations	■ Meetings ■ Social media ■ Collaborations ■ Community development programmes ■ Mah Sing Foundation ("MSF") newsletter ■ Mah Sing Foundation Night ■ Employee volunteering initiatives such as the Annual Corporate Responsibility Day	■ Job and business opportunities ■ Infrastructure improvements ■ Community development ■ Product quality ■ Health and safety ■ Location connectivity (accessibility) ■ Environmental impacts ■ Affordable housing	■ Collaborations with NGOs ■ Contributions to local communities ■ Infrastructure improvements around development vicinity ■ Adherence to local authority and regulations, including compliance with strict operational health and safety practices at construction sites and developments ■ Eco-friendly development features ■ Adherence to quality standards

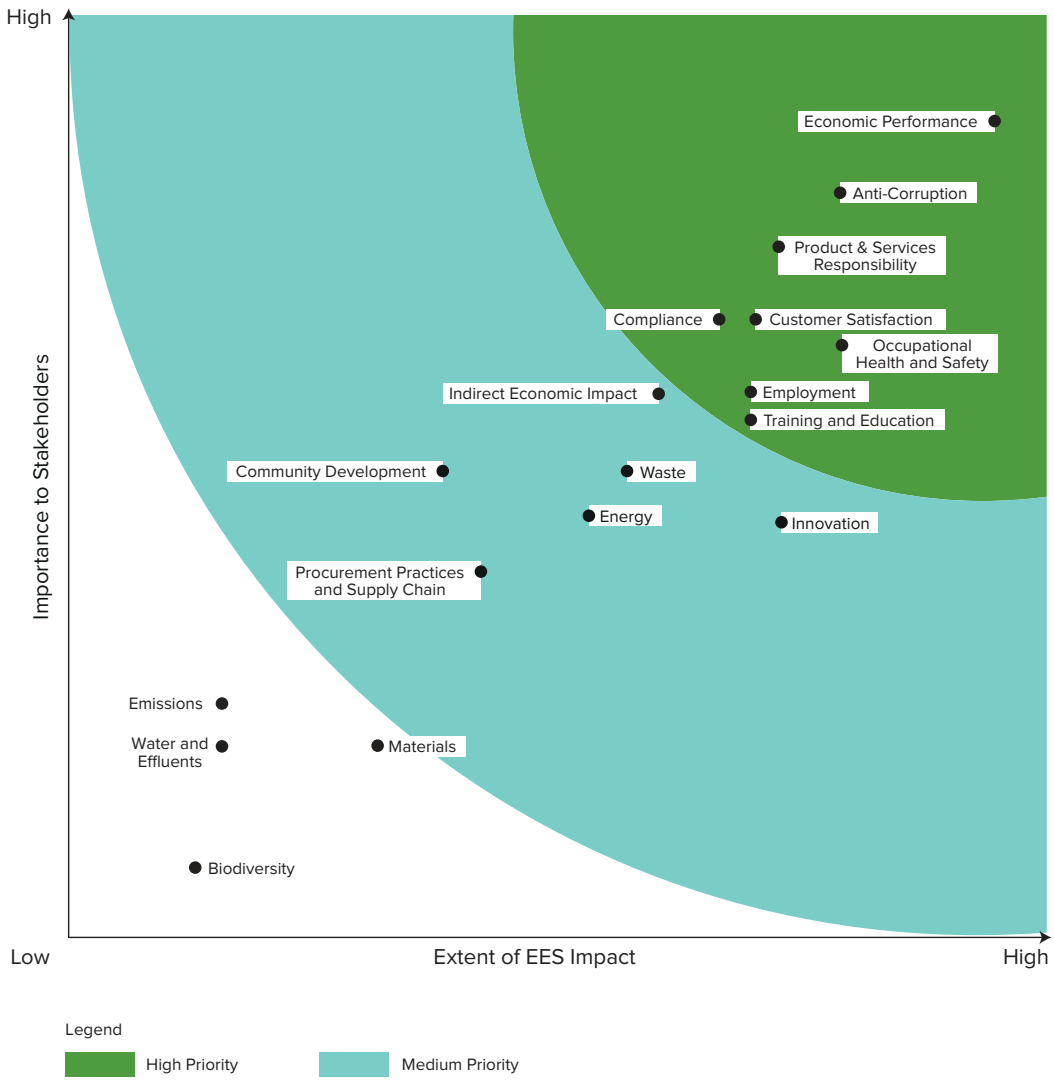
■ **Daily** ■ **Twice a year** ■ **As and when required** ■ **Weekly**
■ **Quarterly** ■ **Ongoing** ■ **Monthly** ■ **Annually**

OUR SUSTAINABILITY STATEMENT
(CONT'D)

ASSESSING AND PRIORITISING MATERIALITY

In FY2020, Mah Sing has retained its 18 material topics and subsequently, its materiality matrix as per the previous year. Specific details on each material topic are provided in subsequent pages of this Statement.

MAH SING FY2020 MATERIALITY MATRIX



OUR SUSTAINABILITY STATEMENT
(CONT'D)

ECONOMIC IMPACT

DIRECT AND INDIRECT ECONOMIC VALUE
[Economic Performance, Indirect Economic Impact, Community Development]

Mah Sing views growth and improvement in financial performance as a prerequisite in sustaining projects and programmes that lead to betterment in environmental and social performance.

Beyond quantifiable direct and indirect economic values, Mah Sing's business model also serves to provide a multiplier effect in driving socioeconomic prosperity. This includes spurring a wide range of economic activity, creating jobs and entrepreneurial opportunities while also developing local supply chains.

For direct economic values, please refer to the Financial Highlights, the Management Discussion and Analysis and the Statement of Value Added Distribution & Simplified Financial Statement sections of this annual report.

DRIVING HOME OWNERSHIP THROUGH AFFORDABILITY AND INNOVATION

Mah Sing continues to support the housing the nation agenda. To date, Mah Sing has developed 660 apartment units under the Rumah Mampu Milik Wilayah Persekutuan ("RUMAWIP") programme and is currently developing 240 townhouses and 244 apartment units under the Rumah Selangorku ("RSKU") programme. Under the Rumah Mampu Milik Johor ("RMMJ") programme, 264 townhouses are expected to be handed over to homeowners in 2021.

Beyond building properties, Mah Sing has also launched homeownership packages such as Houzkey and Eazy to Own, to assist and provide homeowners with suitable financing plans to own a home.

The packages offer lower upfront financial costs, incentives and savings to help aspiring homeowners, especially first-time homeowners.

PROVISION OF THE 9.62 ACRES SUMMIT PARK FOR RESIDENTS AND THE COMMUNITY

In FY2020, Mah Sing officially unveiled its 9.62 acres Summit Park, which acts as a 'Green Sanctuary' and is one of the pioneer public playground parks in Malaysia that complies with the Playground Safety Association of Malaysia ("PSAM").

TRANSIT ADJACENT DEVELOPMENTS

Mah Sing has also developed transit adjacent developments, which are in close proximity to a wide range of public transportation systems. These include:

M Vertica (Cheras)

500m from Maluri Light Rail Transit ("LRT") Station	500m from Maluri Mass Rapid Transit ("MRT") Interchange Station	600m from Taman Permata MRT Station

Onyx: Proposed covered walkway to Setia Jaya KTM station.	**D'sara Sentral:** 300m from Kampung Selamat MRT Station with covered sky walkway.	**M Oscar** Approximately 800m from MRT2 line (Taman Naga Emas Station).

EQUAL ACCESS TO DISABLED PERSONS

All Mah Sing projects provide consideration for disabled persons as reflected by the provision of wheelchair ramps and other accessibility features. This enables convenient access to all functional public spaces for all people. Other features such as disabled person toilets equipped with assist handles and lifts with lower car operating panels are also part of our standard design to ease accessibility.

QUALITY ASSURANCE
[Product and Services Responsibility, Compliance]

All business divisions adhere to stringent industry quality standards. This includes ISO 9001:2015 Quality Management System, ISO 14001:2015 Environmental Management System, ISO 45001:2018 Occupational Health and Safety Management System (MSPD) and IATF 16949:2016 Quality Management System (PTMSI) for automotive production and relevant service part organisations.

OUR SUSTAINABILITY STATEMENT
(CONT'D)

DRIVING SUSTAINABILITY ACROSS OUR VALUE CHAIN
[Procurement Practices and Supply Chain]

Mah Sing has commenced with environmental and social screening of its value chain. Social and environmental expectations are being embedded as part of our screening process, which currently includes ISO 9000, OSHAS 18000 and ISO 14000. In the provision of goods and services, all suppliers must at all times:

- Comply with regulatory requirements such as federal, state and municipal laws and statutes.
- Comply with all industry standards and limits sets for environmental and social impacts, including Health, Safety and Environment ("HSE") aspects.
- Committed to the protection of the environment, including prevention of pollution, such as noise, waste, etc.
- Respect for human rights by abiding to the employment laws of Malaysia and Indonesia and provide a free and fair workplace. There must be no use of forced or child / underaged labour, intimidation or harassment, threats or coercion as well as practices that deprive workers of their rights and dignity as human beings.
- Suppliers must at all times, allow workers to bargain collectively for their rights and compensation packages.
- Suppliers are at no time to adopt formal or informal discriminatory practices based on ethnicity, religion, gender or political affiliation.

OUR KEY PERFORMANCE

QLASSIC Score
Cerrado: 78
Lakeville Residence (Tower C&D): 74
Lakeville Residence (Tower G): 73

MSPD: 99% local procurement with 100% local contractors.

MPSI: 90% local procurement

PTMSI: More than 90% of raw materials are procured locally

Recorded zero substantiated cases of customer data breach.

Achieved IBS Score:

M Residence 2 (RSKU): 79
M Aruna Phase 1: 78
M Oscar: 70

Customer Satisfaction Score:

MSPD: 4.2
MSPI: 4.3
PTMSI: 3.8

*MSPD's score is derived from an average of the Vacant Possession survey and Purchaser Feedback Form

There are a total of 61,901 M Privilege members as of FY2020.

97% of contractors evaluated achieved the required performance standard

95.9% of complaints received have been successfully resolved within the stipulated service level agreement ("SLA") period

OUR SUSTAINABILITY STATEMENT
(CONT'D)

ENVIRONMENTAL IMPACT

Energy consumption, emissions, climate change as well as water consumption and waste produced are some of the more pertinent material environmental topics for Mah Sing.

The management of environmental aspects under each business division is guided by the respective Health, Safety and Environmental ("HSE") Policy, and is governed by the respective HSE Committee. Both the Property and Plastics Divisions are ISO 14001:2015 Environmental Management Systems certified.

The Group continues to incorporate water and energy-saving designs and other features to reduce resource consumption. It continues to seek ways to increase consumption of more sustainable materials and construction methods within its property development business.

Similarly, Mah Sing uses 100% recyclable plastics for its manufacturing business. This results in the Group's manufactured plastics products being 100% recyclable, thus contributing to the realisation of a circular economy.

INCORPORATING ECO-FRIENDLY PRODUCTS AND MATERIALS
[Product and Services Responsibility, Materials]

In response to climate change and other environmental issues, Mah Sing continues to increase the use of environmentally friendly materials and products in its property development and plastics manufacturing operations.

Going forward, with Mah Sing's venture into glove manufacturing, nitrile latex, potassium hydroxide, surfactant, composite chemical, zinc oxide, defoamers, pigments and other in process materials will also become key production materials. The Group commits to sustainably source for the aforementioned materials using local suppliers as much as possible.

GREEN BUILDINGS

At present, MSPD has earned various green certifications from leading green building certification bodies, both locally and abroad. These include Malaysia's Green Building Index ("GBI") certification and Singapore's Building and Construction Authority's ("BCA") Green Mark.

OUR KEY PERFORMANCE

100% of Mah Sing's manufactured plastics are recyclable, contributing to the realisation of a circular economy.

Electricity Consumption for FY2020 (MWh):
Wisma Mah Sing: 643
MSPI: 20,426
PTMSI: 7,029
Ramada by Wyndham Meridin: 1,924
Star Avenue Lifestyle Mall: 2,428

Generation of 1,373,930kWh through solar panels with avoided carbon emission of 953.5MT CO_2

Scope 1 emission for FY2020 (MT CO_2e):
Wisma Mah Sing: 141
MSPI: 368
PTMSI: 145
Ramada by Wyndham Meridin: 19

Scope 2 emission for FY2020 (MT CO_2e):
Wisma Mah Sing: 446
MSPI: 13,360
PTMSI: 5,443
Ramada by Wyndham Meridin: 1,335
Star Avenue Lifestyle Mall: 1,685

Waste Recycled for FY2020 (MT):
Wisma Mah Sing: 1.4
MSPI: 2429.9
PTMSI: 10.7

Water Consumption for FY2020 (ML):
Wisma Mah Sing: 11
MSPI: 38
PTMSI: 22
Ramada by Wyndham Meridin: 24
Star Avenue Lifestyle Mall: 1

OUR SUSTAINABILITY STATEMENT
(CONT'D)

SOCIAL IMPACT

Our management approach to social aspects is guided by the Malaysian and Indonesian Government's Employment Laws. These principles and laws cover the following:

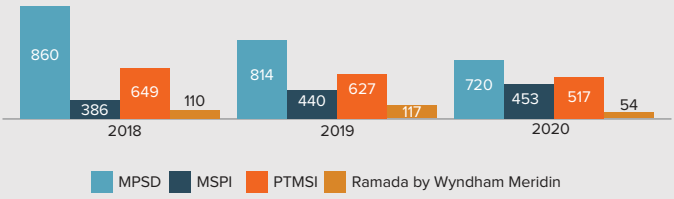
- Prohibiting child and forced labour
- Ensuring non-discrimination and equal opportunity
- Supporting a harassment-free and violence-free workplace
- Ensuring compliance with laws governing working hours and wages

OUR WORKFORCE
[Employment]

Given Mah Sing's business operations in the property development and manufacturing sectors, there is a natural bias in terms of gender composition with more men being employed. Property development and to a certain extent, manufacturing are jobs that typically require more manual labour and is not preferred by many women.

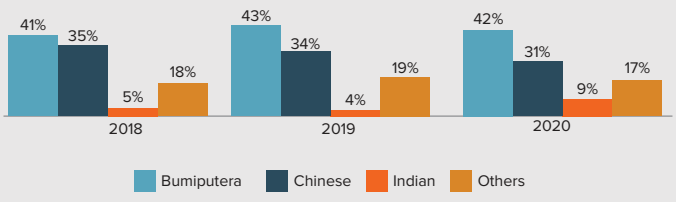
However, there is no discrimination in the hiring of employees. Both men and women are accorded equal opportunity to apply to any available job position with selection and appointment of talent based purely on merit. At MSPD, there is a more equitable gender balance between male and female employees.

Workforce Numbers

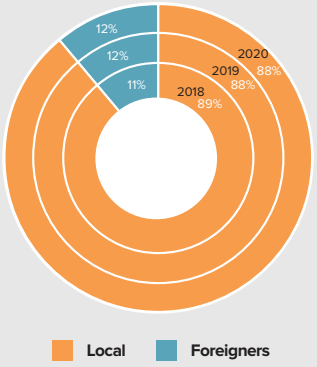


Note: Healthcare Division data are excluded for 2020 as operations have not commenced during the reporting period

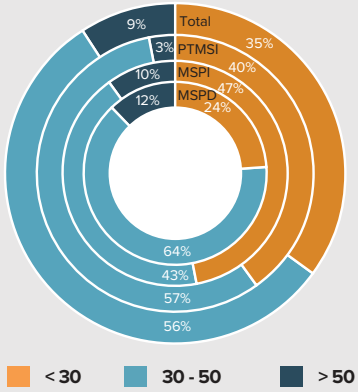
Workforce Ethnicity (Malaysia Only)



Workforce Nationality (Group)

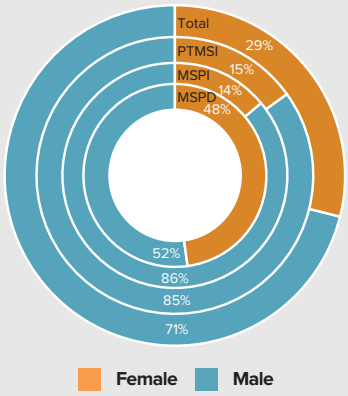


Age Breakdown of Employees (Group)



OUR SUSTAINABILITY STATEMENT
(CONT'D)

Gender Breakdown of Employees (Group)



EMPLOYEE WELLBEING AT MSPD

Mah Sing staff are entitled to a wide range of monetary and non-monetary benefits. This includes various types of paid leave, universal health and medical care and many other benefits. Benefits commensurate with tenure and positions in the Group and are constantly reviewed against industry best practices.

In Mah Sing, all staff are paid wages exceeding the minimum wage. Wages commensurate with industry benchmarks based on qualifications, experience and performance.

MSPD EMPLOYEE BENEFITS FY2020

Leave

- Annual
- Sick
- Hospitalisation
- Compassionate
- Study and examination
- Maternity
- Paternity
- Prolonged sickness

Other Benefit

- Petrol fleet card
- Mobile phone allowance
- Staff property purchase discount
- Long service award recognition
- Overriding and pool incentive for sales and marketing staff

Medical

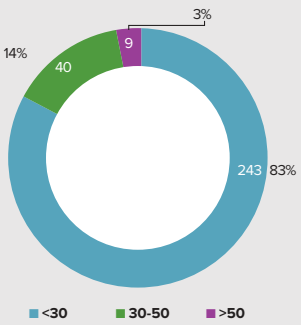
- Group hospitalisation and surgical insurance
- Group personal accident insurance
- Outpatient medical treatment for staff, children and spouse
- Dental benefit

Non-monetary

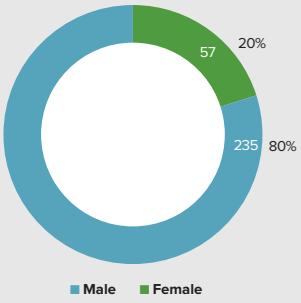
- State-of-the-art gymnasium
- An audio-video entertainment room with karaoke
- A lactation room for nursing mothers at work
- A nap room for employees to rest
- A pool table to relax and unwind
- A mini golf area for a quick putt
- Colourful and renovated workspaces
- Open workspace concept to allow productive discussion
- Surau for Muslim employees

OUR SUSTAINABILITY STATEMENT
(CONT'D)

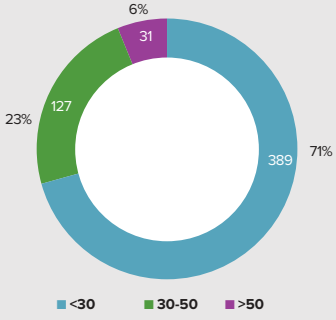
New Hires by Age



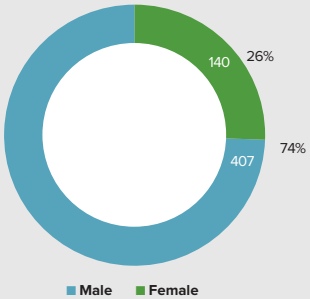
New Hires by Gender



Employee Attrition by Age



Employee Attrition by Gender



BENEFITS GRANTED TO PLASTICS DIVISION EMPLOYEES

In accordance with labour laws, Mah Sing provides its foreign factory workers with a wide range of benefits which include accommodation, transportation and more. Accommodation provided meets local regulatory standards and are well equipped to meet basic living needs. Two inspections are conducted annually to ensure that the hostels are fit for accommodation.

GRIEVANCE PROCEDURE

Employees have full access to an official grievance procedure to express dissatisfaction with regards to any company related matter and to seek redress. While employees are encouraged to attempt to resolve issues informally, management unequivocally supports employees' rights to take these procedures if matters are unresolved or unsatisfactory at each level.

In FY2020, there were zero cases of grievance.

EMPLOYEE HIRING

The majority of Mah Sing staff have permanent employment. However, 19% of staff are hired on a renewable contract basis. Contracts vary in terms of duration of employment as well as benefits. However, all contract staff are accorded statutory benefits as provided for by law.

EMPLOYEE TRAINING
[Training and Education]

In FY2020, the onset of the COVID-19 pandemic had led to a switch to more online training programmes conducted virtually. In FY2020, the average training hours per employee was 10 hours with a total of 17,442 hours.

OUR KEY PERFORMANCE

- 43% of women representation at Mah Sing's Board of Directors with 48% of MSPD's workforce consisting of women
- Achieved 74.5% of employee engagement score and 78% collaboration rate within the organisation (ICES result)
- Zero cases of grievances recorded from employees
- Achieved a total of 17,442 training hours, amounting to an average of 10 hours per employee
- Recorded 91% for female and 100% for male return to work rate after parental leaves ended
- 100% of full-time confirmed employees appraised

OUR SUSTAINABILITY STATEMENT
(CONT'D)

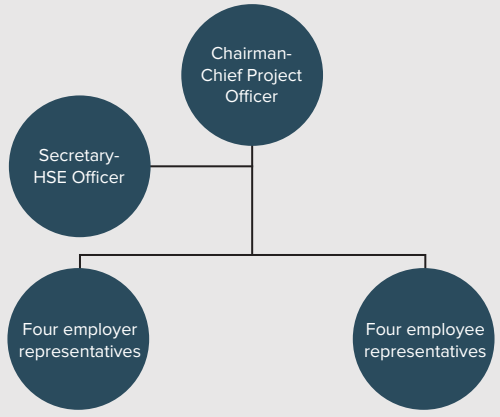
PRIORITISING HEALTH AND SAFETY
[Occupational Health and Safety]

Mah Sing's management approach is stipulated via its HSE Policy with the objective being to achieve safe and secure work conditions at all times for all stakeholders. The Group's operations comply with the Malaysian Occupational Safety and Health Act 1994, Factories and Machinery Act 1967, Environmental Quality Act 1974, regulation orders and other Codes of Practice.

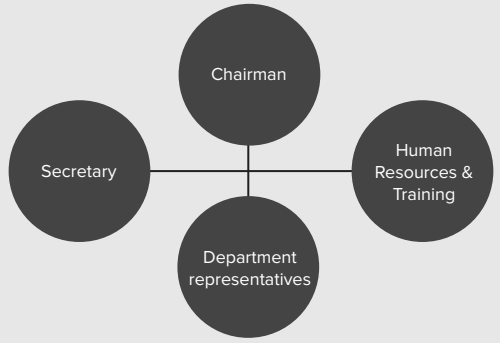
All project sites within the Central region (Greater Kuala Lumpur region) are ISO 14001:2015 and ISO 45001:2018 certified. Each operational site has its own HSE Committee with balanced employer and employee representation. Foreign workers also have representation in the committee. Through this approach, Mah Sing has achieved 100% worker representation on formal joint management-worker health and safety committees.

HSE COMMITTEE STRUCTURE FOR PROPERTIES AND PLASTICS DIVISIONS

PROPERTY



PLASTICS



HAZARD IDENTIFICATION, RISK ASSESSMENT AND RISK CONTROL

An integral part of our management of health and safety matters is the conduct of regular risk assessments to allow the identification of hazards and risks that could cause potential harm through Hazard Identification, Risk Assessment And Risk Control ("HIRARC").

These hazards and risks are then analysed and mitigated through the implementation of appropriate control measures. The approach is based on the Safety and Health Assessment System In Construction ("SHASSIC") methodology.

HSE PROGRAMMES AND TRAINING

In total, 731 employees across the Group's business divisions attended various HSE programmes and training events in FY2020. This effectively translates into 42% of the Group's workforce having received HSE-related training during the financial year.

HSE PERFORMANCE

MSPD and PTMSI have set a target of zero fatality and injuries for its operations. In FY2020, the zero fatality benchmark has been attained.

HEALTH AND SAFETY APPROACH TO COVID-19

The Group has adopted all necessary COVID-19 mitigation measures as prescribed by government-mandated SOPs and more. These include requirements for social distancing, staggered working hours, division of manpower into separate teams, instituting work from home procedures, reducing physical engagements in favour of virtual communication channels and more.

Regular disinfection was performed at all operating sites, both in Malaysia and Indonesia. Regular testing was undertaken for all workers, especially for new workers coming into an operational site.

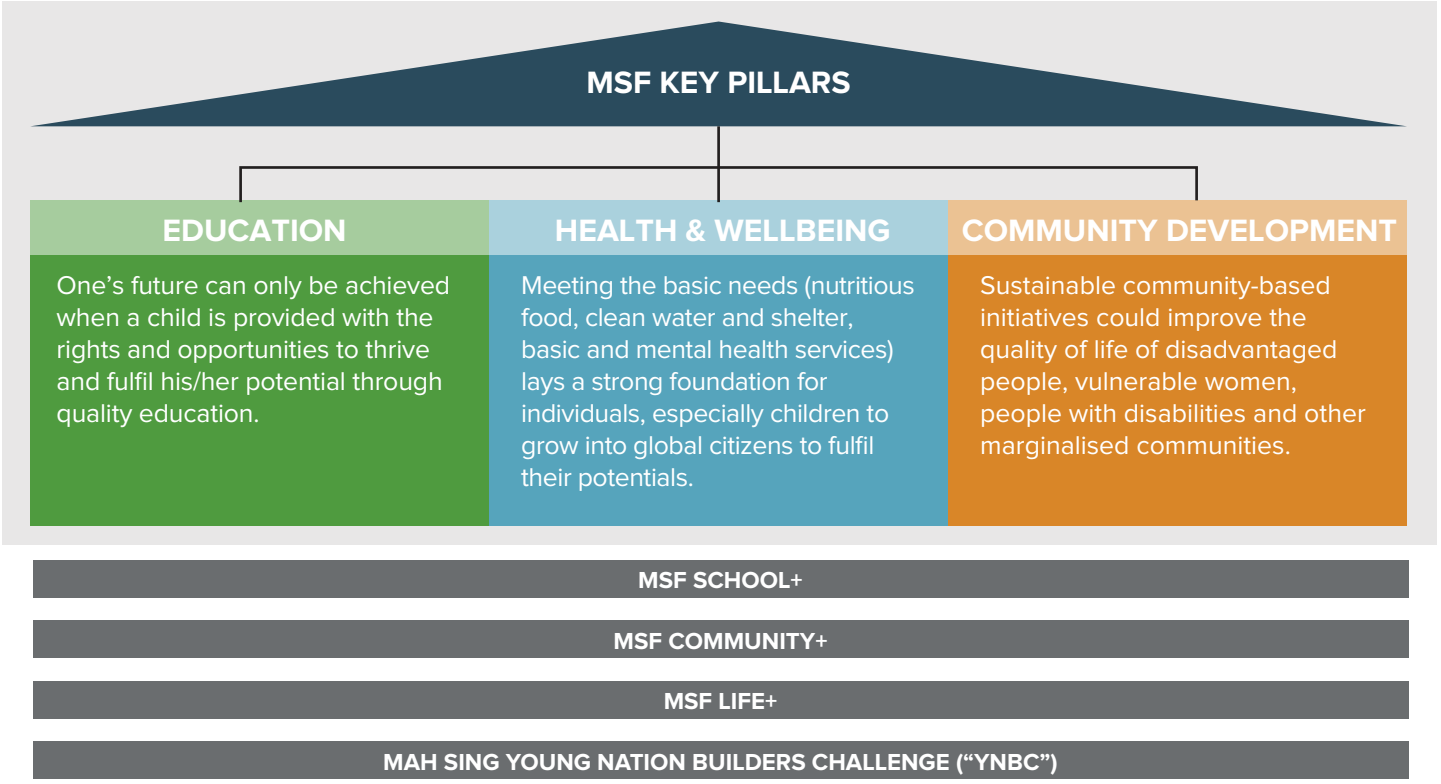
Staff have been issued with PPE by the company and strict SOPs for handling positive COVID-19 cases were implemented, including quarantine measures for suspected and actual cases of infection.

OUR KEY PERFORMANCE

- Maintained zero fatality throughout Mah Sing Group since 2018
- 42% of employees attended HSE training
- All project sites in Central region are ISO 14001:2015 and ISO 45001:2018 certified
- 18 work-related injuries were recorded across Mah Sing Group, an increase of 4 cases compared to 2019

OUR SUSTAINABILITY STATEMENT
(CONT'D)

CONTRIBUTING TO COMMUNITY DEVELOPMENT AND BETTERMENT
[Community Development]



MAH SING FOUNDATION

Since 2005, Mah Sing Foundation ("MSF" or "the Foundation") has been Mah Sing's strategic corporate responsibility partner. It oversees all of the Group's community and charitable initiatives that are in line with the Group's vision and mission. To date, the Foundation has disbursed more than RM23.4 million and impacted the lives of more than 230,000 individuals over the years through its 3 pillars – Education, Health & Wellbeing and Community Development.

MSF SCHOOL+ 2020 HIGHLIGHTS

- Continued support for the Pusat Sama-Sama Education Programme to provide free basic literacy to underserved children.
- Collaborated with InspiraComm Sdn Bhd on CERita dalam mendiDIK (CerDik) Programme that aims to help children from B40 families in personal development and character building.
- Continued partnership with Yayasan Generasi Gemilang in the Learning Through Individualised Teaching ("LIT") Programme to provide academic guidance to the urban poor communities
- Sponsored the LINUS programme, an after-school guidance programme that focuses on BM literacy for primary school students in PPR Pudu Ulu.
- Partnered with Yayasan Generasi Gemilang on KidzREAD programme that encourages reading among children in PPR Taman Putra Damai.
- Supported the Society for the Severely Mentally Handicapped ("SSMH") on the Breakthru Approach Intervention Programme that assists children with disabilities to express themselves through verbal and non-verbal communications.
- Supported the iDEAS Autism Centre, Rawang that provides quality care, therapy and education for early-stage autistic children aged 3 – 9 years old from B40 families that focuses on building their independence to prepare them for mainstream primary education.

OUR SUSTAINABILITY STATEMENT
(CONT'D)

MSF COMMUNITY+ 2020 HIGHLIGHTS

- Collaborated with Taylor's University School of Biosciences to organise a community health check and health awareness for the PPR Seri Alam community.
- Supported Programme Keluarga Akrab Mencapai Impian ("KAMI"), a family support programme that provides a safe space for family members to express their feelings and encourage effective communication with one another in PPR Seri Semarak.
- Partnered with Women of Will, a local NGO to run a micro-credit programme that aims to transform the lives of the B40 women in PPR Seri Alam.

MSF LIFE+ 2020 HIGHLIGHT

Partnered with Hopes Malaysia for the Sustainable Livelihood Project which aims to provide sustainable alternatives and diversified income streams for 50 households in rural communities in Sabah.

Total contribution by Mah Sing and MSF in fight against COVID-19

MAH SING & MSF FIGHT AGAINST COVID-19

Mah Sing together with MSF, responded immediately to the needs of affected individuals and communities impacted by the COVID-19 pandemic. The support was carried out through partnerships with the National Disaster Management Agency ("NADMA"), Ministry of Housing and Local Government ("KPKT"), Ministry of Home Affairs ("KDN"), Kuala Lumpur City Council ("DBKL") and three state governments – Selangor, Johor and Penang.

EMPLOYEE COMMUNITY SERVICE & VOLUNTEERISM

Mah Sing's employee volunteerism platform, M'Power, encourages MSians to come together in making a positive and long-lasting impact in local communities.

Employee volunteerism is encouraged as it provides a wide range of benefits. In total, over 111 hours were contributed by Mah Sing staff in FY2020.

OUR KEY PERFORMANCE

Impacted more than 160,000 individuals directly and indirectly

111 volunteer hours through M'Power initiatives

Contributed more than RM3.4 million

Assisted more than 35 schools and NGOs

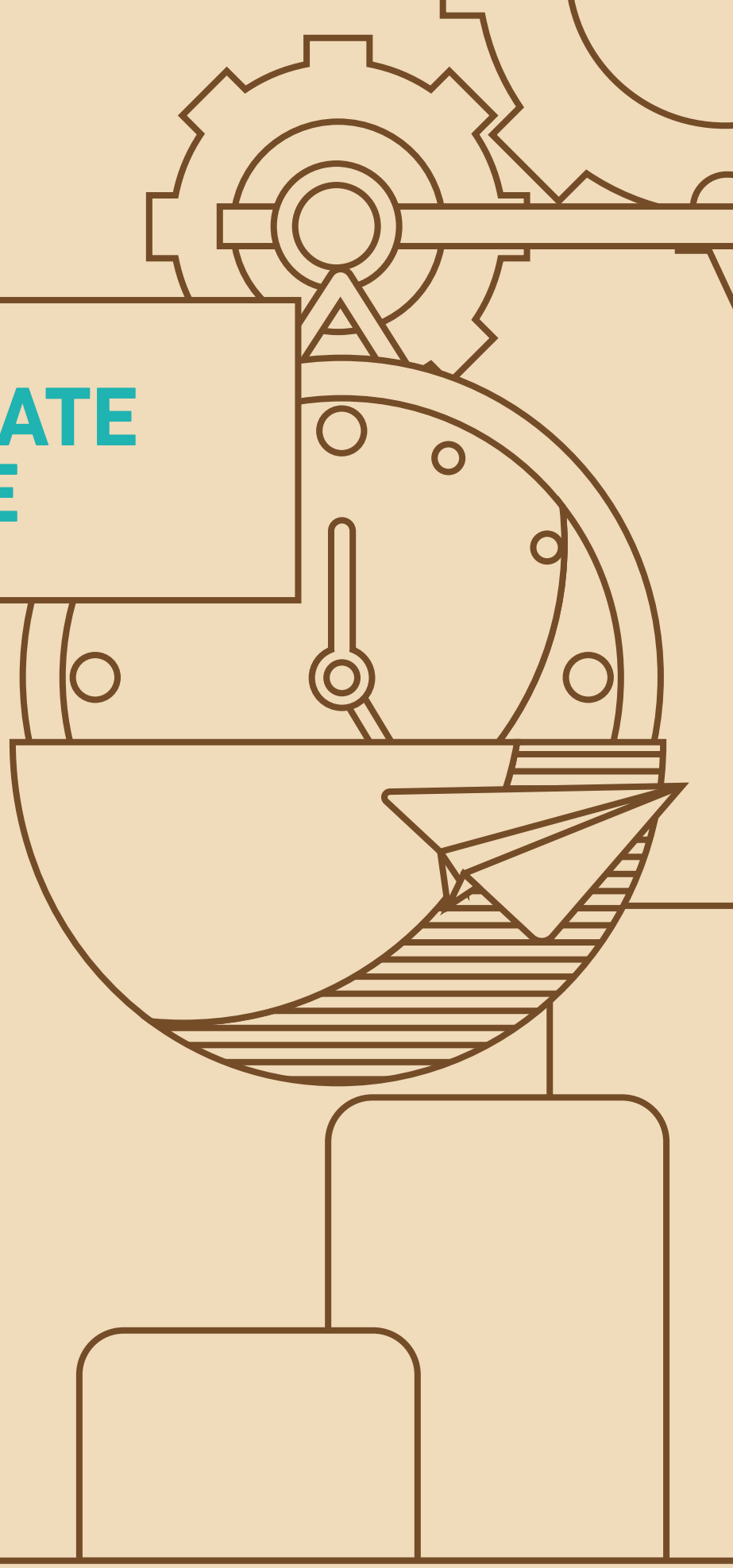
Bagged 2 CSR Awards:

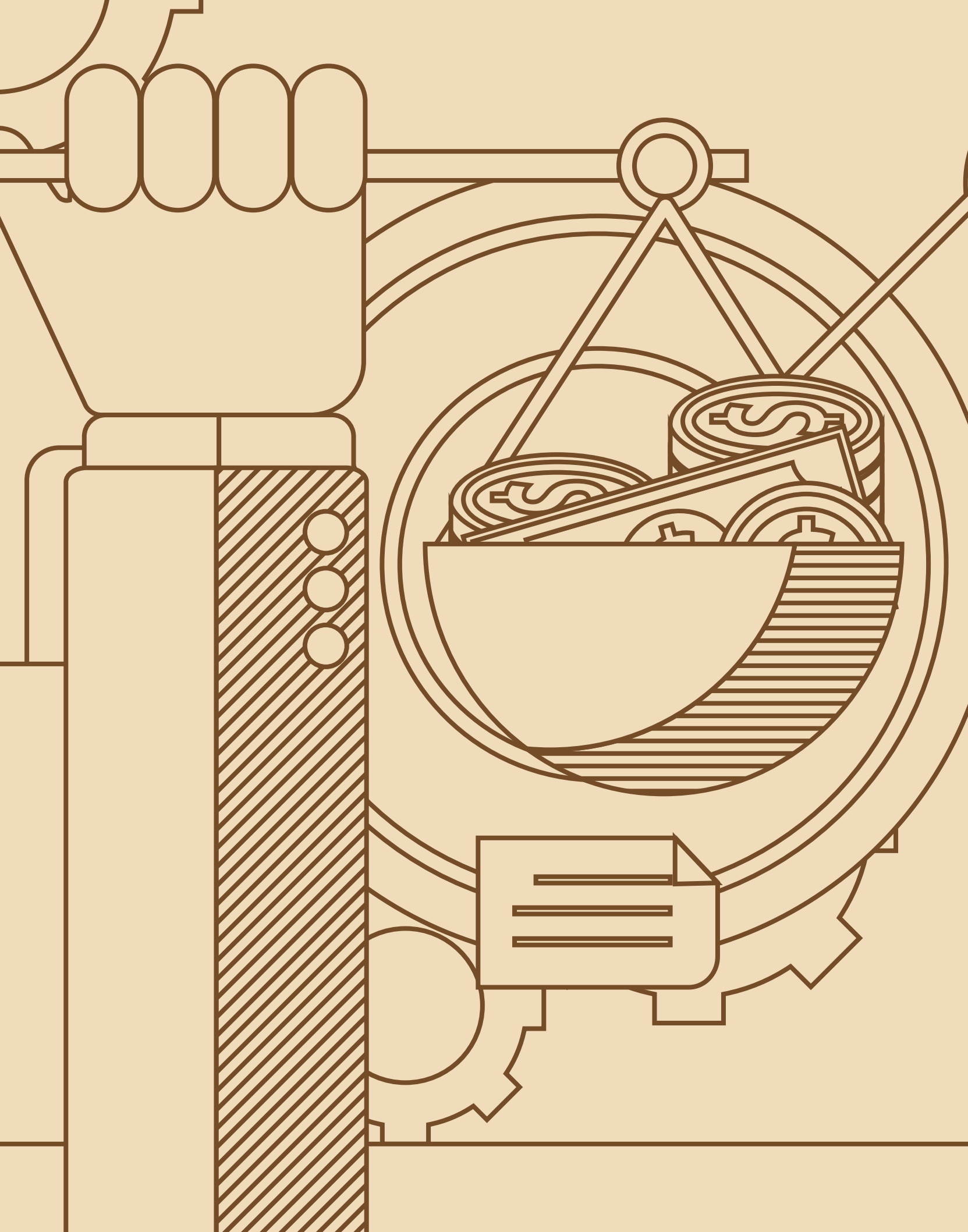
- PropertyGuru Asia Property Awards (Malaysia) 2020 – Special Recognition for CSR
- Sustainability and CSR Malaysia Awards 2020 – Company of the Year (Property Development)

OUR CORPORATE GOVERNANCE

In the efforts of establishing a sustainable business model towards meeting long-term growth, Mah Sing believes in the practice of good governance and establishing an organisational culture and framework centred namely on integrity, transparency, meritorious performance, accountability and an equal opportunity, high-performance workplace.

Good corporate governance is the bedrock for strong internal controls and processes, for a robust system of checks and balances and ultimately providing a way of corporate life that is centred on organisational excellence through competency and innovation.





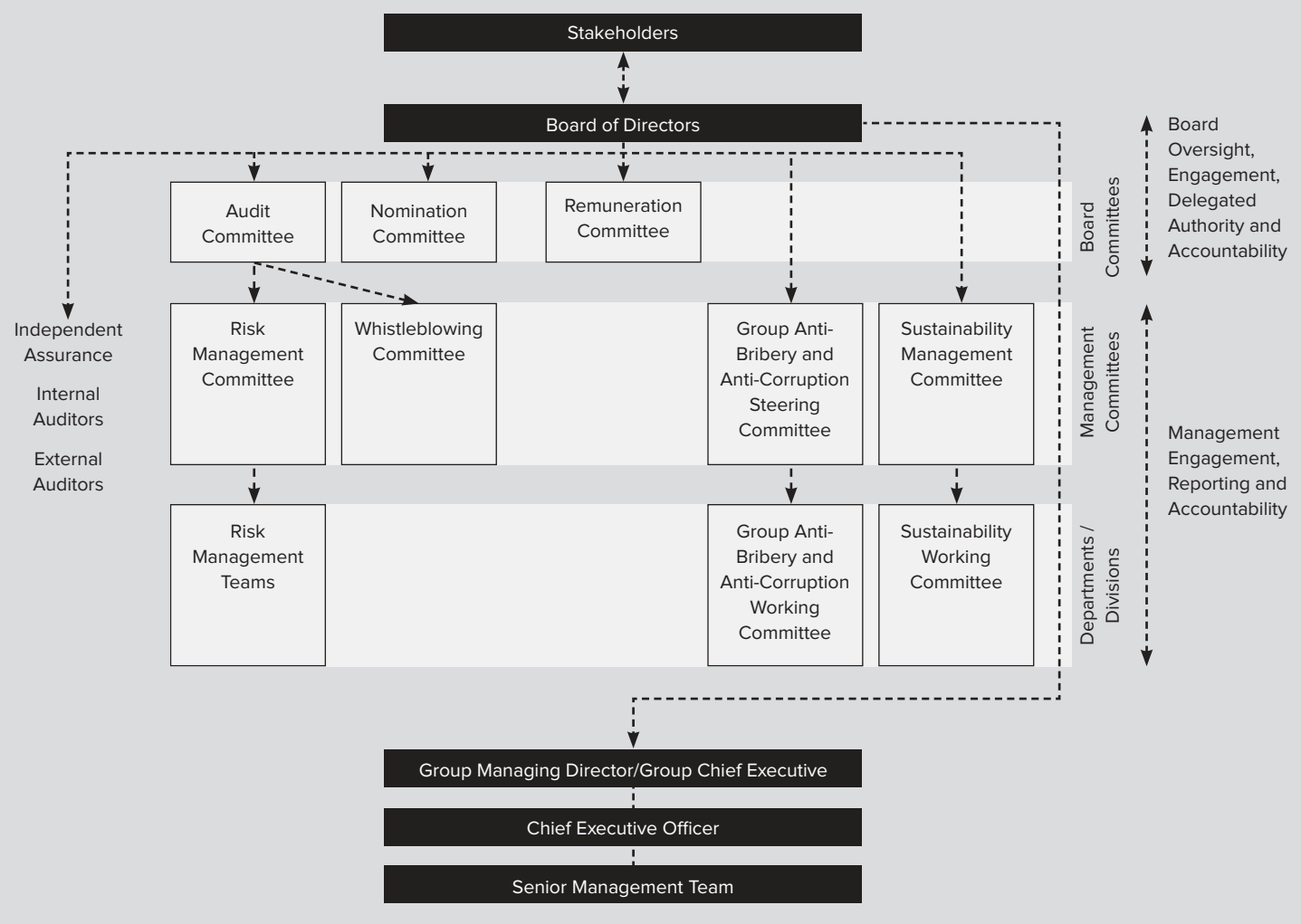
CORPORATE GOVERNANCE OVERVIEW STATEMENT

THE BOARD OF DIRECTORS ("BOARD") AND THE MANAGEMENT OF MAH SING GROUP BERHAD ("MAH SING" OR "COMPANY") REMAIN COMMITTED IN PROMOTING CORPORATE GOVERNANCE CULTURE AND TRANSPARENCY WITHIN THE COMPANY AND ITS SUBSIDIARIES ("GROUP").

Good corporate governance has become a fundamental part of our corporate culture and business practices of the Group. The Board strives to ensure the continued strong performance of our businesses and maintain investors' confidence. The sustainable, long-term growth of our business performance and stakeholders' value is reflected by our Group performance and track record over the years.

GOVERNANCE FRAMEWORK

The governance framework of the Group as illustrated below demonstrates how the Company manages its Group's businesses to achieve its objectives. It also explains how the organisational structure facilitates the roles and functions at each level, with two-way interaction between the Board, the Board Committees and the Group Managing Director/Group Chief Executive, down to the management and operational level. The actions, execution of plans, reporting and accountability will flow back upwards to the Board for further evaluation and decision.



CORPORATE GOVERNANCE OVERVIEW STATEMENT
(CONT'D)

The Board has been guided by the Malaysian Code on Corporate Governance ("**MCCG**") in implementing the corporate governance practices, while ensuring compliance with the Main Market Listing Requirements ("**Listing Requirements**") of Bursa Malaysia Securities Berhad ("**Bursa Securities**") and the Companies Act 2016.

This Corporate Governance Overview Statement provides insights into the Board's view of the Company's corporate governance practices, its key focus areas and future priority with reference to the principles and practices of the MCCG.

This overview statement reports on how the Group has applied the 3 principles below set out in the MCCG, during the financial year ended 31 December 2020 ("**FY2020**") and after consideration of the Group's structure, business environment and industry practices:

(a) Board leadership and effectiveness;
(b) Effective audit and risk management; and
(c) Integrity in corporate reporting and meaningful relationship with stakeholders.

Details on the extent the Company applies each corporate governance practice, including explanation for any departure(s), are disclosed in the Corporate Governance Report. The Corporate Governance Report is accessible on the Company's website at www.mahsing.com.my and an announcement made by the Company on the website of Bursa Securities at www.bursamalaysia.com.

Application of corporate governance principles and practices are reviewed regularly and revised as appropriate to reflect changes in the law and developments in corporate governance, as well as the changing needs of the Group in the business environment.

The Board believes that the practices set out in the MCCG have, in all material respects, been applied to achieve their intended outcomes which are found to be suitable and appropriate to the Group as set out in this statement and the Corporate Governance Report.

Our website contains copies of the Board Charter and Terms of Reference of the Board Committees mentioned in this Corporate Governance Overview Statement. The website is updated periodically to ensure that it reflects the Group's current corporate governance information.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

1.0 Board Leadership

1.1 Board Charter

The Board Charter sets out the composition, roles and responsibilities and processes of the Board. It provides an overview of how the Board leads by strategic guidance and effective oversight of management. It also sets out the delegation of authority by the Board to various Board Committees to ensure the Board members would act in the best interest of all stakeholders in performing their responsibilities on behalf of the Group.

The Board Charter also acts as a source of reference and primary induction literature in providing insights to Board members and senior management.

The Board reviews the Board Charter as and when necessary, and the last review was in April 2018, to ensure consistency with the needs of the Group and the new regulations which impacted the discharge of the Board's responsibilities. This is to ensure its relevance for good corporate governance practices within the Group.

The details of the Board Charter are available for reference in the Company's website at www.mahsing.com.my.

1.2 Roles and Responsibilities of Directors

The Board oversees the Group's businesses and its performance under its collective responsibility for the Group's long-term success, working with the senior management to achieve the Group's strategic objectives and the delivery of sustainable value to its stakeholders.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(CONT'D)

The Board is primarily responsible for the Group's overall strategic plans and directions, overseeing the conduct of the businesses, risk management, succession planning of the senior management, implementing investor relations programmes and ensuring the systems of internal control and management information system are adequate and effective.

The Board assumes the following duties and responsibilities:

(a) Objectively reviewing, approving and monitoring the implementation of the Group's strategic plans.

The Board discharges its role in leading the Group's corporate strategy and directions, having worked with senior management to continue to drive business growth that is in alignment with Mah Sing's vision and mission. The strategic plan also promotes sustainability in achieving a satisfactory balance between bottom-line growth, safeguarding the welfare of people and community as well as maintaining a harmonious environment.

(b) Overseeing the conduct of the Group's business to ensure it is being properly managed.

A Code of Conduct and Ethics provides guidance to all directors, staff, employees, contract workers, contracting parties, goods and services providers and all those who have dealings, arrangements and trading with the Group including joint venture partners on acceptable and unacceptable behaviours.

(c) Identifying principal risks and ensuring the implementation of appropriate internal controls and mitigation measures to achieve an appropriate balance between risks undertaken and potential returns to the stakeholders.

A statement featuring the Group's risk management framework and internal control system is included on pages 132 to 134 of this Integrated Annual Report.

(d) Reviewing the adequacy and effectiveness of the management information systems and internal control systems.

The Group's Internal Audit function which serves as a means of obtaining sufficient assurance of regular review of the adequacy and effectiveness of the internal control systems of the Group is described in the Internal Audit Function on pages 138 to 139 of this Integrated Annual Report.

(e) Ensuring there is orderly succession of senior management positions by candidates of sufficient calibre.

The Board delegates its authority to the Nomination Committee and the Remuneration Committee to review succession plans and remuneration packages for the Directors.

The Board also ensures there are appropriate policies for continuous training, appointments and performance monitoring of management positions.

(f) Overseeing the development and implementation of an appropriate investor relations and communications policy which encourages shareholders' participation at general meetings, promotes effective communication and proactive engagements with shareholders and other stakeholders.

1.3 Separation in the Roles of Chairperson and Chief Executive

In order to ensure continual effective supervision and accountability of the Board and management, there is a clear distinction and division of responsibilities between the Independent Non-Executive Chairperson and the Group Managing Director/Group Chief Executive, which is regularly reviewed to meet changing circumstances.

Different Directors hold the positions of Chairperson and the Group Managing Director/Group Chief Executive. At present, Tan Sri Dato' Seri Siti Norma Binti Yaakob is the Senior Independent Non-Executive Chairperson and Tan Sri Dato' Sri Leong Hoy Kum is the Group Managing Director/Group Chief Executive.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

The Chairperson acts independently in the best interest of Mah Sing and is responsible for ensuring Board effectiveness and standard of conduct whereas the Group Managing Director/Group Chief Executive and Executive Directors oversee the management of the Group's businesses, implementation of Board policies and day-to-day running of the businesses.

The roles of the Chairperson and the Group Managing Director/Group Chief Executive are described in detail in the Board Charter, which is made available on the Company's website at www.mahsing.com.my.

1.4 Supply of Information and Support for Directors

Board papers are distributed to Directors with sufficient notice before Board meetings to enable the Directors to peruse and have the opportunity to seek additional information, and obtain further explanation and clarification on the matters to be deliberated.

The Directors have access to all information within the Group from the senior management, Company Secretaries and other employees of the Group and may seek independent professional advice from external consultants where necessary, in the furtherance of their duties and they may do so at the Group's cost, so as to make independent and informed decisions. The Directors may direct any investigation to fulfil their responsibilities and may retain, at the Company's expense, where appropriate, any external legal or other services that is considered necessary in carrying out their duties as Directors.

Whenever necessary, the senior management personnel, External Auditors or advisers are invited to attend the meetings of Board and Board Committees to report on matters within their expertise, knowledge and provide clarity on the agenda being discussed including details on recommendations to assist the Directors, to enable the Directors to make independent and informed decisions.

The Executive Directors together with the Chief Financial Officer or Group Financial Controller hold regular management meetings with operating heads to deliberate on the performance of the Group including sales, marketing development and strategies, operational, environmental, risk management, internal controls, regulatory and statutory matters pertaining to the Group. Ad hoc meetings were held to discuss on fund raising exercise and potential new investment opportunities including the glove business.

During the meetings, the Independent Non-Executive Directors are briefed on, amongst others, major operational, financial and corporate issues, activities and performance of projects, divisional performance, business outlook, acquisition of assets, potential new investment opportunities including the glove business, fund raising exercises and changes in the requirements of regulatory bodies.

At Board meetings, the Chairperson of the Board Committees would inform the Directors of any salient matters noted or recommendations of the Board Committees which may require the Board's attention, direction or decision.

Decisions of the Board and Board Committees are made unanimously or by consensus. Proceedings of the meetings and the resolutions reached have been duly minuted. Minutes of each meeting are circulated to each Director prior to confirmation of the minutes in the next meeting. The Board's decisions may also be obtained via circulation depending on the urgency and availability of the Directors as well as the nature of the proposal or the subject matter.

Directors and principal officers are notified of the restriction in dealing with the securities of the Company prior to the announcement of financial results or corporate proposals. They are also notified immediately of all corporate announcements released to Bursa Securities.

All Directors have access to the advice and services of the Company Secretaries, particularly relating to procedural and related statutory obligations, corporate governance matters as well as updates on regulatory requirements such as the listing rules, guidelines and relevant legislation.

The Company Secretaries attend and ensure that all Board, Board Committees and general meetings are properly convened, and that accurate and proper records of the proceedings and resolutions passed are maintained in the statutory register at the registered office of the Company. The Company Secretaries also assist the Chairperson in the preparation for and conduct of meetings.

The Company Secretaries have the requisite credentials and are qualified to act as company secretary under Section 235 of the Companies Act 2016.

The Company also engages the services of external consultant on corporate secretarial matters and to provide additional advice on issues pertaining to compliance and corporate governance.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(CONT'D)

1.5 Managing Conflict of Interest

The Board will be notified by the Company Secretaries on a quarterly basis to update their disclosure of interest.

Directors should observe the following in managing potential conflict of interest:

- Avoid improper use of information
- Avoid making secret profits
- Observe duty on disclosure to the Company Secretaries
- Making full disclosure in relation to contracts with the Company
- Comply with relevant statutory requirements in relation to related party transactions
- Refrain from deliberation and voting on the proposal where a Director has a direct or indirect interest
- Avoid any activities or transactions which may give rise to potential conflict of interest

In the event of potential conflict of interest, the Director concerned will make a declaration at the meeting or as soon as practicable after they become aware of the conflict of interest and shall abstain from deliberation and decision of the Board including Board Committees on the proposal of which they have a material personal interest.

In the event a corporate proposal is required to be approved by shareholders at the general meeting, interested Directors shall abstain from voting in respect of their shareholdings in Mah Sing on the resolutions pertaining to the corporate proposal, and will further undertake to ensure that persons connected to them similarly abstain from voting on the resolutions at the general meeting.

2.0 Board Composition and Effectiveness

2.1 Board Composition

The Board comprises 7 members, of which 3 are Independent Non-Executive Directors (including the Chairperson) and 4 Executive Directors.

Jane Leong Jheng-Yi has resigned as Alternate Director to Tan Sri Dato' Sri Leong Hoy Kum with effect from 1 June 2020 due to her personal commitments which has resulted in her being unable to commit the time and attention required to discharge her duties to the Board.

In term of gender diversity, 3 out of 7 of the Board members are women, i.e. 43% (including the Chairperson). This is in line with the recommendation of Practice 4.5 of the MCCG which requires at least 30% women directors in its Board composition.

The Chairperson is also the Senior Independent Non-Executive Director. This provides an effective check and balance in the functioning of the Board and is in compliance with the Listing Requirements, which requires a minimum of 2 Directors or 1/3 of the Board, whichever is higher, to be independent directors.

2.2 Board Balance and Independence

The Board believes that its present composition constitutes an optimal size for the Group's current business profile, which is appropriate for leading the Group effectively on its future business growth. The composition of the Board consists of qualified individuals with a broad base of industry knowledge, experience and technical skills necessary in the management and direction of the Group.

A brief description of the background of each Director is presented in the Directors' Profile in this Integrated Annual Report and the Company's website at www.mahsing.com.my.

With its diversity of qualifications and skills, and the governance structure of the Board and Board Committees, the Board has been able to provide clear and effective collective leadership to the Group and has delivered informed and independent judgment to the Group's strategy and performance to ensure that the highest standards of conduct and integrity are always at the core of the Group's undertakings.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

All the Independent Non-Executive Directors have exercised their independent judgement where all issues proposed by the executive management were fully discussed and examined, after taken into account of the long term interest, not only of the shareholders, but also of other stakeholders such as the employees, customers and business associates.

None of the Independent Non-Executive Directors participates in the day-to-day management of the Group. They are free from any business or other relationships, which could interfere with the exercise of their independent judgement or ability to act in the best interest of the Company. The Independent Non-Executive Directors must also fulfil the criteria for independence as set out in the Listing Requirements.

During FY2020, the Company has held 2 private sessions between the Independent Non-Executive Directors, the External Auditors and the Internal Auditors without the presence of management personnel. These sessions provide the Independent Non-Executive Directors with the opportunity to openly share concerns about the Group, exchange views on potential improvements in corporate governance practices and to discuss issues requiring attention or significant matters arising from the audit. At these private sessions, no major concerns were highlighted and the External Auditors confirmed that they had received full cooperation from the management during the course of audit.

Currently there is no fixed term limit for the Independent Non-Executive Directors of the Company to remain on the Board. The Board believes that the suitability and ability of an Independent Non-Executive Director to carry out his/her roles and responsibilities effectively should be based on his/her calibre, qualifications, experience, personal qualities and knowledge of the Group's business operations and activities.

However, the Board would take appropriate actions as recommended by the MCCG on retention of office of an independent director who has a tenure of service beyond 9 years to seek annual shareholders' approval.

Currently, none of the Independent Non-Executive Directors has served more than 9 years.

The Nomination Committee has conducted its annual review on the independence of Independent Non-Executive Directors based on specific criteria, including criteria of independence as per the Listing Requirements. The Board and Nomination Committee are satisfied that the individual Director is independent of management and free from any business or other relationship which could interfere with the exercise of his/her independence and judgement, and is able to advise the Board on matters relating to existing transactions where conflict of interest may exist.

As recommended by the MCCG, the tenure of directorship of not more than 9 years should also form part of the assessment criteria for independence of a Director for reviewing of suitability by the Nomination Committee and the Board. The relevant processes and procedures have been provided for in the Board Charter and the Terms of Reference of the Nomination Committee.

2.3 Board Committees

The Board is assisted by 3 Board Committees, namely Audit Committee, Nomination Committee and Remuneration Committee, in discharging of its oversight function. These Board Committees play a significant part in reviewing matters within each Committee's terms of reference and facilitating the Board's discharge of its duties and responsibilities. Each of these Board Committees have specific terms of reference, scope and specific authorities to review matters and report to the Board with their recommendations. The ultimate responsibility for the final decision on all matters, however, rests with the entire Board.

The terms of reference of the Board Committees are available online at www.mahsing.com.my.

The Audit Committee and Nomination Committee comprise all Independent Non-Executive Directors, while the Remuneration Committee comprises a majority of Independent Non-Executive Directors.

Meeting papers are distributed to the members of Board Committees with sufficient notice before meetings to enable the members to peruse and have the opportunity to seek additional information and obtain further explanation or clarification from the senior management personnel on the matters to be deliberated. All deliberations and recommendations of the Board Committees were recorded as minutes of the proceedings thereat and the contents were subsequently confirmed at the subsequent meetings of the Board Committees. During the Board meetings, the Chairperson of the Board Committees would update the Board on key discussions, highlights and recommendations which require further deliberation, direction or decision from the Board. The senior management personnel were invited to brief and provide an insight into the operations of the Group to the members of the Audit Committee.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(CONT'D)

(i) Audit Committee

The composition and summary of activities of the Audit Committee are set out separately in the Audit Committee Report contained in this Integrated Annual Report.

(ii) Nomination Committee

The Nomination Committee comprises exclusively Independent Non-Executive Directors as follows:

Tan Sri Dato' Seri Siti Norma Binti Yaakob
(Chairperson, Senior Independent Non-Executive Director)

Encik Abd Malik Bin A Rahman
(Member, Independent Non-Executive Director)

The main role of the Nomination Committee is to assist the Board in ensuring that the Board has an appropriate size and composition, a proper balance of executive and non-executive participation which comprises Directors with appropriate skills, knowledge and experience.

In discharging its responsibilities, the Nomination Committee has developed criteria as outlined in the Board Charter for assessment of effectiveness of the Board as a whole, performance of individual Directors and recruitment.

The Terms of Reference of the Nomination Committee are available on the Company's website at www.mahsing.com.my.

The Nomination Committee met 2 times during FY2020 with full attendance of its members.

Performance Evaluation

The Nomination Committee has assessed and evaluated the performance and effectiveness of the Board, Board Committees and individual Directors, as well as composition, skills and diversity of the Board and Board Committees. The Nomination Committee has also reviewed the Directors' training and development needs based on annual performance assessment findings or the Directors' own professional bodies required training hours.

The Board and Board Committees evaluation comprised the followings:

(a) annual assessment on effectiveness of the Board and Board Committees as a whole has been conducted based on specific criteria, covering areas such as Board composition and structure, the required mix of skills, experience, gender, age group, ethnic, qualifications and other qualities of the Directors and Board Committees, principle responsibilities of the Board and Board Committees, succession planning, size of non-executive participation and Board governance.

(b) annual assessment on contribution of individual Director and Committee member has been conducted based on specific criteria including contribution to interactions, role and duties, knowledge, expertise, integrity, time commitment, assessment of independence, training and development programs in areas which the Director could improve on.

(c) annual review on the independence of all Independent Directors has been conducted based on specific criteria, including criteria of independence as per the Listing Requirements, tenure of service as an Independent Director, required mixed of skills, knowledge of the Group's business operations and activities, ability to ensure effective checks and balances on the Board's decision making process, independent of management and free from any business or other relationships which could interfere with the ability to exercise independent judgement and act in the best interest of the Company.

From the above evaluation and assessment, the Nomination Committee concluded, among others, the followings:

(a) the Board and the Board Committees' compositions were adequate in number and there is a right mix of skills and knowledge on the Board as well as the Board Committees for the Group's current business profile. Their respective responsibilities were well defined and set out in the Board Charter.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

(b) each Director has the requisite competence, calibre to serve on the Board and the Board Committees, and had demonstrated his commitment to the Company in terms of time, participation and dialogue during the current year under review.

(c) all the Independent Non-Executive Directors of the Company continued to demonstrate conduct and behaviour that were essential indicators of their independence, and that each of them continued to fulfill the definition and criteria of independence as set out in the Listing Requirements as well as meeting all other criteria set for evaluation of independence. With their knowledge of the Group's business operations and activities, the Independent Directors continue to provide check and balance, bring independent judgement and contribute objectively to the Group's conduct of business.

The Nomination Committee's recommendations were tabled at the Board meeting for the Board's consideration and approval. The Board members unanimously concurred with the above recommendations of the Nomination Committee.

The Nomination Committee reviewed and recommended the re-election of Tan Sri Dato' Seri Siti Norma Binti Yaakob and Datuk Ho Hon Sang who were subject to retirement by rotation at the 28th Annual General Meeting ("**AGM**").

The Board reviews the Terms of Reference of the Nomination Committee as and when necessary, and the last review was in April 2018, to ensure consistency with the needs of the Group and to be in line with the Listing Requirements and the MCCG. This is also to ensure its relevance for good corporate governance practices within the Group.

(iii) Remuneration Committee

The Remuneration Committee currently comprises the following members, with majority Independent Non-Executive Directors, including the Chairperson.

Tan Sri Dato' Seri Siti Norma Binti Yaakob
(Chairperson, Senior Independent Non-Executive Director)

Tan Sri Dato' Sri Leong Hoy Kum
(Member, Group Managing Director / Group Chief Executive)

Encik Abd Malik Bin A Rahman
(Member, Independent Non-Executive Director)

The Remuneration Committee met once during FY2020 with full attendance of its members.

The Level and Make-up of Remuneration for the Directors and Key Senior Management Personnel

The objectives of the Remuneration Committee in determining the levels and components of the compensation packages are to motivate, attract and retain dedicated Directors that are deemed as the key to the success of the Group.

In determining the remuneration packages of the Executive Directors, the Remuneration Committee has considered the compensation and benefits which commensurate with the level of the Directors' responsibilities and performance, as well as taking into consideration the Group's performance relative to the industry. Survey data on the remuneration practices of comparable companies are taken into consideration in determining the remuneration package.

The Board agreed with the recommendations from the Remuneration Committee that the remuneration paid to the Executive Directors for the financial year has been benchmarked against other comparable public listed companies within the relevant industry, which are commensurate with their expertise, working experience, knowledge, responsibilities and level of participation in relation to the affairs and goals of the Group, and is in line with the individual performance, that reflect their respective contributions, commitment and achievement of the goals, and which are competitive and are in tandem with the Company's corporate objectives, culture and strategy.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(CONT'D)

In the case of Directors' fees and benefits for Non-Executive Directors, the Board recommended the level of remuneration that reflects the performance, experience and extent of responsibilities undertaken by each Non-Executive Director, subject to the approval of the shareholders at the 29th AGM of the Company. Where applicable, the Board also takes into consideration any relevant information on Directors' fees provided by independent consultants or from survey data.

The Remuneration Committee is also responsible for providing recommendations for key executives. In determining the remuneration packages of the Group's key senior management personnel, factors that were taken into consideration included their individual responsibilities, skills, expertise and contributions to the Group's performance and whether the remuneration packages are competitive and sufficient to ensure that the Group is able to attract and retain executive talents.

The remuneration of the 5 key senior management is a combination of an annual salary, bonus and benefits in-kind and is determined in a similar manner as other management employees of the Company. The basis of determination has been applied consistently and is based on individual performance, the overall performance of the Company and benchmarked against other companies operating in the relevant industry.

Individual Directors do not participate in the decisions regarding their individual remuneration.

The Company pays its Directors' annual fees which are approved annually by the shareholders.

The Board approved the recommendation by the Remuneration Committee in respect of the Non-Executive Directors' fee for FY2020, subject to the approval of the shareholders at the 29th AGM of the Company in accordance with Section 230 of the Companies Act 2016.

The Board reviews the Terms of Reference of the Remuneration Committee as and when necessary, and the last review was in April 2018, to ensure consistency with the needs of the Group and to be in line with the Listing Requirements and the MCCG. This is also to ensure its relevance for good corporate governance practices within the Group.

The Company has also in place a Directors' and Officers' liability insurance which provides appropriate insurance cover for the Directors and Officers of the Company in discharging their duties.

The details of the aggregate remuneration of all the Directors of the Company on a named basis, comprising remuneration received and/or receivable from the Company and its subsidiaries during FY2020 are disclosed in the Corporate Governance Report which is available on the Company's website at www.mahsing.com.my.

2.4 Appointments and Re-election of Directors to the Board

The Nomination Committee makes independent recommendations for appointments to the Board, based on criteria which they develop, maintain and review. Sourcing of Board candidates for consideration for appointment as Directors is facilitated through recommendations from the Directors, the management or external parties including the Company's contacts in the related industries, finance, legal and accounting professions. The Nomination Committee may consider the use of external consultants in the identification of potential Board candidates.

In the selection of suitable Board candidates for consideration of appointment as Directors, the Nomination Committee would consider candidates who meet the required character, experience, integrity, competence and time to effectively discharge his/her role as a Director, with due regard for the benefits of diversity in skills, experience, age, gender and culture background that would suit the Company's strategic goals to join the Board.

The nomination, assessment and evaluation processes on the proposed candidates for directors are set out in the Board Charter.

In accordance with the Company's Constitution, at least 1/3 of the Directors shall retire from office every year provided always that all Directors shall retire from office at least once in every 3 years but shall be eligible for re-election at the AGM. No Director shall remain in office for more than 3 years without being subject to re-election by shareholders. In addition, the Board would take appropriate actions as recommended by the MCCG on retention of office of an independent director who has a tenure of service beyond 9 years to seek annual shareholders' approval. Currently, none of our Independent Non-Executive Directors has served more than 9 years.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

The following Directors are up for retirement at the forthcoming 29th AGM of the Company on 30 June 2021 and have offered themselves for re-election at the 29th AGM:

(i) Tan Sri Dato' Sri Leong Hoy Kum; and
(ii) Encik Abd Malik Bin A Rahman.

The Board, on the recommendation of the Nomination Committee, and with Tan Sri Dato' Sri Leong Hoy Kum and Encik Abd Malik Bin A Rahman abstaining, had endorsed the re-election of the abovementioned Directors.

2.5 Board and Senior Management Diversity

The Board recognises the challenges in achieving the right balance of diversity on the Board. This will be done over time, taking into account the present size of the Board, the valuable knowledge and experience of the present Board members and the evolving challenges to the Company over time.

In relation to boardroom diversity, the Board believes in providing equal opportunity to candidates who have an effective blend of competencies, skills, experience and knowledge in areas identified by the Board, should remain a priority so as not to compromise on gender, age and ethnicity. However, the Board would take appropriate actions as recommended by the MCCG on gender diversity of 30% women representation in its Board composition and senior management.

The Board currently has 3 women Directors among the 7 Directors who serve to bring value to the Board discussions from different perspectives and approaches. We have 66% male and 34% female employees in our senior management.

2.6 Meetings and Time Commitment

Board meetings are held at quarterly intervals with additional meetings convened for particular matters as necessary depending on business requirement.

The Directors allocate sufficient time to discharge their responsibilities effectively and attend Board and Board Committee meetings with sufficient deliberation on the matters under their purview. During FY2020, the Board and Audit Committee met 4 times, while the Nomination Committee and the Remuneration Committee met 2 times and once respectively.

The following table outlines the attendance of the Board members for Board meetings and Board Committee meetings held during FY2020:

Name of Directors	Board	Audit Committee	Nomination Committee	Remuneration Committee
Executive Directors				
Tan Sri Dato' Sri Leong Hoy Kum	4/4	-	-	1/1
Datuk Ho Hon Sang	4/4	-	-	-
Dato' Steven Ng Poh Seng	4/4	-	-	-
Datuk Seri Leong Yuet Mei	4/4	-	-	-
Independent Non-Executive Directors				
Tan Sri Dato' Seri Siti Norma Binti Yaakob	3/4	3/4	2/2	1/1
Encik Abd Malik Bin A Rahman	4/4	4/4	2/2	1/1
Ms Ho Kim Poi	4/4	4/4	-	-

All Directors have complied with the minimum 50% requirements on attendance at the Board meetings held during the financial year as stipulated in the Listing Requirements.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(CONT'D)

The Directors are required to notify the Chairperson before accepting any new directorships and to indicate the time expected to spend on the new appointment. In any circumstances, the Directors must not hold more than 5 directorships in public listed companies in accordance with the Listing Requirements.

All Directors are required to allocate time to attend relevant external training programs to continually develop and refresh their necessary skills and knowledge to meet the challenges of the Board. Details of the training programs attended by all Directors during the financial year are disclosed in the subsequent subsection of "Training and Development of Directors".

2.7 Training and Development of Directors

The Board acknowledges that the Directors' training and development is an important and ongoing process to continually develop and refresh their necessary skills and knowledge to meet the challenges of the Board. Continuous training and development is vital for the Board to gain insight into the state of the economy, changing commercial risks in our core business, latest regulatory requirements and management strategies.

All Directors have completed the Mandatory Accreditation Programme prescribed by Bursa Securities for directors of public listed companies.

All Directors have attended relevant trainings, either by recommendation of the Nomination Committee based on its annual performance assessment findings on the Directors' training and development needs or the Directors' own professional bodies required training hours.

During the FY2020, all Directors had attended training and development programmes, workshops, seminars, briefings and/or conferences on various subject matters organised by the relevant regulatory authorities and professional bodies, according to respective Director's own training needs in carrying out their duties as Directors and members of the Board Committees.

The trainings attended were, inter alia, on areas relating to finance, property market, economic trends, corporate leadership, corporate governance, risk management, latest technologies and sustainable development as well as legal, industry and regulatory development.

The following is a list of conferences, seminars and training programmes attended by all Directors during FY2020:

- Audit Committee Institute Virtual Roundtable 2020 ESG Perspective: Managing Recovery and Resilience
- Captain's Forum: Transformation Towards Recovery - Session 1 : Financial Resilience
- Captain's Forum: Transformation Towards Recovery - Session 2 : Operational Resilience
- Captain's Forum: Transformation Towards Recovery - Session 3 : Technology & Data
- Climate Action: The Board's Leadership in Greening the Financial Sector
- Conduct of Directors of Listed Companies and Common Breaches of the Listing Requirements
- COVID-19 Pandemic: Government's Attempts to Reduce the Impact - How Effective Would They Be
- Digitalising Organisations
- Economy Recovery: Policies & Opportunities Virtual Series 1
- Fraud Risk Management Workshop for Directors of Listed Companies
- Global Investment Strategy on Relocation & Expansion - What Major Asian Countries are Offering
- Going Remote - Implications of Alternative Work Arrangements
- Humanizing Layoffs: Your Business & People Matter (as topic Presenter)
- IMF Regional Economic Outlook for Asia & the Pacific : Navigating the Pandemic : A Multispeed Recovery in Asia
- Improving Governance Through Financial Reporting
- Introduction Talk on the New Clause of Section 17A to the Malaysian Anti-Corruption Commission Amendment Act 2018
- Malaysian Budget 2021 Seminar
- Panel Discussion on COVID-19 Recovery: Role of the Accountancy Profession in Building a Just and Sustainable Future
- Post-Budget Power Talk - Prosperity. Recovery. Resilience
- Preparing the Board for a Post-COVID World
- Spotline on Family Enterprises (II): Preservation of Cash and Creation of Liquidity
- Tax Impact of COVID-19
- The Big Conversation - Ethics & Sustainability
- The Future of Healthy Buildings

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

- Transforming Business Performance through Digitalization
- Turnaround & Restructuring - The Banker's Perspective
- Understanding Angel Investor Program and its Potential
- Virtual Conference - Transformative Digital Careers
- Virtual Forum: Economic Outlook in an Uncertain World : Unpacking the Business Landscape in the Next 18 Months
- Virtual Forum on Women Shaping the Future in the Boardroom
- Webinar: Brands Matter

The Directors are updated from time to time on relevant changes in laws, regulations, the Listing Requirements, the MCCG as well as business and industry specific trends. Such updates and trainings shall enable Directors to equip themselves with the relevant knowledge to discharge their responsibilities and duties more effectively.

3.0 Good Business Conduct and Corporate Culture

The Board acknowledges its role in establishing a good business conduct and corporate culture. In line with this principle, the Group has in place the following policies to ensure proper and ethical conduct of business of the Group are consistently carried out ethically by all Directors, employees and our counterparties.

3.1 Code of Conduct and Ethics

The Group has in place a Code of Conduct and Ethics which aims to promote good business conduct, ethical behaviours and maintaining a healthy corporate culture within the Group.

Code of Conduct and Ethics applies to all Directors, staff, employees, contract workers, contracting parties, goods and services providers and all those who have dealings, arrangements and trading with the Group including joint venture partners (collectively, "**Parties**").

The Code of Conduct and Ethics sets out the standards of business ethics and conduct, which serves as a guidance to the Parties in defining ethical standards and conduct at work. This will assist them to exercise reasonable judgement when carrying out their duties and responsibilities in conducting the Group's business.

The Board reviews the Code of Conduct and Ethics as and when necessary, to ensure that it continues to be effective and the last review was in November 2019. The details of the Code of Conduct and Ethics are available for reference in the Company's website at www.mahsing.com.my.

3.2 Group Anti-Bribery and Anti-Corruption Policy

The Group strongly believes in acting professionally, fairly and with integrity in all business dealings and relationships including its supply chain, free from acts of bribery or corruption in upholding high standards of ethics and integrity.

In 2019, the Company performed an anti-corruption gap assessment exercise to identify key areas for improvement. Subsequently, efforts to address these gaps have been initiated. One of which was the formulation of the Group Anti-Bribery and Anti-Corruption Policy ("**Group ABAC Policy**") in FY2020. With the establishment of the Group ABAC Policy, procedures to address anti-bribery and anti-corruption risks have been enhanced across the Group.

The Group ABAC Policy provides information and guidance to the Directors and employees on their actions and decisions made for and on behalf of the Company to prevent practices against the Group ABAC Policy. It also elaborates the accepted best practice guidelines to combat bribery and corruption in furtherance of the Group's commitment to lawful and ethical behaviour at all times.

The Group ABAC Policy is applicable to the Directors, employees, suppliers, contractors, sub-contractors, vendors, agents, consultants, representatives, joint venture partners and other representatives acting for or on behalf of the Group.

The Company continues to provide awareness sessions and/or trainings on anti-corruption (which covers the Group ABAC Policy) to its staff and supply chain to address the prevention of bribery and corruption.

The details of the Group ABAC Policy are available on the Company's website at www.mahsing.com.my.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(CONT'D)

3.3 Group Whistleblowing Policy and Procedures

The Company recognises the importance of lawful and ethical behaviour in all its activities and requires its employees to act in accordance with all applicable laws, regulations and policies and to observe high standards of business and personal ethics in the conduct of their duties and responsibilities.

The Group is committed to professional standards of integrity and strives to provide assurance to the stakeholders that the Group operate its business and operations ethically and in a responsible manner.

In FY2020, the Company has enhanced the Group Whistleblowing Policy and Procedures and developed the Whistleblowing Investigation Manual to set out the whistleblowing measures consistent with the Group ABAC Policy. The Group Whistleblowing Policy and Procedures provide an avenue for the Directors, employees and relevant stakeholders to raise genuine concerns of alleged, suspected, or known illegal activity or improper conduct within the Group through proper channel without fear of retribution or detrimental action. Any suspected violation of the Code of Conduct and Ethics and the Group ABAC Policy may be reported via the whistleblowing mechanism.

The details of the Group Whistleblowing Policy and Procedures are available online at www.mahsing.com.my.

4.0 Management Teams

The Board has also established the following management teams whose functions, as well as authority, are clearly defined and are set up to assist the Board in managing the business of the Group.

4.1 Senior Management Team

The Senior Management Team comprises the Group Managing Director/Group Chief Executive, Executive Directors, Chief Executive Officer, Group Financial Controller, C-Suites and other key executives, assuming some of the responsibilities and functions of the Board, oversees the running of the Group and the implementation of the Board's decisions and policies relating to operational, sales and marketing strategies, financials, risk management, internal controls, sustainability, human resources, compliance, credit control and legal issues.

The Senior Management Team hold regular management meetings with the operating heads to deliberate on the performance of the Group, sales, marketing development and strategies, operational, environmental, risk management, internal controls, regulatory and statutory matters pertaining to the Group.

4.2 Sustainability Management Committee

Ultimately, the Board is accountable for sustainability matters in the organisation. The Board is supported by the Sustainability Management Committee, comprising members of the senior management, in overseeing the implementation of sustainability strategy and related matters.

The Sustainability Working Committee reports to the Sustainability Management Committee and is responsible for the overall implementation and execution of sustainability matters, such as:

- identifying issues concerning stakeholders,
- determining the materiality of the issues,
- measuring and managing the sustainability matters,
- proposing necessary action plans to mitigate issues of concern, and
- formulating strategy to bring improvement in the key areas.

The Sustainability Working Committee communicates with the respective departments periodically via emails, meetings and discussion sessions to incorporate sustainability across the organisation.

For further details, please refer to the Sustainability Statement contained in this Integrated Annual Report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(CONT'D)

4.3 Risk Management Committee

The Risk Management Committee ("**RMC**") was formed to oversee the risk management system, practices and processes. The RMC emphasises the importance of Enterprise Risk Management (ERM) Framework and procedures, and manages the overall risks exposure of the Group.

The RMC is chaired by the Chief Executive Officer and comprises the Chief Operating Officer and the Group Financial Controller. The RMC amongst others, assists the Audit Committee in identifying key strategic and business risks, determining the Group's risk appetite and ensures that risks are identified and managed in effective and efficient manner. The RMC's roles and responsibilities are set out in its Terms of Reference.

For further details, please refer to the Statement on Risk Management and Internal Control contained in this Integrated Annual Report.

4.4 Risk Management Teams

The Risk Management Teams report to RMC. The Risk Management Teams comprising management staff from the Corporate, Property, Plastics and Hotel Divisions who are assigned with the responsibility of continuously monitoring and managing the risks of the Group.

The risk management reviews are performed on quarterly basis to assess and manage the risks faced by the Group. The reviews are carried out to address major risk areas of concern, if any, from the perspectives of environmental, regulatory and legal, governance and operational controls, financial, customers, products and services, suppliers, human capital and sustainability risks.

4.5 Group Anti-Bribery and Anti-Corruption Committee

The Group Anti-Bribery and Anti-Corruption Committee ("**Group ABAC Committee**") was established to oversee the development, implementation and execution of the Group ABAC Policy, procedures and framework of the Group.

The members of the Group ABAC Committee are the Board, ABAC Management Steering Committee and ABAC Working Committee. The ABAC Management Steering Committee with the support of ABAC Working Committee will report and update the Board where changes or review is required depending on current business and legal requirements. The Group ABAC Committee's roles and responsibilities are set out in its Terms of Reference.

4.6 Whistleblowing Committee

The Whistleblowing Committee reports to Audit Committee. The members of the Whistleblowing Committee are Head of Group Internal Audit Department and Chief Executive Officer, who shall supervise the Group Whistleblowing Policy and Procedures and responsible amongst others, to investigate any whistleblowing reports received, recommend areas of improvement to close gaps found during course of any investigation and take action pursuant to the Whistleblowing Investigation Manual.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

1. Audit Committee

The Audit Committee assists the Board in overseeing the financial reporting processes, evaluating internal and external audit processes, reviewing the adequacy of the Group's risk management process and systems of internal control. The Audit Committee is supported by the Company's in-house internal audit functions as well as RMC in carrying out its responsibilities.

The composition and summary of activities of the Audit Committee are set out separately in the Audit Committee Report contained in this Integrated Annual Report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(CONT'D)

2. Relationship with External Auditors and its Independence

The Group maintains a transparent relationship with the External Auditors in seeking professional advice towards ensuring compliance with accounting standards.

The External Auditors attended all meetings of the Audit Committee to review the audit plan, the scope and adequacy of the audit process, audit findings and the Group's financial statements. The Audit Committee also meets up with External Auditors at least 2 times a year without the presence of the Executive Directors and management staff. In addition, the External Auditors attended all AGMs of the Company and are available to respond to shareholders' queries or concerns relating to the conduct of the statutory audit and the preparation and contents of their audit report.

The Audit Committee has also considered the non-audit services provided by the External Auditors during FY2020 to ensure that the provision of these services did not compromise the External Auditors' independence and objectivity. Details of the audit and non-audit fees paid/payable to the External Auditors for services rendered during FY2020 are outlined in the Additional Compliance Information included in this Integrated Annual Report.

The Audit Committee and the Board place great emphasis on the suitability and independence of the External Auditors in providing relevant and transparent reports to the stakeholders. The Board, having considered the recommendations by the Audit Committee, was satisfied that the External Auditors, Deloitte PLT has met the criteria on assessment of the suitability and independence of the external auditors including quality of audit review procedures, adequacy of audit firm's expertise, its resources to carry out the audit work according to the audit plan, and independence of the external auditors.

The External Auditors have confirmed with written assurance to the Audit Committee that they have not identified any breach of independence and are in compliance with the independent requirements set out in the by-laws (on Professional Ethics, Conduct and Practice) for Professional Accountants of Malaysian Institute of Accountants.

The External Auditors, since their appointment, have complied with the requirements of Malaysian Institute of Accountants in relation to rotation of their audit partners assigned to the Group every 7 years.

The Board agreed with the recommendation of the Audit Committee on the suitability and independence of the External Auditors and thereby recommended to the shareholders for approval at the forthcoming AGM on the re-appointment of Deloitte PLT for the financial year ending 31 December 2021.

3. Compliance with Applicable Financial Reporting Standards

In presenting the annual audited financial statements and quarterly announcements of unaudited consolidated financial results to shareholders, the Board has taken reasonable steps to ensure a balanced and understandable assessment of the Group's financial position and prospects. The Board is assisted by the Audit Committee in overseeing the Group's financial reporting processes, accuracy and quality of its financial reporting.

A statement by Directors of their responsibilities in preparing the financial statements is set out on page 130 of this Integrated Annual Report.

4. Risk Management and Internal Control

The Board maintains sound risk management framework and systems of internal control to safeguard shareholders' investment and the Group's assets. The Board ensures the adequacy, effectiveness and integrity of the internal control systems through regular reviews, accompanied by ongoing risk management process.

The in-house Internal Audit function coordinates discussions and working-level risk management meetings with the Risk Management Teams comprising the respective risk owners and functional heads who are assigned with the responsibilities of continuous monitoring and management of the identified risks. On quarterly basis, the Risk Management Teams report the updated risk registers and the proposed mitigation actions for RMC's review.

RMC assists the Audit Committee in identifying key strategic and business risks, determining the Group's risk appetite and ensures that risks are identified and managed in effective and efficient manner.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

On quarterly basis, the Audit Committee evaluates and monitors the key risks reported by RMC in its Enterprise Risk Management report.

The Statement on Risk Management and Internal Control which has been reviewed by the External Auditors, provides an overview of the risk management and state of internal controls within the Group. The Statement on Risk Management and Internal Control is set out on pages 132 to 134 of this Integrated Annual Report.

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

1. Communications with Stakeholders

The Board recognises and values the importance of effective and clear communication to its shareholders as well as to potential investors and the public. It is fully committed to ensuring the highest standards of transparency and accountability in the disclosure of pertinent information relating to the Group.

In this respect, the Group, through its Strategic Communications and Investor Relations departments and its active investor relations programme, engages with research analysts, fund managers, shareholders, financiers and media to convey the Group's strategies, performance, products and major developments. The forms of engagements include briefing sessions and site visits as well as participation in non-deal investment road shows, one-on-one meetings or conference calls and press conferences with the media. The Group's top management which includes the Group Managing Director/Group Chief Executive and/or Executive Directors also takes an active role in engaging our stakeholders through their participation in the investor relations programme.

During the financial year, the Company has increased its utilisation of virtual communication channels to engage with more than 100 members of the investment community from across Malaysia, Singapore, Hong Kong, United States and Europe. The Management also participated in several investor conferences organised by brokerages. The Company is covered by 13 research houses where analysts are actively updated via various platforms such as dissemination of quarterly analysts' pack, briefings and regular meetings or conference calls with analysts.

In addition to the above, where possible, the Company also facilitated various visits to the Group's projects for analysts and fund managers during the year. Investors visited ***M Vertica*** in Cheras, ***M Oscar*** off Kuchai Lama, ***M Luna*** in Kepong, ***M Adora*** in Wangsa Melawati, ***Southville City*** in Bangi and ***D'Sara Sentral*** in Sungai Buloh.

Other effective channels of communication employed by the Group includes making timely and informative disclosures in interim and full year financial results announcements, Annual Report and other announcements to Bursa Securities on relevant transactions undertaken by the Group.

The Board believes that timely release of financial information and updates on other developments are important to enable shareholders and the general public to receive information on the performance and prospects of the Group on a regular basis. Shareholders, investors and members of the public are able to access such announcements on Bursa Securities' website at www.bursamalaysia.com and other information via the Company's website at www.mahsing.com.my. The summary of interim results is also published in at least 1 national newspaper.

Shareholders, investors and members of the public may also forward their queries to the Company by contacting its dedicated investor relations team at Tel: 603-9221 8888, Fax: 603-9222 1288, Email: ir@mahsing.com.my.

2. Conduct of General Meetings

The AGM is the principal forum for dialogue and interactions with shareholders as it provides shareholders with an opportunity to seek clarification from the Board and the senior management on the Group's business strategy, financial performance and key developments. Extraordinary General Meetings ("**EGMs**") are held as and when needed to obtain shareholders' approval on certain business or corporate proposals.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(CONT'D)

The Board would present the macro outlook, financial highlights, business overview and key strategies of the Group or proposals for which the approval of shareholders are being sought at each general meeting. The corporate presentations would enable shareholders to gain insights on the business activities, financial performance and strategic plans of the Group, thereby, enabling them to form an informed view on the Company.

The shareholders are encourage to participate in the question and answer session during the general meeting. Directors, senior management personnel, External Auditors and the Company's advisers are available to respond to the queries raised.

The notices of AGM, with explanatory notes regarding the effect of the resolution proposed in respect of special businesses, are despatched to the shareholders at least 28 days before the AGM (as recommended under Practice 12.1 of the MCCG). The additional time given to shareholders allows them to make the necessary arrangements to attend and participate in person or through corporate representatives, proxies or attorneys. More importantly, it enables the shareholders to have sufficient time to read the annual report and to consider the resolutions and make an informed decision in exercising their voting rights at the general meeting.

After each general meeting, the key management personnel conduct press conferences or issue press releases to provide the members of the media with opportunities to receive information relating to the Group. Analyst briefings may also be conducted. Disclosures made to shareholders, investors, media and analyst are handled within the prescribed disclosure requirements under the Listing Requirements and guided by Corporate Disclosure Guide issued by Bursa Securities.

In light of the Coronavirus Disease 2019 (COVID-19) outbreak and as part of the safety measures, the Company conducted the respective 28th AGM and EGM on a virtual basis through live streaming and online remote participation via Remote Participation and Voting ("**RPV**") facilities provided by Tricor Investor & Issuing House Services Sdn Bhd via its TIIH Online website at https://tiih.online. The RPV allowing attendance by shareholders and proxies via remote participation and voting in absentia.

The notice of the 28th AGM accompanying with annual report and circular to shareholders were issued on 29 May 2020, which was 30 days from the date of the 28th AGM held on 30 June 2020. The documents were made available on the Company's website at www.mahsing.com.my.

During the 28th AGM, the Chief Executive Officer of the Company presented an overview on Mah Sing's initiatives, commentary on the market outlook, operational performance and strategy. The Chairperson invited shareholders and proxies to raise questions before putting the resolutions to vote. All Board members (including all members of the Board Committees), Chief Financial Officer, senior management personnel and External Auditors attended the 28th AGM and provided meaningful response to the shareholders' queries during the question and answer session concerning the Group's financial performance, general operations and other concerns on the Group.

The notice of EGM accompanying with circular to shareholders setting out details and explaining the rationale on the proposed diversification to include glove business and related healthcare products for which shareholders' approval is being sought were issued on 4 December 2020, which was 16 days from the date of EGM held on 21 December 2020. The proceeding of the EGM included the senior management personnel's presentation on update on the Group's core business of property development, plastics manufacturing, the proposed diversification to include glove business and related healthcare products, as well as work-in-progress of the glove factory. The Chairperson of the EGM invited shareholders and proxies to raise questions before putting the resolution to vote. The Directors, Group Financial Controller, senior management personnel and the Company's advisers attended the EGM and provided meaningful response to the shareholders' queries during the question and answer session concerning the Company's diversification of its business to include glove business and related healthcare products.

In line with the Listing Requirements, the Company had conducted poll voting for all resolutions set out in the notice of the 28th AGM and EGM. The poll voting was conducted via RPV at which an independent scrutineer was appointed to validate all votes cast at the 28th AGM and EGM. The outcome of all resolutions proposed at 28th AGM and EGM was announced to Bursa Securities on the same day of meeting, and was also made available on the Company's website.

Shareholders and other stakeholders can also access information on the Group's background, products and financial performance through the Company's website at www.mahsing.com.my.

In light of the COVID-19 outbreak and as part of the Company's efforts to curb the spread of COVID-19 and safety measures, the forthcoming 29th AGM of the Company will be conducted virtually through live streaming and online remote participation via RPV. This is in line with the Guidance Note on the Conduct of General Meetings for Listed Issuers issued by Securities Commission Malaysia, including any amendment that may be made from time to time.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(CONT'D)

KEY FOCUS AREA AND FUTURE PRIORITIES

The Board recognises the importance of diversity in deliberations and decision-making. It has escalated its efforts to establish a diverse Board with a multitude of skills, experience, age, cultural background and gender. The Board remains committed to develop a corporate culture that embraces all aspects of diversity in the Group. The stewardship of the Company under the leadership of the existing Board ensures that decisions are objective, made after taking into account diverse perspectives and insights, and are in the best interest of the Group.

In an effort to promote good business conduct and corporate culture, the Company has in 2020, updated the Code of Conduct and Ethics, developed the Group ABAC Policy, the Group Whistleblowing Policy and Procedures as well as Whistleblowing Investigation Manual. The Company continues to provide awareness sessions and/or trainings on anti-corruption (which covers the Group ABAC Policy) to its staff and supply chain to address the prevention of bribery and corruption.

As part of the Group's business continuity plan, the management has strengthened the Group's digitalisation initiatives including accelerating its capabilities to market products digitally amid current market environment due to the COVID-19 pandemic. The management introduced various digitalisation initiatives across all aspects of the Group's business such as sales, project, customer service; and upskilling staff through company-wide, nation-wide retraining and roll-out of Microsoft Teams for smooth work collaboration.

In 2020, the Company embarked on the integrated reporting journey and issued the first Integrated Annual Report for FY2020 based on internationally recognised best practices, the integrated reporting ("**<IR>**") framework. The decision to adopt <IR> is in line with the Group's aspirations to provide more strategic reporting, beyond financial performance.

As sustainability continues to be one of the focus areas, the Company will enhance and accelerate action plans towards its sustainability agenda, including improving disclosures towards integrated reporting.

DIRECTORS' RESPONSIBILITY STATEMENT IN RESPECT OF THE PREPARATION OF THE ANNUAL AUDITED FINANCIAL STATEMENTS

The Directors are responsible for ensuring that the financial statements of the Group and of the Company are drawn up in accordance with Malaysian Financial Reporting Standards issued by the Malaysian Accounting Standards Board, International Financial Reporting Standards issued by the International Accounting Standards Board, the requirements of the Companies Act, 2016 in Malaysia and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, and to lay the financial statements before the shareholders of the Company at the Annual General Meeting.

The Directors are also responsible for ensuring that the financial statements for each financial year present a true and fair view of the Group's and of the Company's financial performance, financial position and cash flows.

In preparing the financial statements for the financial year ended 31 December 2020, the Directors are of the opinion that the Group and the Company:

- applied the appropriate and relevant accounting policies on a consistent basis and in accordance with applicable accounting standards in Malaysia;
- made judgements and estimates that were reasonable; and
- prepared the financial statements on a going concern basis.

The Directors have taken reasonable steps to ensure that appropriate internal control systems to detect and prevent fraud and other irregularities, as well as to safeguard the assets of the Group and of the Company are in place. The internal control systems can provide reasonable assurance that the Group and the Company's accounting records and other relevant records, have been maintained by the Group and the Company in a manner that enables the Directors to sufficiently explain the transactions and financial position of the Group and the Company.

ADDITIONAL COMPLIANCE INFORMATION

AUDIT AND NON-AUDIT FEES PAID/PAYABLE

During the financial year ended 31 December 2020, the amount of audit and non-audit fees paid/payable by the Group and the Company to the external auditors for services rendered to the Company and its subsidiaries are as follows:

Type of fees	The Group RM'000	The Company RM'000
Audit fees	495	45
Non-audit fees	39	5

The provision of non-audit services by the external auditors to the Group is both cost effective and efficient due to their knowledge and understanding of the operations of the Group, and did not compromise their independence and objectivity. It is also the Group's policy to use the auditors in cases where their knowledge of the Group means it is neither efficient nor cost effective to employ another firm of accountants.

MATERIAL CONTRACTS INVOLVING DIRECTORS' AND MAJOR SHAREHOLDERS' INTERESTS

There were no material contracts (not being contracts entered into in the ordinary course of business) entered into by the Company and/or its subsidiaries involving Directors' and major shareholders' interests which were still subsisting as at the end of the financial year under review or which were entered into since the end of the previous financial year.

RECURRENT RELATED PARTY TRANSACTIONS

At the Twenty-Eighth Annual General Meeting of the Company held on 30 June 2020, the Company obtained shareholders' mandate for the Group to enter into recurrent related party transactions of revenue or trading nature ("**Shareholders' Mandate**") which is necessary for its day-to-day operations. The Shareholders' Mandate shall expire at the conclusion of the forthcoming Annual General Meeting and is subject to renewal by the shareholders at the said Annual General Meeting.

The aggregate value of transactions conducted pursuant to the Shareholders' Mandate during the financial year ended 31 December 2020 is disclosed in Note 46 of the financial statements.

UTILISATION OF PROCEEDS RAISED FROM CORPORATE PROPOSALS

The Company issued 7-year Redeemable Convertible Sukuk Murabahah ("**Convertible Sukuk**") of RM100 million in nominal value on 29 December 2020 pursuant to the general mandate obtained from the shareholders at the 28th AGM of the Company held on 30 June 2020.

The status of utilisation of net proceeds raised from the issuance of Convertible Sukuk, amounting to RM97,981,000 as at 31 March 2021 is as follows:

Description of utilisation	Proposed utilisation RM'000	Actual utilisation RM'000	Balance unutilised RM'000	Estimated timeframe for utilisation
Future investment	95,000	(71,982)	23,018	12 months
General working capital requirements	2,981	-	2,981	12 months
Total	97,981	(71,982)	25,999	

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Board of Directors ("**Board**") of Mah Sing Group Berhad is committed to nurture and maintain a sound risk management framework and systems of internal control throughout its group of companies. The Board's Statement on Risk Management and Internal Control ("**Statement**") featuring the Group's risk management framework and its state of internal control is outlined as follows. The Statement is made in accordance with Paragraph 15.26(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers and Practice 9.1 for Principle B of the Malaysian Code on Corporate Governance ("**MCCG**").

THE BOARD'S RESPONSIBILITY

The Board affirms its overall responsibility for the Group's systems of internal control and risk management in order to safeguard shareholders' investment and the Group's assets. The Board ensures the adequacy, effectiveness and integrity of the internal control systems through regular reviews, accompanied by ongoing risk management process.

It should be noted that such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives and therefore can provide only reasonable and not absolute assurance against material misstatement or loss.

Based on the following descriptions of the risk management framework and internal control systems, we are pleased to state that the systems of internal control and risk management processes are generally in place and adequate for its purpose. The management is expected to ensure the continual review of the Group's risk profiles, the related business processes and the monitoring of the implementation of Management Action Plans ("**MAPs**") in order to promote a balance of risk and return in daily business operations.

The Board has received reasonable assurance from Chief Executive Officer and Group Finance Controller primarily responsible for the financial management that the Group's risk management framework and internal control systems are operating adequately and effectively, in all material aspects, based on the risk management framework and internal control systems of the Group.

ENTERPRISE RISK MANAGEMENT ("ERM")

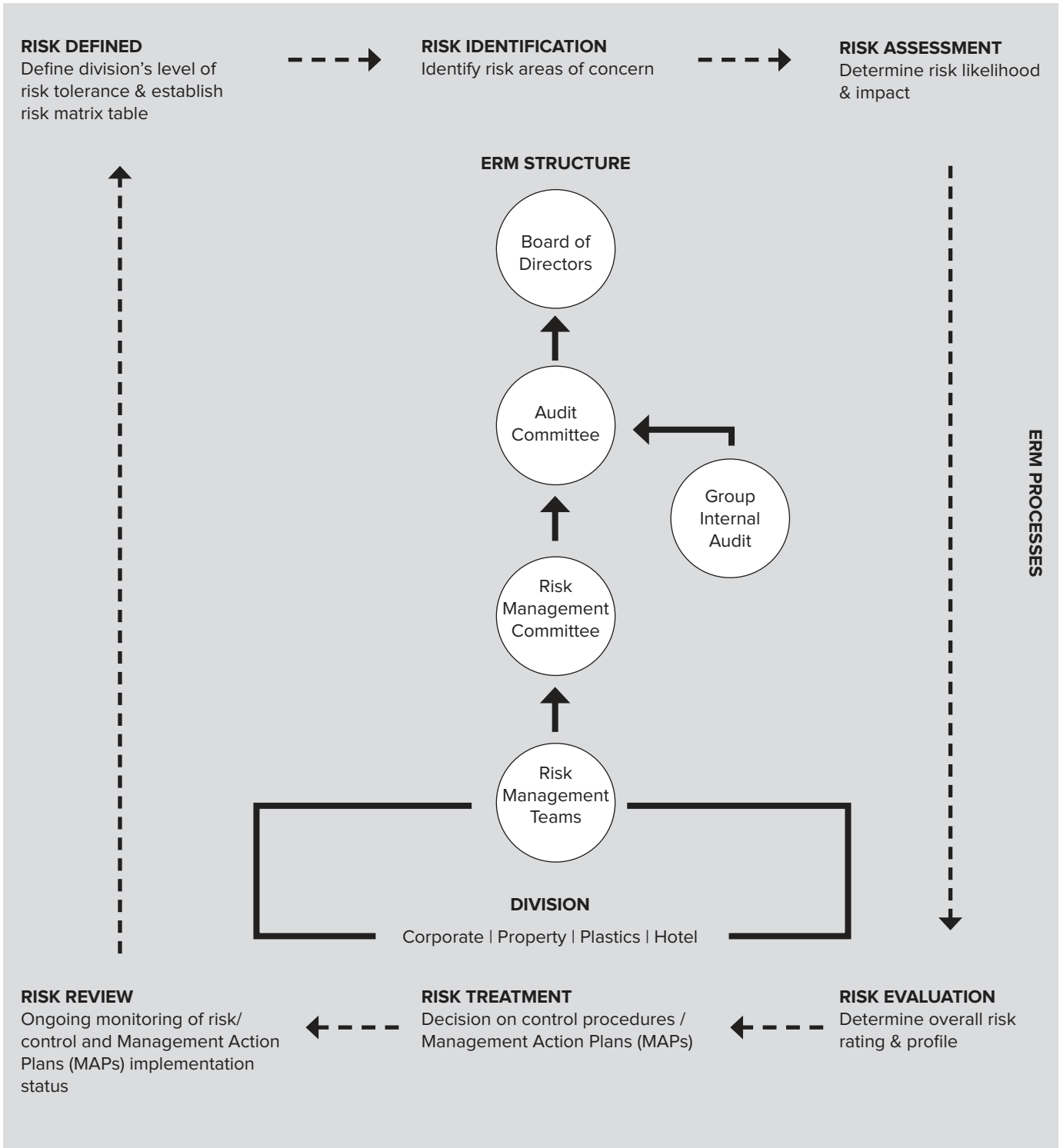
The Board confirms that the Group has in place an ERM Framework for the ongoing process of identifying, evaluating, monitoring and managing the significant risks affecting the achievement of the Group's business objectives. The ERM Framework of the Group has been updated in accordance to the best practice of ISO 31000:2018 Risk Management – Guidelines.

The key aspects of the ERM Framework (Figure 1) are:-

- The Risk Management Committee ("**RMC**") was formed to oversee the risk management system, practices and processes. The RMC emphasises the importance of Enterprise Risk Management (ERM) Framework and procedures, and manages the overall risk exposure of the Group. The RMC is chaired by the Chief Executive Officer and comprises the Group Finance Controller and Chief Operating Officer. The RMC amongst others, assists the Audit Committee in identifying key strategic and business risks, determining the Group's risk appetite, and ensures that risks are identified and managed in effective and efficient manner;
- The Risk Management Teams comprising management staff from the Corporate, Property, Plastics and Hotel Divisions who are assigned with the responsibilities of continuous monitoring and management of the risks of the Group;
- The ERM assessment reviews are performed quarterly to identify, assess and manage the risks faced by the Group. The reviews are carried out to address major risk areas of concern, if any from the perspectives of environmental, regulatory & legal, governance & operational controls, financial, customers, products & services, suppliers, human capital and sustainability risks;
- Likelihood of occurrence of those risk factors and magnitude of their impacts are determined based on division's level of risk tolerance defined earlier and the previously established risk matrix table;
- Key risk management strategies or MAPs to key business processes are identified based upon risk evaluation where overall risk rating and profile are determined;
- The key risks identified during the ERM assessment reviews together with the controls for managing them and the MAPs to be implemented are summarised in the Key Residual Risk Profiles and Risk Registers, serving as the supporting details for the ERM Assessment Report and as the means for assuring the Audit Committee that the ERM processes are effective;
- ERM compliance reviews are carried out on a continuous basis to ensure the controls/ key risk management strategies for managing risks are functioning effectively. All are recorded in the Documented ERM Compliance Review including the implementation status of MAPs;
- The Audit Committee upon receiving the ERM Assessment Report and Documented ERM Compliance Review from Group Internal Auditors shall review and monitor the effectiveness of the Group's systems of internal control before onward submission to the Board for endorsement. The Chairman of the Audit Committee would inform the Directors, of any salient matters noted by the Audit Committee and which require the Board's notice or direction; and
- The results of the ERM Framework, i.e. the internal control procedures that are identified to address key risks, are used as one of the basis to develop risk-based internal audit plans.

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

FIGURE 1: ERM FRAMEWORK



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

INTERNAL CONTROL

The key elements of the Group's internal control systems are:-

- Group Vision, Mission, Corporate Culture, Code of Conduct are communicated to employees through Employee Handbook which defines the conduct of work required;
- Operational structure with defined lines of responsibility and delegation of authority. A process of hierarchical reporting has been established which provides a documented and auditable trail of accountability;
- Standard operating policies and procedures are updated and in place to reflect changing risks or to resolve operational deficiencies. Instances of non-compliance with such policies and procedures are reported thereon by Group Internal Audit to the Audit Committee;
- Key functions such as business development, human resources, finance, tax, management information system, treasury, secretarial, corporate and legal matters are centralised at the head office;
- Detailed budgeting process is established requiring all business units to prepare budget and business plan on an annual basis;
- Effective reporting systems which highlight significant variances against budget and plan are in place to monitor performance. Key variances are followed up by the management and management action is taken, where necessary and reported to senior management on a regular basis. The Group Managing Director / Group Chief Executive meets on a regular basis with all divisional heads to review the Group's financial performance, business developments, management and corporate issues;
- The Group has responded swiftly to the COVID -19 pandemic by successfully rolling out its Business Continuity Plan (BCP) through digitalisation initiatives across all aspects of the business including virtual show units, online bookings and payments, digital marketing campaigns and refraining our staff company-wide and nationwide to use Microsoft Teams for online meetings and business communications;
- Ongoing training and educational program for Directors and relevant staff in assessing the adequacy and integrity of the Group's risk control processes;
- The professionalism and competency of staff are being emphasised through continuous training and regular performance evaluations;
- The Group's Property Division has been accorded ISO 9001:2015 Quality Management System accreditation in the year 2017, demonstrating the Group's quest in consistently improving the strength of its internal controls. As part of the requirements of the certification, scheduled audits are conducted internally by ISO function of the Quality Assurance Department as well as by auditors of the relevant certification bodies. In 2020, it has also been accorded for ISO 14001:2015 Environmental Management System and ISO 45001:2018 Occupational Health & Safety Management System. The Group's Plastics Division received the accreditation for both ISO 9001:2000 and ISO 9001:2008 in the year 2010. Thereafter, it has been upgraded to conform to the requirements of both ISO 9001:2015 and ISO 14001:2015 in the year 2018;
- Where relevant, external certification/ standards such as the Quality Assessment System in Construction ("**QLASSIC**") was adopted to further strengthen and improve delivery processes and quality;
- Industrialised Building System ("**IBS**") has been applied as Group construction initiative whereby building components are constructed in a controlled environment for better quality and reduce waste;
- Group Internal Audit independently reviews the internal controls to provide the Audit Committee with sufficient assurance that the systems of internal control are effective to address the risks identified. On a quarterly basis, Group Internal Audit submits reports and plans for review and approval by the Audit Committee;
- The Group strongly believes in acting professionally, fairly and with integrity in all business dealings and relationships, free of any acts of bribery or corruption in upholding high standards of ethics. The Group has set up Anti-Bribery and Anti-Corruption Policy, Whistleblowing Policy which can be accessed from the company's website; and
- The yearly Statement of Risk Management and Internal Control had been reviewed by the External Auditors.

AUDIT COMMITTEE REPORT

The Audit Committee was established by the Board of Directors ("**Board**") of Mah Sing Group Berhad ("**Mah Sing**" or "**Company**") in line with the Main Market Listing Requirements ("**Listing Requirements**") of Bursa Malaysia Securities Berhad ("**Bursa Securities**") to serve as a Board Committee to assist the Board in fulfilling its fiduciary responsibilities, overseeing the financial reporting processes, evaluating internal and external audit processes, reviewing the adequacy of the Group's risk management process and systems of internal control. The Audit Committee is supported by the Company's internal audit functions as well as Risk Management Committee in carrying out its responsibilities.

The Board of the Company is pleased to present the Audit Committee Report for the financial year ended 31 December 2020 ("**FY2020**").

1. COMPOSITION

The Audit Committee comprises the following 3 members, all of whom are Independent Non-Executive Directors.

Encik Abd Malik Bin A Rahman
(Chairman, Independent Non-Executive Director)

Tan Sri Dato' Seri Siti Norma Binti Yaakob
(Member, Senior Independent Non-Executive Director)

Ms Ho Kim Poi
(Member, Independent Non-Executive Director)

The Audit Committee has an independent Chairman, Encik Abd Malik Bin A Rahman, who is not the Chairman of the Board of the Company. This is in line with Practice 8.1 of the Malaysian Code on Corporate Governance.

Encik Abd Malik Bin A Rahman is a Chartered Accountant member of the Malaysian Institute of Accountants, Fellow of the Association of Chartered Certified Accountants (UK), and a member of the Malaysian Institute of Certified Public Accountants. In addition, Ms Ho Kim Poi is a member of the Malaysian Institute of Accountants and a member of CPA Australia. Accordingly, the Company complies with paragraph 15.09(1)(c)(i) of Listing Requirements of Bursa Securities which requires at least one member of the Audit Committee to be a qualified accountant.

2. TERMS OF REFERENCE

The Audit Committee is guided by its Terms of Reference in performing its duties and discharging its responsibilities. The Terms of Reference of the Audit Committee is available on the Company's website at www.mahsing.com.my.

3. MEETINGS

The Audit Committee held 4 meetings during FY2020 with attendance as tabulated below:-

Name of Members	Attendance
Encik Abd Malik Bin A Rahman	4/4
Tan Sri Dato' Seri Siti Norma Binti Yaakob	3/4
Ms Ho Kim Poi	4/4

The Audit Committee meetings were conducted in accordance with the requisite quorum of 2 members as stipulated in the Terms of Reference of the Audit Committee.

Meeting papers are distributed to the members of Audit Committee with sufficient notice before meetings to enable the members to peruse and have the opportunity to seek additional information and obtain further explanation or clarification from senior management personnel and the Head of Group Internal Audit Department ("**GIAD**") on the matters to be deliberated.

AUDIT COMMITTEE REPORT
(CONT'D)

During FY2020, the External and Internal Auditors, Chief Executive Officer, Executive Director, Chief Financial Officer/Group Financial Controller and other senior management personnel attended all meetings by invitation to brief the Audit Committee on specific matters.

During FY2020, the Head of GIAD presented quarterly internal audit reports and annual audit plan. The Chief Executive Officer and Executive Director attended all meetings by invitation to brief and provide insights into the Group's operations, provide clarification on audit issues and the Group's financials as well as business operations for the Audit Committee's deliberation, direction and approval. Chief Financial Officer/Group Financial Controller and other senior management personnel presented the quarterly financial results and year-end financial results of the Group for the Audit Committee's deliberation and approval.

Risk management is addressed by the Audit Committee through Risk Management Committee. The Enterprise Risk Management Report set out the risk matters and status of risk monitoring is reported to the Audit Committee on a quarterly basis. The Chairman of the Risk Management Committee, who is also the Chief Executive Officer attended all meetings to provide clarification on the issues raised by the Audit Committee.

The Audit Committee held 2 private sessions during FY2020 with External Auditors and Internal Auditors without the presence of management staff. These sessions provide Independent Non-Executive Directors with the opportunity to openly share concerns about the Group, discuss issues requiring attention or significant matters arising from the external and internal audit. The External Auditors were given the opportunity to openly raise any matters arising from their audit work.

The Chairman of the Audit Committee reported the significant matters that were deliberated and concerns that were raised during the Audit Committee meetings together with the recommendations to the Board for the Board's direction or decision.

Decisions of the Audit Committee were made unanimously. All deliberations and recommendations of the Audit Committee were recorded as minutes of the proceedings thereat and the contents were subsequently confirmed at the subsequent meetings of the Audit Committee.

4. EVALUATION

The Board reviewed the terms of office of the Audit Committee members and assessed the performance of the Audit Committee and its members through an annual Board Committee effectiveness evaluation. During evaluation, members undertook a self and peer evaluation on each other's performance and contribution in discharging their duties and responsibilities. Based on the outcome of the annual assessment, the Board was satisfied that the Audit Committee and its members have effectively discharged their functions, duties and responsibilities in accordance with the Terms of Reference of the Audit Committee.

The Audit Committee conducted an annual review and assessment on the performance, suitability and independence of the External Auditors. The Audit Committee also conducted an annual review and assessment on the effectiveness of the internal audit function and was satisfied with the outcome of the assessment. Further details on evaluation are disclosed in section 6 of this report.

5. TRAINING AND DEVELOPMENT

All Audit Committee members have attended professional training programmes, workshops, seminars, briefings and/or conferences on various subjects organised by external professionals, according to the respective Director's training needs in carrying out their duties as Directors and members of the Board Committees. Details of such trainings attended by all the Audit Committee members during FY2020 are disclosed in the "Training and Development of Directors" section of the Corporate Governance Overview Statement.

6. SUMMARY OF ACTIVITIES OF THE AUDIT COMMITTEE FOR THE FINANCIAL YEAR

During FY2020, the Audit Committee carried out the following activities in the discharge of its functions and duties, which are in line with its responsibilities as set out in the Terms of Reference of the Audit Committee:-

(a) Financial reporting

- Reviewed quarterly financial reports and year-end financial statements of the Group before recommending them to the Board for approval.

AUDIT COMMITTEE REPORT
(CONT'D)

- Discussed with management and External Auditors on the financial reporting standards applied, including the judgements made in the application of those accounting standards, the critical accounting estimates and assumptions used in arriving at the reported amounts of items in the quarterly financial reports and year-end financial statements of the Group.
- Reviewed the audited financial statements of the Group before recommending them to the Board for approval. The review was to ensure and confirm with management and External Auditors that the Group's audited year-end financial statements have been prepared after having due regard to the following:
  - applied the appropriate and relevant accounting policies on a consistent basis and in accordance with applicable accounting standards in Malaysia;
  - made judgements and estimates that were reasonable; and
  - prepared the financial statements on a going concern basis.
- Reviewed solvency assessment prepared by management in relation to the declaration of dividend.

(b) External audit

- Reviewed with External Auditors on the Group's audit planning memorandum for the financial year ended 31 December 2020 and to ensure co-ordination of audits of the various companies within the Group with different external auditors.
- Reviewed with External Auditors on audit highlights in the year-end financial statements of the Group.
- Discussed with External Auditors on the accounting procedures and internal control matters on its adequacy and efficiency. There were no significant deficiencies identified in the internal control.
- Discussed with External Auditors on the new accounting standards that may impact the unaudited quarterly financial results of the Group.
- Had two (2) private discussion sessions with External Auditors and the Head of GIAD without the presence of the Executive Directors and management personnel. At these private sessions, no major concerns were highlighted and the External Auditors confirmed that they had received full cooperation from the management and staff during the course of audit.
- Considered the audit fees and non-audit fees for FY2020 payable to External Auditors for approval of the Board.
- Conducted an annual review and assessment on the performance, suitability and independence of the External Auditors. Obtained the assurance on independence from the External Auditors that they have complied with the terms of the relevant professional and regulatory requirements in relation to their independence in the audit.

In the annual assessment, the Audit Committee considered the independence of audit partner in relation to audit. The last rotation of the Group's key audit partner was for the audit for FY2018. The key audit partner rotated in 5 years as compared with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants, which requires the key audit partner responsible for the Group's audit to rotate at least every 7 years. Nevertheless, a new key audit partner was assigned to conduct the Group's audit for FY2020.

The Audit Committee was satisfied with the outcome of the assessment on the performance, suitability and independence of the External Auditors, including the audit partner in relation to their performance, and that they continue to be objective and independent in relation to the Group's audit. The Audit Committee thereby recommended to the Board the re-appointment of Deloitte PLT as the External Auditors of the Company. The Board accepted this recommendation and will put forward a resolution for the re-appointment of Deloitte PLT as the External Auditors of the Company for the ensuing year at the forthcoming 29th Annual General Meeting.

(c) Internal audit

- Reviewed and discussed the internal audit plan for FY2020.
- Reviewed the internal audit reports, considered the major findings of internal audit reviews and evaluated management's responses on quarterly basis.
- Monitored the follow-up audits to ascertain the agreed action plans being implemented by the management.
- Conducted an annual assessment review, evaluated the effectiveness of the internal audit function, independence and performance of the Internal Auditors, its authority, resources and scope of work.
- Obtained sufficient assurance on the systems reviews of internal control from the Internal Auditors.

AUDIT COMMITTEE REPORT
(CONT'D)

(d) Risk management and internal control

- Reviewed and discussed with the Chairman of the Risk Management Committee on the risk profile of the Group, the adequacy and integrity of internal control systems to manage identified risks.

- Reviewed and discussed the Enterprise Risk Management Reports on the Group's risk profile and the status of identified risk monitoring on quarterly basis. The Audit Committee deliberated on the identified risk exposure and the mitigation plans. Matters reviewed and discussed include the initiative undertaken by management to mitigate impact of the COVID-19 pandemic and the Movement Control Order imposed by government.

Further details of the risk management and internal control are set out in the Statement on Risk Management and Internal Control on pages 132 to 134 of this Integrated Annual Report.

(e) Other matters considered

- Reviewed and recommended to the Board for approval of the Corporate Governance Overview Statement, Corporate Governance Report, Statement on Risk Management and Internal Control ("**SORMIC**") and Audit Committee Report. SORMIC was supported by an independent review by Deloitte PLT.

- Reviewed and approved the Circular to Shareholders in respect of the proposed renewal of shareholders' mandate for recurrent related party transactions of a revenue or trading nature entered into by the Group and the statement by the Audit Committee in respect of the proposed shareholders' mandate for recurrent related party transactions. The review was to ensure that the transactions were carried out on arm's length basis based on normal commercial terms that are not more favourable to the related parties than those generally available to the public and are not detrimental to the minority shareholders of the Company, pursuant to the provisions of the Listing Requirements of Bursa Securities.

7. INTERNAL AUDIT FUNCTION

The internal audit function is considered as an integral part of the assurance framework within the Group. The internal audit function plays an intermediary role in that it assists in the discharge of the oversight function which is delegated by the Board to the Audit Committee. It serves as a means of obtaining sufficient assurance of regular reviews and/or appraisals of the adequacy and effectiveness of the risk, control and governance framework of the Group.

The internal audit function is performed in-house by GIAD guided by its Internal Audit Charter. GIAD reports directly to the Audit Committee on the adequacy and effectiveness of the risk management and internal control systems.

GIAD is headed by Mr Ng Hong Wai, Adrian, who is a professional member of the Institute of Internal Audit Malaysia, Certified Practising Accountant Australia, Malaysian Institute of Accountants and graduated with Bachelor of Accountancy. GIAD is currently made up of 4 in-house qualified professionals.

Every GIAD team member confirmed that they do not have any business relationship and are not related to people across the Group, or had previously served as management role capacity to the Group before, that could impair their objectivity and independence as internal auditors.

The internal audit's objective and approach are guided by the adoption of the Institute of Internal Auditors' International Professional Practices Framework (IPPF) and the Committee of Sponsoring Organisations of the Treadway Commission's (COSO) Internal Control – Integrated Framework.

The GIAD undertakes independent, regular and systematic reviews of the systems of internal control so as to provide reasonable assurance that such systems continue to operate satisfactorily and effectively. The annual internal audit plans which are designed to cover development projects and entities across all levels of operations within the Group are approved by the Audit Committee. The GIAD adopts a risk-based approach in planning the audit assignments taking into consideration the industry specific requirements.

The GIAD performs independent evaluation of the operation of the Enterprise Risk Management Framework focusing primarily on the adequacy and effectiveness of the said framework.

AUDIT COMMITTEE REPORT
(CONT'D)

The GIAD also assists the Audit Committee in reviewing the extent of the Group's compliance with the provisions set out under the Malaysian Code on Corporate Governance for the purpose of preparing the Corporate Governance Overview Statement, the Audit Committee Report, Statement on Risk Management and Internal Control pursuant to the Listing Requirements of Bursa Securities; and the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers.

8. SUMMARY OF INTERNAL AUDIT ACTIVITIES FOR THE FINANCIAL YEAR

Various independent audit reviews on the appropriateness of the instituted controls and evaluation of the acceptable levels of principal risk exposures were conducted in relation to the Group's operations and information systems as follows:-

- reliability of financial and operational information;
- effectiveness and efficiency of operations;
- safeguarding of assets; and
- compliance with policies, procedures, laws and regulations and contracts.

During FY2020, GIAD had completed and reported audit assignments covering the following areas:

- Project review of M Aruna under Mediterranean View Development Sdn Bhd
- Project review of M Oscar under Mah Sing Properties Sdn Bhd
- Project review of M Arisa under Cosmowealth Housing Development Sdn Bhd
- Project review of Southville City under Southville City Sdn Bhd
- Plastics Division under Mah Sing Plastics Industries Sendirian Berhad
- Information Technology Department
- Leasing Department
- Branding and Strategic Marketing Department
- Customer Service and Property Management Department
- Revenue or trading nature relating to recurrent related party transactions
- Other ad hoc reviews upon the requests by the Audit Committee and/ or management

At the conclusion of the various audits, weaknesses together with the recommended corrective actions were highlighted to the management. There were no material losses incurred during the current financial year as a result of the weaknesses in the internal control systems and the management is proactive in strengthening the internal control environment. Follow-up audit reviews were conducted to ensure that corrective actions are being implemented accordingly.

The Audit Committee then deliberates on the internal audit reports to ensure recommendations from the reports are duly acted upon by the management.

All the internal audit activities were performed in-house and the total costs incurred in managing the GIAD for FY2020 was RM506,000 (FY2019: RM632,000).

Further details of the activities of GIAD are set out in the Statement on Risk Management and Internal Control on pages 132 to 134 of this Integrated Annual Report.

9. ANTI-CORRUPTION AND WHISTLEBLOWING

The Internal Audit shall perform regular audits to check on the effectiveness of the integrity and internal control functions. The Head of GIAD is part of the Whistleblowing Committee to supervise the Group Whistleblowing Policy and Procedures and responsible amongst others, to investigate any whistleblowing reports received, recommend areas of improvement to close gaps found during course of any investigation and take action pursuant to the Whistleblowing Investigation Manual.

FINANCIAL STATEMENTS

DIRECTORS' REPORT

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

PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding and provision of management services to subsidiary companies in the Group. The information on the name, place of incorporation, principal activities and percentage of issued share capital held by the holding company in each subsidiaries is as disclosed in Note 20 to the financial statements.

RESULTS

The results of the Group and of the Company for the financial year are as follows:

	The Group RM'000	The Company RM'000
Profit for the year attributable to:		
Equity holders of the Company	**100,394**	**240,747**
Non-controlling interests	**3,652**	**-**
	104,046	**240,747**

In the opinion of the Directors, the results of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature.

DIVIDENDS

On 29 September 2020, the Company paid a first and final single-tier dividend of 3.35 sen per ordinary share which amounted to RM81,327,521 in respect of the financial year ended 31 December 2019 as approved by the shareholders at the last Annual General Meeting.

The Directors have proposed a first and final single-tier dividend of 1.66 sen per ordinary share in respect of the current financial year. The proposed first and final dividend is subject to the approval of the shareholders at the forthcoming Annual General Meeting of the Company and has not been included as a liability in the financial statements for the current financial year. Such dividend, when approved by the shareholders, will be accounted for in equity as an appropriation of retained earnings during the financial year ending 31 December 2021.

RESERVES AND PROVISIONS

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

ISSUE OF SHARES

During the financial year, the Company issued 787 new ordinary shares at an exercise price of RM2.10 per ordinary share pursuant to the exercise of Warrant C 2015/2020.

The new ordinary shares issued rank pari passu with the existing ordinary shares of the Company.

DIRECTORS' REPORT (CONT'D)

ISSUE OF MEDIUM TERM NOTES

During the financial year, the Company has issued the following Islamic Medium Term Notes ("Sukuk Murabahah") pursuant to an Islamic Medium Term Note Programme of up to RM1.0 billion in nominal value under the Shariah principle of Murabahah (via Tawarruq arrangement):

(i) 5-year Sukuk Murabahah of RM600 million in nominal value on 13 March 2020, which carries a fixed profit rate of 4.35% per annum payable semi-annually; and

(ii) 7-year Redeemable Convertible Sukuk Murabahah of RM100 million in nominal value on 29 December 2020, which carries a fixed profit rate of 3% per annum payable semi-annually.

The salient features of the Sukuk Murabahah are disclosed in Note 33 in the financial statements.

WARRANT C 2015/2020

Warrant C 2015/2020 is constituted by a Deed Poll dated 15 January 2015 ("Deed Poll").

The salient features of the Warrant C 2015/2020 are as follows:

(a) The issue date of Warrant C 2015/2020 is 23 February 2015 and the expiry date is 21 February 2020. Any Warrant C 2015/2020 not exercised at the expiry date will lapse and cease to be valid for any purpose;

(b) Each Warrant C 2015/2020 entitles the registered holder to subscribe for one (1) new ordinary share in the Company at an exercise price of RM2.63 (adjusted to RM2.10) per ordinary share;

(c) The exercise price and the number of Warrant C 2015/2020 are subject to adjustments in the event of alteration to the share capital of the Company in accordance with the provisions of the Deed Poll;

(d) The holders of Warrant C 2015/2020 are not entitled to participate in any distribution and/or offer of further securities in the Company (except for the issue of new Warrant C 2015/2020 pursuant to adjustment as mentioned in item (c) above), until and unless such holders exercise the rights under the Warrant C 2015/2020 to subscribe for new ordinary shares; and

(e) The new ordinary shares allotted as a result of the exercise of the Warrant C 2015/2020 shall upon issuance and allotment, rank pari passu in all respects with the then existing ordinary shares of the Company, save and except that such new ordinary shares shall not be entitled to any dividends, rights, allotments and/or other distributions for which the entitlement date is prior to the date of allotment of the new ordinary shares.

During the financial year ended 31 December 2015, the exercise price and the number of Warrant C 2015/2020 were adjusted in accordance with the provisions of the Deed Poll (as mentioned in item (c) above) as a result of the Bonus Issue. The exercise price was adjusted from RM2.63 to RM2.10.

The movements in the Company's Warrant C 2015/2020 are as follows:

	Number of Warrant C 2015/2020
At 1.1.2020	**166,134,389**
Exercised	**(787)**
Lapsed	**(166,133,602)**
At 31.12.2020	**–**

DIRECTORS' REPORT (CONT'D)

OTHER STATUTORY INFORMATION

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

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

(b) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including the value of current assets as shown in the accounting records of the Group and of the Company had been written down to an amount which the current assets might be expected so to realise.

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

(a) which would render the amount written off as bad debts or the amount of allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or

(b) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or

(c) which have arisen and render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; or

(d) not otherwise dealt with in this report or financial statements which would render any amount stated in the financial statements of the Group and of the Company misleading.

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

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

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

No contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

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

DIRECTORS' REPORT (CONT'D)

DIRECTORS

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

Tan Sri Dato' Seri Siti Norma Binti Yaakob
Tan Sri Dato' Sri Leong Hoy Kum
Datuk Ho Hon Sang
Dato' Ng Poh Seng
Datuk Seri Leong Yuet Mei
Encik Abd Malik Bin A Rahman
Ho Kim Poi
Jane Leong Jheng-Yi (Alternate Director to Tan Sri Dato' Sri Leong Hoy Kum) (Resigned on 1 June 2020)

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

DIRECTORS' INTERESTS

According to the Register of Directors' Shareholdings kept by the Company under Section 59 of the Companies Act 2016 the interests of the Directors who held office at the end of the financial year in the ordinary shares and warrants of the Company are as follows:

(a) Shares in the Company

	Number of ordinary shares			
	As at 1.1.2020	Acquired/ Addition	Disposed	As at 31.12.2020
Direct interest				
Tan Sri Dato' Sri Leong Hoy Kum	**10,319,007**	**-**	**-**	**10,319,007**
Dato' Ng Poh Seng	**708,900**	**-**	**-**	**708,900**
Encik Abd Malik Bin A Rahman	**-**	**10,000**	**-**	**10,000**
Indirect interest				
Tan Sri Dato' Sri Leong Hoy Kum*	**840,012,267**	**2,170,931**#	**-**	**842,183,198**
Datuk Seri Leong Yuet Mei**	**316,814**	**-**	**-**	**316,814**

(b) Warrants in the Company

	Number of Warrant C 2015/2020			
	As at 1.1.2020	Acquired	Lapsed	As at 31.12.2020
Direct interest				
Tan Sri Dato' Sri Leong Hoy Kum	**714,392**	**-**	**(714,392)**	**-**
Dato' Ng Poh Seng	**166,997**	**-**	**(166,997)**	**-**
Indirect interest				
Tan Sri Dato' Sri Leong Hoy Kum***	**59,144,622**	**-**	**(59,144,622)**	**-**
Datuk Seri Leong Yuet Mei**	**128,414**	**-**	**(128,414)**	**-**

DIRECTORS' REPORT (CONT'D)

DIRECTORS' INTERESTS (continued)

(b) Warrants in the Company (continued)

* Deemed interest by virtue of shareholdings of Mayang Teratai Sdn Bhd, Mayang Teratai Limited and his family members.
** Deemed interest by virtue of the shareholdings or warrant holdings of family member(s).
*** Deemed interest by virtue of warrant holdings of Mayang Teratai Sdn Bhd and his family members.
# Jane Leong Jheng-Yi has resigned as Alternate Director to Tan Sri Dato' Sri Leong Hoy Kum with effect from 1 June 2020. Tan Sri Dato' Sri Leong Hoy Kum is deemed interested in 2,170,931 ordinary shares in the Company held by his daughter, Jane Leong Jheng-Yi pursuant to Section 59(11)(c) of the Companies Act 2016.

By virtue of Tan Sri Dato' Sri Leong Hoy Kum's interest in the shares of the Company, he is deemed pursuant to Section 8(4) of the Companies Act 2016 to have interests in the shares of the subsidiaries of the Company to the extent the Company's interest in the respective subsidiaries as disclosed in Note 20 to the financial statements.

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

DIRECTORS' BENEFITS

Since the end of the previous financial year, none of the Director of the Company has received or become entitled to receive any benefit (other than the fees, other emoluments and benefits-in-kind as disclosed in Note 46(b) to the financial statements) by reason of a contract made by the Company or by a related corporation with the Director or with a firm of which the Director is a member or with a company in which the Director has a substantial financial interest except for those benefits which may be deemed to have arisen by virtue of those transactions entered into in the ordinary course of business by the Company and its subsidiary companies with the Directors or the companies in which the Directors are deemed to have substantial financial interests as disclosed in Note 46(a) to the financial statements.

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

INDEMNITY AND INSURANCE FOR DIRECTORS, OFFICERS OR AUDITORS

The Company maintains directors' and officers' liability insurance for purposes of Section 289 of the Companies Act 2016 throughout the year, which provides appropriate insurance cover for the Directors and Officers of the Company. The amount of insurance premium paid during the financial year amounted to RM18,500.

There was no indemnity given to or insurance effected for the auditors of the Company in accordance with Section 289 of the Companies Act 2016.

DIRECTORS' REPORT (CONT'D)

AUDITORS

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

AUDITORS' REMUNERATION

The amount paid/payable as remuneration of the auditors for the financial year ended 31 December 2020 is as disclosed in Note 10 to the financial statements.

Signed on behalf of the Board in accordance with a resolution of the Board of Directors,

TAN SRI DATO' SERI SITI NORMA BINTI YAAKOB
Chairperson

DATUK HO HON SANG
Director

Kuala Lumpur
25 February 2021

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF MAH SING GROUP BERHAD
(INCORPORATED IN MALAYSIA)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of **MAH SING GROUP BERHAD**, which comprise the statements of financial position of the Group and of the Company as at 31 December 2020, and the statements of profit or loss, statements of other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information as set out on pages 152 to 262.

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

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF MAH SING GROUP BERHAD
(INCORPORATED IN MALAYSIA) (CONT'D)

Key audit matter	*How the scope of our audit responded to the key audit matter*
Revenue recognition from properties development activities Revenue from property development activities recognised during the year as disclosed in Note 5 to the financial statements amounted to RM1.2 billion, which represents 78% of the Group's revenue. Property development revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of the performance obligation. The progress towards complete satisfaction of the performance obligation is measured based on the Group's efforts or inputs to the satisfaction of the performance obligation (e.g. by reference to the property development costs incurred to date as a percentage of the budgeted total costs of development of the contract). In making the estimate, management relies on opinion/service of experts, past experience and the continuous monitoring mechanism. Refer to "Key sources of estimation uncertainty" in Note 4(b)(i) to the financial statements.	Our audit procedures included, among others: • Obtained an understanding of the relevant controls put in place by the Group in respect of revenue recognition for property development activities and performed procedures to evaluate design and implementation and test operating effectiveness of such controls. • Verified gross development value and reviewed the terms and conditions of the major sales contracts to determine that revenue recognised conforms with the Group policies and the requirements of MFRS 15 *Revenue from Contracts with Customers*. • Evaluated management prepared budgets for property development projects and ensured that budgets are appropriate and reflected current costs of operations and costs to complete. Challenged the reasonableness of management's assumptions and estimations on the budgeted total cost of development projects. • Tested actual development costs incurred to determine their validity and that they are recorded in the correct accounting period. • Checked the mathematical accuracy of the revenue and profit based on percentage of completion calculations and considered the implications of any changes in estimate. • Performed site visit to assess the status of the development projects to arrive at an overall assessment as to whether information provided by management is reasonable.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF MAH SING GROUP BERHAD
(INCORPORATED IN MALAYSIA) (CONT'D)

Key audit matter	*How the scope of our audit responded to the key audit matter*
Net realisable value of completed properties As at 31 December 2020, the carrying amount of the completed properties of the Group, amounted to RM729 million as disclosed in Note 23 to the financial statements which represents approximately 11% of the Group's total assets. Completed properties are stated at the lower of cost and net realisable value. Management applies significant judgement in determining the net realisable value based on the recent sales transactions of similar properties or comparable properties in similar or nearby locations net of estimated cost necessary to complete the sale. Refer to "Key sources of estimation uncertainty" in Note 4(b)(ii) to the financial statements.	Our audit procedures included, among others: • Evaluated the Group's policy for valuation of completed properties through discussion with management and considered management's basis for determining the net realisable value. • Tested management's assessment of net realisable value by comparing it to recent transacted prices of similar or comparable completed property units and taking into consideration the estimated cost necessary to complete the sales. Challenged the reasonableness of management's assumptions and estimation for determining the net realisable value. • Performed site visit to assess the condition of the inventories to arrive at an overall assessment as to whether information provided by management is reasonable and to ascertain if any write-down is warranted on long-aged property units due to physical obsolescence and deterioration of the units.

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

Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of the Company are responsible for the other information. The other information comprises the information included in the annual report of the Group but does not include the financial statements of the Group and of the Company and our auditor's report thereon, which we obtained prior to the date of this auditor's report, and Management Discussion and Analysis, Additional Compliance Information and Statistics of Shareholdings, which are expected to be made available to us after that date.

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 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.

When we read the Management Discussion and Analysis, Additional Compliance Information and Statistics of Shareholdings, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and request management to correct the other information accordingly.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF MAH SING GROUP BERHAD
(INCORPORATED IN MALAYSIA) (CONT'D)

Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements so as to 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 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 will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

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

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

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF MAH SING GROUP BERHAD
(INCORPORATED IN MALAYSIA) (CONT'D)

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

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

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

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

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

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 20 to the financial statements.

OTHER MATTER

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

DELOITTE PLT (LLP0010145-LCA)
Chartered Accountants (AF0080)

25 February 2021

LIM CHU GUAN
Partner - 03296/03/2021 J
Chartered Accountant

STATEMENTS OF PROFIT OR LOSS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

	Note	The Group		The Company	
		2020 RM'000	2019 RM'000	**2020 RM'000**	2019 RM'000
Revenue	5	**1,530,754**	1,789,693	**293,614**	386,936
Cost of sales	6	**(1,166,695)**	(1,274,116)	**-**	-
Gross profit		**364,059**	515,577	**293,614**	386,936
Other income		**22,605**	24,983	**1,519**	59,217
Selling and marketing expenses		**(50,871)**	(76,334)	**-**	-
Administrative and other expenses		**(171,372)**	(192,812)	**(16,589)**	(43,171)
Results from operating activities		**164,421**	271,414	**278,544**	402,982
Finance income	8	**13,692**	14,764	**-**	-
Finance costs	9	**(24,444)**	(15,959)	**(21,334)**	(880)
Net finance costs		**(10,752)**	(1,195)	**(21,334)**	(880)
Profit before tax	10	**153,669**	270,219	**257,210**	402,102
Income tax expense	11	**(49,623)**	(67,626)	**(16,463)**	(10,197)
Profit for the year		**104,046**	202,593	**240,747**	391,905
Attributable to:					
Equity holders of the Company		**100,394**	200,334	**240,747**	391,905
Non-controlling interests		**3,652**	2,259	**-**	-
		104,046	202,593	**240,747**	391,905
Earnings per ordinary share (sen):					
- Basic	12(a)	**1.12**	4.49		
- Diluted	12(b)	**1.12**	4.49		
Dividend per ordinary share (proposed)					
- sen	13	**1.66**	3.35	**1.66**	3.35

The accompanying Notes form an integral part of the Financial Statements.

STATEMENTS OF OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

	Note	The Group		The Company	
		2020 RM'000	2019 RM'000	**2020 RM'000**	2019 RM'000
Profit for the year		**104,046**	202,593	**240,747**	391,905
Other comprehensive income/(loss)					
Item that may be reclassified subsequently to profit or loss:					
Foreign currency translation differences on foreign operations		**(520)**	463	**-**	-
Item that will not be reclassified subsequently to profit or loss:					
Remeasurements gain on defined benefit obligations	35(c)	**218**	685	**-**	-
Other comprehensive (loss)/income for the year		**(302)**	1,148	**-**	-
Total comprehensive income for the year		**103,744**	203,741	**240,747**	391,905
Attributable to:					
Equity holders of the Company		**100,198**	201,077	**240,747**	391,905
Non-controlling interests	20	**3,546**	2,664	**-**	-
		103,744	203,741	**240,747**	391,905

The accompanying Notes form an integral part of the Financial Statements.

STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020

	Note	The Group		The Company	
		2020 RM'000	2019 RM'000	**2020 RM'000**	2019 RM'000
ASSETS					
Non-Current Assets					
Property, plant and equipment	14	**242,021**	225,674	**42**	69
Right-of-use assets	15	**46,068**	18,561	**-**	-
Prepaid lease payments	16	**3,960**	4,511	**-**	-
Investment properties	17	**185,880**	195,880	**-**	-
Land held for property development	18(a)	**1,791,740**	1,750,409	**-**	-
Intangible assets	19	**5,145**	5,174	**-**	-
Investment in subsidiary companies	20	**-**	-	**206,216**	206,519
Investment in associated company	21	**-**	-	**-**	-
Deferred tax assets	22	**169,054**	145,606	**-**	-
Total Non-Current Assets		**2,443,868**	2,345,815	**206,258**	206,588
Current Assets					
Property development costs	18(b)	**1,560,477**	1,531,647	**-**	-
Inventories	23	**754,445**	763,276	**-**	-
Trade and other receivables	24	**622,016**	559,953	**3,423,651**	3,087,942
Contract assets	25	**265,321**	352,012	**-**	-
Contract cost assets	26	**52,630**	51,480	**-**	-
Current tax assets		**11,214**	8,182	**-**	-
Deposits, cash, bank balances and investment in short-term funds	27	**1,156,012**	1,063,461	**552,491**	637,108
Total Current Assets		**4,422,115**	4,330,011	**3,976,142**	3,725,050
TOTAL ASSETS		**6,865,983**	6,675,826	**4,182,400**	3,931,638

STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020 (CONT'D)

	Note	The Group		The Company	
		2020 RM'000	2019 RM'000	**2020 RM'000**	2019 RM'000
EQUITY AND LIABILITIES					
Capital and Reserves					
Share capital	28	**1,776,057**	1,776,055	**1,776,057**	1,776,055
Reserves	29	**11,770**	27,618	**5,754**	21,265
Retained earnings	30	**1,652,620**	1,685,326	**902,830**	795,324
Equity attributable to ordinary equity holders of the Company		**3,440,447**	3,488,999	**2,684,641**	2,592,644
Perpetual Sukuk	31	**-**	540,000	**-**	540,000
Perpetual Securities	32	**789,388**	789,388	**789,388**	789,388
Non-controlling interests	20	**11,526**	7,980	**-**	-
Total Equity		**4,241,361**	4,826,367	**3,474,029**	3,922,032
Non-Current Liabilities					
Medium Term Notes	33	**695,341**	-	**695,341**	-
Term loans	34	**505,366**	444,925	**-**	-
Long-term and deferred payables	35	**74,639**	49,220	**-**	-
Deferred tax liabilities	22	**59,947**	69,074	**1,975**	36
Total Non-Current Liabilities		**1,335,293**	563,219	**697,316**	36
Current Liabilities					
Trade and other payables	36	**1,171,225**	1,063,946	**5,385**	5,221
Contract liabilities	25	**78,213**	85,505	**-**	-
Term loans	34	**9,752**	119,369	**-**	-
Short-term borrowings	37	**5,922**	2,655	**-**	-
Current tax liabilities		**24,217**	14,765	**5,670**	4,349
Total Current Liabilities		**1,289,329**	1,286,240	**11,055**	9,570
Total Liabilities		**2,624,622**	1,849,459	**708,371**	9,606
TOTAL EQUITY AND LIABILITIES		**6,865,983**	6,675,826	**4,182,400**	3,931,638

The accompanying Notes form an integral part of the Financial Statements.

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

		Non-distributable reserves			Distributable reserve					
The Group	Note	Share capital RM'000	Warrant reserve RM'000	Exchange fluctuation reserve RM'000	Equity component of Redeemable Convertible Sukuk RM'000	Retained earnings RM'000	Attributable to ordinary equity holders of the Company RM'000	Perpetual Sukuk RM'000	Perpetual Securities RM'000	Non-controlling interests RM'000	Total equity RM'000
At 1 January 2020		**1,776,055**	**21,265**	**6,353**	**-**	**1,685,326**	**3,488,999**	**540,000**	**789,388**	**7,980**	**4,826,367**
Profit for the year		-	-	-	-	100,394	100,394	-	-	3,652	104,046
Other comprehensive income for the year		-	-	(337)	-	141	(196)	-	-	(106)	(302)
Total comprehensive income for the year		-	-	(337)	-	100,535	100,198	-	-	3,546	103,744
Dividend paid	13	-	-	-	-	(81,328)	(81,328)	-	-	-	(81,328)
Distribution paid to holders of Perpetual Sukuk		-	-	-	-	(18,410)	(18,410)	-	-	-	(18,410)
Distribution paid to holders of Perpetual Securities		-	-	-	-	(54,768)	(54,768)	-	-	-	(54,768)
Issuance of Redeemable Convertible Sukuk	29	-	-	-	5,754	-	5,754	-	-	-	5,754
Issuance of ordinary shares pursuant to warrants exercised		2	-	-	-	-	2	-	-	-	2
Redemption of Perpetual Sukuk		-	-	-	-	-	-	(540,000)	-	-	(540,000)
Warrants lapsed during the year		-	(21,265)	-	-	21,265	-	-	-	-	-
At 31 December 2020		**1,776,057**	**-**	**6,016**	**5,754**	**1,652,620**	**3,440,447**	**-**	**789,388**	**11,526**	**4,241,361**

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONT'D)

			Non-distributable reserves		Distributable reserve					
The Group	Note	Share capital RM'000	Warrant reserve RM'000	Exchange fluctuation reserve RM'000	Retained earnings RM'000	Attributable to ordinary equity holders of the Company RM'000	Perpetual Sukuk RM'000	Perpetual Securities RM'000	Non-controlling interests RM'000	Total equity RM'000
At 1 January 2019		1,776,055	21,265	6,055	1,685,597	3,488,972	540,000	789,388	5,318	4,823,678
Effect of MFRS 16 adoption		-	-	-	(535)	(535)	-	-	(2)	(537)
At 1 January 2019 (restated)		1,776,055	21,265	6,055	1,685,062	3,488,437	540,000	789,388	5,316	4,823,141
Profit for the year		-	-	-	200,334	200,334	-	-	2,259	202,593
Other comprehensive income for the year		-	-	298	445	743	-	-	405	1,148
Total comprehensive income for the year		-	-	298	200,779	201,077	-	-	2,664	203,741
Dividend paid	13	-	-	-	(109,246)	(109,246)	-	-	-	(109,246)
Distribution paid to holders of Perpetual Sukuk		-	-	-	(36,921)	(36,921)	-	-	-	(36,921)
Distribution paid to holders of Perpetual Securities		-	-	-	(54,348)	(54,348)	-	-	-	(54,348)
At 31 December 2019		1,776,055	21,265	6,353	1,685,326	3,488,999	540,000	789,388	7,980	4,826,367

The accompanying Notes form an integral part of the Financial Statements.

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONT'D)

			Non-distributable reserves		Distributable reserve				
The Company	**Note**	**Share capital RM'000**	**Warrant reserve RM'000**	**Equity component of Redeemable Convertible Sukuk RM'000**	**Retained earnings RM'000**	**Attributable to ordinary equity holders of the Company RM'000**	**Perpetual Sukuk RM'000**	**Perpetual Securities RM'000**	**Total equity RM'000**
At 1 January 2020		**1,776,055**	**21,265**	**-**	**795,324**	**2,592,644**	**540,000**	**789,388**	**3,922,032**
Profit for the year		-	-	-	240,747	240,747	-	-	240,747
Other comprehensive income for the year		-	-	-	-	-	-	-	-
Total comprehensive income for the year		-	-	-	240,747	240,747	-	-	240,747
Dividend paid	13	-	-	-	(81,328)	(81,328)	-	-	(81,328)
Distribution paid to holders of Perpetual Sukuk		-	-	-	(18,410)	(18,410)	-	-	(18,410)
Distribution paid to holders of Perpetual Securities		-	-	-	(54,768)	(54,768)	-	-	(54,768)
Issuance of Redeemable Convertible Sukuk	29	-	-	5,754	-	5,754	-	-	5,754
Issuance of ordinary shares pursuant to warrants exercised		2	-	-	-	2	-	-	2
Redemption of Perpetual Sukuk		-	-	-	-	-	(540,000)	-	(540,000)
Warrants lapsed during the year		-	(21,265)	-	21,265	-	-	-	-
At 31 December 2020		**1,776,057**	**-**	**5,754**	**902,830**	**2,684,641**	**-**	**789,388**	**3,474,029**

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONT'D)

		Non-distributable reserve	Distributable reserve				
The Company	**Note**	**Share capital RM'000**	**Warrant reserve RM'000**	**Retained earnings RM'000**	**Attributable to ordinary equity holders of the Company RM'000**	**Perpetual Sukuk RM'000**	**Perpetual Securities RM'000**	**Total equity RM'000**
At 1 January 2019		1,776,055	21,265	603,934	2,401,254	540,000	789,388	3,730,642
Profit for the year		-	-	391,905	391,905	-	-	391,905
Other comprehensive income for the year		-	-	-	-	-	-	-
Total comprehensive income for the year		-	-	391,905	391,905	-	-	391,905
Dividend paid	13	-	-	(109,246)	(109,246)	-	-	(109,246)
Distribution paid to holders of Perpetual Sukuk		-	-	(36,921)	(36,921)	-	-	(36,921)
Distribution paid to holders of Perpetual Securities		-	-	(54,348)	(54,348)	-	-	(54,348)
At 31 December 2019		1,776,055	21,265	795,324	2,592,644	540,000	789,388	3,922,032

The accompanying Notes form an integral part of the Financial Statements.

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

	The Group		The Company	
	2020 RM'000	2019 RM'000	**2020 RM'000**	2019 RM'000
Operating activities				
Profit before tax	**153,669**	270,219	**257,210**	402,102
Adjustments for:				
Allowance for impairment loss on financial assets:				
- trade and other receivables	**4,294**	682	**-**	-
- amounts due from subsidiary companies	**-**	-	**11,867**	37,075
Amortisation of prepaid lease payments	**417**	424	**-**	-
Bad debts written off	**307**	12	**-**	-
Bad debts recovered	**-**	(22)	**-**	-
Depreciation of:				
- property, plant and equipment	**26,700**	26,648	**32**	61
- right-of-use assets	**12,127**	13,333	**-**	-
Dividend income from subsidiary companies	**-**	-	**(135,900)**	(221,269)
Fair value loss on investment properties	**10,000**	-	**-**	-
Finance costs	**38,455**	57,548	**21,334**	880
Gain on disposal of property, plant and equipment	**(2)**	(372)	**-**	-
Impairment of:				
- intangible assets	**29**	332	**-**	-
- property, plant and equipment	**3,908**	5,147	**-**	-
- right-of-use assets	**6,270**	9,922	**-**	-
- investment in subsidiary company	**-**	-	**303**	2,500
Interest income	**(30,363)**	(36,879)	**(157,714)**	(165,667)
Inventories written off	**1,331**	-	**-**	-
Land held for property development written off	**3,414**	-	**-**	-
Property, plant and equipment written off	**3,214**	17	**-**	-
Rent concessions related to COVID-19	**(96)**	-	**-**	-
Provision for post-employment benefits	**1,460**	1,546	**-**	-
Provision for liquidated ascertained damages	**843**	1,317	**-**	-
Reversal of allowance for impairment loss on financial assets:				
- trade and other receivables	**(364)**	(1,063)	**-**	-
- amounts due from subsidiary companies	**-**	-	**-**	(44,613)
Reversal of impairment of investment in subsidiary company	**-**	-	**-**	(8,200)
Reversal of write down of inventories	**(116)**	(45)	**-**	-
Unrealised gain on foreign exchange	**(125)**	(545)	**-**	-
Write down of inventories	**12,799**	24,214	**-**	-
Operating cash flows before changes in working capital	**248,171**	372,435	**(2,868)**	2,869
Changes in working capital				
Change in property development costs	**(81,437)**	97,728	**-**	-
Change in inventories	**77,736**	165,103	**-**	-
Change in receivables	**(58,916)**	148,459	**141,340**	143,565
Change in contract assets	**86,691**	(73,081)	**-**	-
Change in contract cost assets	**(1,150)**	(6,505)	**-**	-
Change in payables	**108,130**	(163,366)	**191**	(813)
Change in contract liabilities	**(7,292)**	(73,100)	**-**	-
Total changes in working capital	**123,762**	95,238	**141,531**	142,752

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONT'D)

	Note	The Group		The Company	
		2020 RM'000	2019 RM'000	**2020 RM'000**	2019 RM'000
Cash generated from operations		**371,933**	467,673	**138,663**	145,621
Interest received		**25,136**	33,638	**16,671**	22,115
Interest paid		**(16,775)**	(30,541)	**-**	-
Income tax paid		**(82,477)**	(89,102)	**(15,033)**	(9,540)
Income tax refunded		**4,873**	34,077	**-**	-
Net cash generated from operating activities		**302,690**	415,745	**140,301**	158,196
Investing activities					
Additions to land held for property development		**(61,810)**	(51,492)	**-**	-
Acquisition of land		**-**	(245,694)	**-**	-
Dividends received from subsidiary companies		**-**	-	**135,900**	221,269
Net advances to subsidiary companies		**-**	-	**(347,900)**	(163,223)
Payments for acquisition of property, plant and equipment (Note)		**(52,288)**	(34,401)	**(5)**	(4)
Payment of balance consideration on acquisition of subsidiary companies		**(16,400)**	(29,184)	**-**	-
Proceeds from disposal of property, plant and equipment		**90**	409	**-**	-
Net cash (used in)/generated from investing activities		**(130,408)**	(360,362)	**(212,005)**	58,042
Financing activities					
Dividends paid		**(81,328)**	(109,246)	**(81,328)**	(109,246)
Distribution paid to holders of Perpetual Sukuk		**(18,410)**	(36,921)	**(18,410)**	(36,921)
Distribution paid to holders of Perpetual Securities		**(54,768)**	(54,348)	**(54,768)**	(54,348)
Net proceeds from issuance of Medium Term Notes	33	**696,481**	-	**696,481**	-
Placement of deposits pledged with licensed bank as collateral		**(119)**	(172)	**-**	-
Placement of deposits in Finance Service Reserve Account		**(6,523)**	-	**(6,523)**	-
Withdrawal/(Placement) of deposits in Project Account		**9,448**	(9,448)	**-**	-
Placement of deposits in Security and Principal Account		**(16,346)**	-	**(16,346)**	-
Withdrawal/(Placement) of deposits in Sinking Fund Account		**288,998**	(288,998)	**288,998**	(288,998)
Placement of deposits in Trustees' Reimbursement Account		**(1)**	(1)	**(1)**	(1)
Withdrawal/(Placement) of deposits with licensed bank for Escrow Accounts		**5,916**	64	**5,916**	(797)
Payment of corporate exercise expenses		**(1,661)**	-	**(1,661)**	-
Payment of Medium Term Notes interest		**(13,229)**	-	**(13,229)**	-
Proceeds from issuance of ordinary share pursuant to warrants exercised		**2**	-	**2**	-
Proceeds from short-term borrowings	41	**77,142**	18,947	**-**	-
Proceeds from term loans	41	**184,668**	354,342	**-**	-
Repayment of hire purchase liabilities	41	**(1,040)**	(1,071)	**-**	-
Repayment of lease liabilities	41	**(14,721)**	(13,178)	**-**	-
Repayment of short-term borrowings	41	**(74,202)**	(20,534)	**-**	-
Repayment of term loans	41	**(239,142)**	(349,322)	**-**	-
Redemption of Perpetual Sukuk		**(540,000)**	-	**(540,000)**	-
Net cash generated from/(used in) financing activities		**201,165**	(509,886)	**259,131**	(490,311)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONT'D)

	Note	The Group		The Company	
		2020 RM'000	2019 RM'000	**2020 RM'000**	2019 RM'000
Net increase/(decrease) in cash and cash equivalents		**373,447**	(454,503)	**187,427**	(274,073)
Currency translation differences		**47**	13	**-**	-
Cash and cash equivalents at beginning of the financial year		**733,474**	1,187,964	**325,173**	599,246
Cash and cash equivalents at end of the financial year	38	**1,106,968**	733,474	**512,600**	325,173

Note: During the financial year, the Group and the Company acquired property, plant and equipment by the following means:

	Note	The Group		The Company	
		2020 RM'000	2019 RM'000	**2020 RM'000**	2019 RM'000
Additions of property, plant and equipment	14	**49,244**	29,579	**5**	4
Hire purchase financing		**-**	(628)	**-**	-
Deposit paid in prior year	24	**(6,427)**	(1,778)	**-**	-
Deposit paid in current year	24	**9,102**	6,427	**-**	-
Cash paid in respect of prior year acquisition	36	**14,510**	15,317	**-**	-
Unpaid balances included under trade and other payables	36	**(14,145)**	(14,510)	**-**	-
Currency translation differences		**4**	(6)	**-**	-
Total cash acquisition during the financial year		**52,288**	34,401	**5**	4

The accompanying Notes form an integral part of the Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

1. GENERAL 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.

The principal activities of the Company are investment holding and provision of management services to subsidiary companies in the Group. The information on the name, place of incorporation, principal activities and percentage of issued share capital held by the holding company in each subsidiaries is as disclosed in Note 20.

The registered office and principal place of business of the Company is located at Penthouse Suite 1, Wisma Mah Sing, 163, Jalan Sungai Besi, 57100 Kuala Lumpur.

The financial statements of the Group and of the Company have been approved by the Board of Directors and were authorised for issuance on 25 February 2021.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

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 ("IFRS") and the requirements of the Companies Act 2016 in Malaysia.

The financial statements are presented in Ringgit Malaysia ("RM") which represents the functional currency of the Group and of the Company and all financial information presented in RM are rounded to the nearest thousand ("RM'000"), unless otherwise stated.

Adoption of amended Malaysian Financial Reporting Standards

In the current financial year, the Group and the Company have adopted all the amendments to MFRSs issued by MASB that are effective for annual periods beginning on or after 1 January 2020.

Amendments to:

MFRS 3	Definition of a Business
MFRS 4	Extension of the Temporary Exemption from Applying MFRS 9 (effective on 17 August 2020)
MFRS 7, MFRS 9 and MFRS 139	Interest rate Benchmark Reform
MFRS 101 and MFRS 108	Definition of Material
MFRSs	Amendments to References to the Conceptual Framework in MFRS Standards

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONT'D)

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (continued)

Early adoption of Amendment to MFRS 16 *Covid-19-Related Rent Concessions*

On 5 June 2020, the MASB issued *Covid-19-Related Rent Concessions (Amendment to MFRS 16)* that provides practical relief to lessees in accounting for rent concessions occurring as a direct consequence of the COVID-19 pandemic, by introducing a practical expedient to MFRS 16. The practical expedient permits a lessee to elect not to assess whether a COVID-19-related rent concession is a lease modification. A lessee that makes this election shall account for any change in lease payments resulting from the COVID-19-related rent concession the same way it would be account for the change applying MFRS 16 if the change were not a lease modification.

The practical expedient applies only to rent concessions occurring as a direct consequence of the COVID-19 pandemic and only if all of the following conditions are met:

a) The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;

b) Any reduction in lease payments affects only payments originally due on or before 30 June 2021 (a rent concession meets this condition if it results in reduced lease payments on or before 30 June 2021 and increased lease payments that extend beyond 30 June 2021); and

c) There is no substantive change to other terms and conditions of the lease.

In the current financial year, the Group has early adopted the amendment to MFRS 16 which is originally effective for annual periods beginning on or after 1 June 2020.

Impact on accounting for changes in lease payments applying the exemption

The Group has applied the practical expedient retrospectively to all rent concessions that meet the conditions in MFRS 16:46B and has not restated prior period figures.

The Group has benefited 3 months reduction of lease payments on business premises ("Rent Concession"). The Rent Concession of RM96,520 has been accounted for as a negative variable lease payment in profit or loss. The Group has derecognised the part of the lease liability that has been extinguished by the forgiveness of lease payments, consistent with the requirements of MFRS 9:3.3.1.

Standards and Amendments in Issue But Not Yet Effective

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

MFRS 17	Insurance Contracts[3]
Amendments to:	
MFRS 3	Reference to the Conceptual Framework[2]
MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16	Interest rate Benchmark Reform – Phase 2[1]
MFRS 116	Property, Plant and Equipment – Proceeds before Intended Use[2]
MFRS 137	Onerous Contracts – Cost of Fulfilling a Contract[2]
MFRS 101	Classification of Liabilities as Current or Non-current[3]
MFRS 17	Insurance Contracts[3]
MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[4]

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONT'D)

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (continued)

Standards and Amendments in Issue But Not Yet Effective (continued)

Annual improvement to MFRS Standards 2018 – 2020[2]

1 Effective for annual periods beginning on or after 1 January 2021, with earlier application permitted.
2 Effective for annual periods beginning on or after 1 January 2022, with earlier application permitted.
3 Effective for annual periods beginning on or after 1 January 2023, with earlier application permitted.
4 Effective date deferred to a date to be determined and announced, with earlier application still permitted.

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

IFRIC Agenda Decision on MFRS 123 Borrowing Costs

On 18 December 2018, the Malaysian Accounting Standards Board ("MASB") has issued for public comment six Tentative Agenda Decisions ("TAD") published by the IFRS Interpretations Committee, including the TAD on International Accounting Standards 23 Borrowing Costs ("IAS 23") relating to over time transfer of constructed good.

The MASB observed that non-private entities in the real estate industry might need to change their accounting policy as a result of the Agenda Decision on IAS 23. In ensuring consistent application of the MFRSs, which are word for-word the IFRS Standards, the MASB has decided that an entity shall apply the change in accounting policy as a result of the Agenda Decision on IAS 23 to financial statements of annual periods beginning on or after 1 July 2020.

The Group is in the process of assessing the impact of implementing this change in accounting policy. The implementation results would be reported during the year ending 31 December 2021.

3. SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of the Group and of the Company have been prepared under the historical cost convention except for certain non-current assets and financial instruments that are measured at fair values at the end of each reporting period as explained in the significant accounting policies. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of MFRS 2 *Share-based Payment*, leasing transactions that are within the scope of MFRS 16 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in MFRS 102 *Inventories* or value in use in MFRS 136 *Impairment of Assets*.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Accounting (continued)

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

Economic Entities in The Group

(a) Subsidiary companies and basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities (including structured entities) controlled by the Company and its subsidiary companies. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary company begins when the Company obtains control over the subsidiary company and ceases when the Company loses control of the subsidiary company. Specifically, income and expenses of a subsidiary company acquired or disposed of during the year are included in the statements of profit or loss and statements of other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary company.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Economic Entities in The Group (continued)

(a) Subsidiary companies and basis of consolidation (continued)

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiary companies is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Where necessary, adjustments are made to the financial statements of subsidiary companies to bring their accounting policies into line with those adopted by other members of the Group.

All intra-group assets and liabilities, equity, income and expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Changes in the Group's ownership interests in subsidiary companies that do not result in the Group losing control are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary companies. Any difference between the amount by which the non-controlling interests are adjusted at the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary company, a gain or loss is recognised and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary company and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to the subsidiary company are accounted for as if the Group had directly disposed of the relevant assets or liabilities of the subsidiary company (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable MFRS Framework). The fair value of any investment retained in the former subsidiary company at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under MFRS 9 *Financial Instruments: Recognition and Measurement* or, when applicable, the cost on initial recognition of an investment in an associate or joint venture.

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

(b) Business combinations

Acquisitions of subsidiary companies and businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition date fair values of assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and equity instruments issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Economic Entities in The Group (continued)

(b) Business combinations (continued)

At acquisition date, the identifiable assets acquired and liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with MFRS 112 *Income Taxes* and MFRS 119 *Employee Benefits* respectively;

- liabilities or equity instruments related to the share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with MFRS 2 *Share-based Payment* at the acquisition date; and

- assets (or disposal groups) that are classified as held for sale in accordance with MFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss at the acquisition date.

Where the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition date fair value. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or liability is remeasured at subsequent reporting dates in accordance with MFRS 9 *Financial Instruments: Recognition and Measurement* or MFRS 137 *Provisions, Contingent Liabilities and Contingent Assets*, as appropriate, with the corresponding gain or loss being recognised in profit or loss.

Where a business combination is achieved in stages, the Group's previously held interests in the acquired entity are remeasured to fair value at the acquisition date and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items of which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised at that date.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Economic Entities in The Group (continued)

(c) Associated companies

An associated company is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associated companies are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with MFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*. Under the equity method, an investment in an associated company is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associated company. When the Group's share of losses of an associated company exceeds the Group's interest in that associated company (which includes any long-term interests that, in substance, form part of the Group's net investment in the associated company), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associated company.

An investment in an associated company is accounted for using the equity method from the date on which the investee becomes an associated company. On acquisition of the investment in an associated company, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The requirements of MFRS 9 *Financial Instruments: Recognition and Measurement* are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in an associated company. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with MFRS 136 *Impairment of Assets* as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount.

Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with MFRS 136 *Impairment of Assets* to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date when investment ceases to be an associated company, or when the investment is classified as held for sale. When the Group retains an interest in the former associated company and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with MFRS 9 *Financial Instruments: Recognition and Measurement.* The difference between the carrying amount of the associated company at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associated company is included in the determination of the gain or loss on disposal of the associated company. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associated company or joint venture on the same basis as would be required if that associated company had directly disposed of the related assets and liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associated company would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Economic Entities in The Group (continued)

(c) Associated companies (continued)

When the Group reduces its ownership interest in an associated company but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

When a group entity transacts with an associated company of the Group, profits or losses resulting from the transactions with the associated company are recognised in the Group's consolidated financial statements only to the extent of the Group's interest in the associated company that are not related to the Group.

Foreign Currencies

(a) 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 entities operate (the "functional currency"). The financial statements are presented in Ringgit Malaysia, which is the Company's functional currency and the presentation currency of the financial statements.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. 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.

(c) Group companies

Assets and liabilities of foreign subsidiary companies are translated to Ringgit Malaysia at rates of exchange ruling at the end of the reporting period and the results of foreign subsidiary companies are translated at the average rate of exchange for the financial year. Exchange differences arising from the translation are recognised as a separate component of equity.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations are recognised in other comprehensive income and accumulated in equity. When a foreign operation is partially disposed of or sold, exchange differences that were recorded in equity are recognised in profit or loss as part of the gain or loss on sale.

Revenue Recognition

Revenue is recognised when or as a performance obligation in the contract with customer is satisfied, i.e. when the "control" of the goods or services underlying the particular performance obligation is transferred to the customer.

A performance obligation is a promise to transfer a distinct goods or service (or a series of distinct goods or services that are substantially the same and that have the same pattern of transfer) to the customer that is explicitly stated in the contract and implied in the Group's customary business practices.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue Recognition (continued)

Revenue is measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring the promised goods or services to the customers, excluding amounts collected on behalf of third parties such as sales taxes or goods and services taxes. If the amount of consideration varies due to discounts, rebates, refunds, credits, incentives, penalties or other similar items, the Group estimates the amount of consideration to which it will be entitled based on the expected value or the most likely outcome. If the contract with customer contains more than one performance obligation, the amount of consideration is allocated to each performance obligation based on the relative stand-alone selling prices of the goods or services promised in the contract.

The revenue is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

The control of the promised goods or services may be transferred over time or at a point in time. The control over the goods or services is transferred over time and revenue is recognised over time if:

- the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- the Group's performance does not create an asset with an alternative use and the Group has an enforceable right to payment for performance completed to date.

Revenue for performance obligation that is not satisfied over time is recognised at the point in time at which the customer obtains control of the promised goods or services.

The Group recognises revenue from property development over time if it creates an asset with no alternative use to the Group and the Group has an enforceable right to payment for performance completed to date. Revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation.

The progress towards complete satisfaction of the performance obligation is measured based on the Group's efforts or inputs to the satisfaction of the performance obligation (e.g. by reference to the property development costs incurred to date as a percentage of the estimated total costs of development of the contract).

Revenue from sales of completed properties/land is recognised upon delivery of properties/land where the control of the properties/land has been passed to the buyers.

Revenue from sales of goods is recognised upon delivery of goods where the control of the goods has been passed to the customers, or performance of services, net of sales and goods and service taxes and discounts.

Other revenue earned by the Group are recognised on the following bases:

Dividend income	- when the right to receive payment is established
Interest income	- recognised on a time proportion basis that reflects the effective yield on asset
Rental income	- accrued on a time basis, by reference to the agreements entered into
Hotel room rental and other hotel related income	- hotel room rental is recognised upon room occupancy while sales of goods and services are recognised upon delivery of products and when services are rendered, net of sales and service tax

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Government Grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grant that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss as a deduction from the related expense in the period in which they become receivable.

Employee Benefits

(a) Short-term employee benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the financial year in which the associated services are rendered by employees of the Group and of the Company. Short-term accumulating compensated absences for paid annual leave when services are rendered by employees that increase their entitlement to future compensated absences are recognised based on the experience that absences will occur.

(b) Defined contribution plan

The Group and the Company are required by law to make monthly contributions to the Employees Provident Fund ("EPF"), a statutory defined contribution plan for all their eligible employees based on certain prescribed rates of the employees' salaries. The Group's and the Company's contributions to EPF are disclosed separately. The employees' contributions to EPF are included in salaries and wages.

(c) Defined benefit plan

A foreign subsidiary company operates an unfunded defined Retirement Benefit Scheme ("RBS") for its eligible employees. The foreign subsidiary company's obligations under RBS are determined based on external actuarial valuation in accordance with the labour law requirements in that country where the amount of benefits that employees have earned in return for their service in the current and prior years is estimated. For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the statement of financial position with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be classified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- service cost (including current service cost and past service cost);
- net interest expense or income; and
- remeasurement.

The amount recognised at the end of the reporting period represents the present value of the defined benefit obligations adjusted for unrecognised actuarial gains and losses and unrecognised past service cost, and reduced by the fair value of plan assets. Plan assets resulting from this calculation are to be used only to settle the employee benefit obligations and only can be returned to the Group if the remaining assets of the fund are sufficient to meet the plan's obligation to pay the related employee benefits directly.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Borrowing Costs

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 them ready for their intended use or sale, are capitalised as part of the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

The amount of borrowing costs eligible for capitalisation is determined based on actual interest incurred on borrowings made specifically for the purpose of obtaining a qualifying asset and less any investment income on the temporary investment of that borrowing.

All other borrowing costs are recognised as finance costs in profit or loss in the financial year in which they are incurred.

Income Tax

Income tax expense comprises current and deferred tax. Current tax is the expected amount of income taxes payable in respect of the taxable profit for the financial year and is measured using the tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is accounted for using the liability method in respect of temporary differences arising from differences between the carrying amounts of assets and liabilities in the financial statements and their corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are recognised for all taxable temporary differences, and deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that sufficient future taxable profit will be available against which the deferred tax assets can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of the reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered.

Deferred tax is measured at tax rates that are expected to apply in the period when the asset is realised or the liability settled, based on tax rates that have been enacted or substantively enacted by the end of the reporting period. Deferred tax is recognised in profit or loss, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also charged or credited directly in equity.

For the purposes of measuring deferred tax liabilities and deferred tax assets for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered entirely through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same tax authority and the Company intends to settle its current assets and liabilities on a net basis.

Unutilised reinvestment 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 sufficient future taxable profits will be available against which the unutilised tax incentive can be utilised.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial Instruments

(a) Initial recognition and measurement

Financial instruments are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instruments.

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

(b) Financial instrument categories and subsequent measurement

Financial assets

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

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

Financial assets are classified as subsequently measured at amortised costs, fair value through profit or loss ("FVTPL") or fair value through other comprehensive income ("FVTOCI"). The classification depends on the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

A financial asset is any asset that is cash, a contractual right to receive cash or another financial asset from another enterprise, a contractual right to exchange financial instruments with another enterprise under conditions that are potentially favourable, or an equity instrument of another enterprise.

(i) ***Financial assets at amortised cost***

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

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

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial Instruments (continued)

(b) Financial instrument categories and subsequent measurement (continued)

Financial assets (continued)

(i) ***Financial assets at amortised cost (continued)***

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Income from financial assets is recognised on an effective interest method for debt instruments other than those financial assets classified as FVTPL.

(ii) ***Financial assets at FVTPL***

Financial assets that do not meet the amortised cost criteria or the FVTOCI criteria are measured at FVTPL. In addition, financial assets that meet either the amortised cost criteria or the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss.

Equity instruments

(i) ***Classification as debt or equity***

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

(ii) ***Equity instruments***

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group and the Company are recognised at the proceeds received, net of direct issue costs.

Financial liabilities

Financial liabilities are classified as measured at amortised cost or FVTPL.

A financial liability is any liability with contractual obligation to deliver cash or another financial asset to another enterprise, or to exchange financial instruments with another enterprise under conditions that are potentially unfavourable.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial Instruments (continued)

(b) Financial instrument categories and subsequent measurement (continued)

Financial liabilities (continued)

(i) ***Financial liabilities at FVTPL***

Financial liabilities are classified as at FVTPL when financial liabilities are either held for trading or it is designated as at FVTPL. Financial liabilities at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss.

(ii) ***Financial liabilities measured subsequently at amortised cost***

Financial liabilities that are not held for trading, or designated as at FVTPL, are measured subsequently at amortised cost using the effective interest method.

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

The Group's and the Company's significant financial liabilities include trade and other payables, terms loans, medium term notes, long-term and deferred payables, short-term borrowings and bank overdrafts which are initially measured at fair value and subsequently measured at amortised cost.

(c) Derecognition

A financial asset or part of it is derecognised when, and only when the contractual rights to the cash flows from the financial asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in equity, is recognised in profit or loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expires. On derecognition of a financial liability, the difference between the carrying amount of the 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.

(d) Offsetting of financial instruments

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial Instruments (continued)

(e) Impairment of financial assets

The Group and the Company recognise a loss allowance for expected credit losses ("ECL") on all trade and other receivables and contract assets. The amount of expected credit losses is updated at the end of each reporting period to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group recognises lifetime ECL for trade receivables, lease receivables and contract assets. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the end of the reporting period, including time value of money where appropriate.

For all other financial instruments, the Group and the Company recognise lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group and the Company measure the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the end of the reporting period.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, 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 historical experience and informed credit assessment and includes forward-looking information.

At the end of each reporting period, the Group and the Company assess whether financial assets carried at amortised cost 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.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial reorganisation.

Receivables assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's and the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period, as well as observable changes in national or local economic conditions that correlate with default on receivables.

In respect of receivables carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial Instruments (continued)

(e) Impairment of financial assets (continued)

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are recognised in profit or loss as bad debts recovered.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Property, Plant and Equipment

(a) Recognition and measurement

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. The costs of property, plant and equipment comprise their purchase costs and any expenditure that is directly attributable to the acquisition of the assets.

(b) Subsequent 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 charged to profit or loss during the financial period in which they are incurred.

Gains and losses on disposals are determined by comparing proceeds with carrying amounts and are recognised in profit or loss.

(c) Depreciation and impairment

Depreciation of property, plant and equipment is calculated so as to write off the costs or valuations of the assets to their estimated residual values on a straight-line basis over the expected useful economic lives of the assets concerned. The principal annual rates are as follows:

Long term leasehold land	75 - 78 years
Buildings	2.00% - 5.00%
Renovations	8.00% - 10.00%
Plant, machinery and factory equipment	6.25% - 20.00%
Motor vehicles	12.50% - 20.00%
Furniture, fittings, office and IT related equipment	8.00% - 33.33%

Certain moulds of a foreign subsidiary company for specific projects are depreciated over the respective project life time of 10 years.

The residual value and the useful life of an asset are reviewed at the end of each reporting period and, if expectations differ from previous estimates, the changes will be accounted for as a change in an accounting estimate.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Property, Plant and Equipment (continued)

(c) Depreciation and impairment (continued)

At the end of each 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.

Leases

(a) The Group as lessor

The Group enters into lease agreements as a lessor with respect to some of its investment properties and commercial properties.

Leases for which the Group is a lessor are classified as finance and operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

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

(b) The Group as lessee

The Group and the Company assess whether a contract is or contains a lease, at inception of the contract. The Group and the Company recognise a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Group and the Company recognise the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group and the Company use its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payment of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Leases (continued)

(b) The Group as lessee (continued)

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method), reducing the carrying amount to reflect the lease payment made, and remeasuring the carrying amount to reflect any reassessment or lease modifications.

The Group and the Company remeasure the lease liability and make a corresponding adjustment to the related right-of-use asset whenever:

- the lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- the lease payments change due to changes in an index or rate or change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate, unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used; or
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement date, less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying assets or the site on which it is located. They are subsequently measured at cost less accumulated depreciation and impairment losses.

The right-of-use assets are subsequently measured at cost less any accumulated depreciation and accumulated impairment losses, and adjusted for any remeasurement of the lease liability. The upfront payments for right to use the leasehold land over a predetermined period are accounted for as prepaid lease payments and are stated at cost and amortised on a straight-line basis over the respective lease periods. The leasehold land has an indefinite economic life and title that is not expected to passed to the Group by the end of the lease period.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group and the Company expect to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease and the principal annual rates are as follows:

Land and buildings	6.67%
Hotel properties	11.11% - 33.33%
Hostels	14.29% - 50.00%
Business premises	10.00% - 50.00%
Motor vehicles	20.00% - 33.33%
Office equipment	20.00%
Plant, machinery and factory equipment	25.00%

At the end of each 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Leases (continued)

(b) The Group as lessee (continued)

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the profit or loss.

Investment Properties

Investment properties are properties which are owned or held to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

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

Investment properties are measured initially at cost and subsequently at fair value with any change therein recognised in profit or loss for the period in which they arise.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gain or loss on the retirement or disposal of an investment property is recognised in profit or loss in the year of retirement or disposal.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner occupied, the deemed cost for subsequent accounting is the fair value at the date of change in use.

Intangible Assets

(a) License fee

All costs incurred in the acquisition of license for assembly of certain plastic products are capitalised and amortised on a straight-line basis over a period of 10 years and they will be written off when, in the opinion of the Directors, the future economic benefits are uncertain.

Where an indication of impairment exists, the carrying amount of the intangible assets are assessed and written down immediately to its recoverable amount.

(b) Goodwill on consolidation

Goodwill is identified as any excess of the consideration paid over the Group's share of fair value of the identifiable assets, liabilities and contingent liabilities acquired as at the date of acquisition. Goodwill is initially measured at cost less any accumulated impairment losses. Goodwill is not amortised but instead, it is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Intangible Assets (continued)

(b) Goodwill on consolidation (continued)

Where the consideration is lower than the Group's share of net fair value of the identifiable assets, liabilities and contingent liabilities acquired, the difference is recognised as negative goodwill. Negative goodwill is recognised immediately in profit or loss.

Goodwill acquired is allocated to the cash-generating units ("CGU") expected to benefit from the acquisition synergies. An impairment loss is recognised in profit or loss when the carrying amount of the CGU, including the goodwill, exceeds the recoverable amount of the CGU. The recoverable amount is the higher of the CGU's fair value less costs to sell and its value in use. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

The total impairment loss is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU pro-rata on the basis of the carrying amount of each assets in the CGU. Impairment loss on goodwill is not reversed in a subsequent period.

Land Held for Property Development

Land held for property development consists of land on which no significant development work has been undertaken other than earthwork, infrastructure work and professional fees incurred to put the land ready for development 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 stated at the lower of cost and net realisable value.

Costs associated with the acquisition of land include the purchase price of the land, professional fees, stamp duties, commissions, conversion fees and other relevant levies.

Net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion and applicable variable selling expenses.

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.

Property Development Costs

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Inventories

(a) Unsold completed properties

The cost of unsold properties is stated at the lower of cost and net realisable value. Cost includes the relevant cost of land and development expenditure.

(b) Inventories of raw materials, work-in-progress and finished goods

Inventories of raw materials, work-in-progress and finished goods relating to the manufacturing activities of the Group are stated at the lower of cost and net realisable value. Cost is determined using the weighted average method. The cost of raw materials comprises the original purchase price plus cost incurred in bringing the inventories to their present location and condition. The costs of finished goods and work-in-progress comprise raw materials, direct labour, other direct costs and an appropriate proportion of production overheads.

(c) Hotel operating supplies

Cost is determined using the first-in, first-out method and comprises food and beverage, printing and stationeries and guestroom supplies.

Net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion and applicable variable selling expenses.

Contract Assets and Contract Liabilities

Contract asset is the right to consideration in exchange for goods or services transferred to the customers. If the Group performs, by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional. The Group's contract asset is the excess of cumulative revenue earned over the billings to-date.

Where there is an objective evidence of impairment, the amount of impairment losses is determined by comparing the contract asset's carrying amount and the present value of estimated future cash flows to be generated by the contract asset.

Contract asset is reclassified to trade receivables at the point at which invoices have been billed to customers.

Contract liability is the obligation to transfer goods or services to customer for which the Group has received the consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whenever is earlier). The Group's contract liability is the excess of the billings to-date over the cumulative revenue earned. Contract liabilities are recognised as revenue when the Group performs its obligation under the contract.

Contract Costs

The Group recognise the incremental costs of obtaining a contract with a customer, which are expected to be recovered, as an asset. The incremental costs of obtaining a contract are costs incur to obtain a contract with a customer that it would not have incurred if the contract had not been obtained.

These contract costs are initially measured at cost and amortised on a systematic basis that is consistent with the pattern of revenue recognition to which the asset relates. An impairment loss is recognised in profit or loss when the carrying amount of the contract cost asset exceeds the expected revenue less expected costs that will be incurred.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of Non-Financial Assets

Assets that have an indefinite useful life 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 asset or cash-generating unit ("CGU") exceeds its recoverable amount. The recoverable amount is the higher of an asset's or CGU's fair value less costs to sell and value in use. For the purpose of assessing impairment, the Group estimates the recoverable amount of the CGU to which the assets belong.

Non-financial assets other than goodwill that suffer an impairment are reviewed for possible reversal of the impairment at the end of each reporting period. The impairment loss is charged to profit or loss.

An impairment loss is only reversed to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. The reversal of impairment loss is recognised in profit or loss.

Cash and Cash Equivalents

The Group and the Company adopt the indirect method in the preparation of statements of cash flows. Cash and cash equivalents are short-term, highly liquid investments with maturities of three months or less from the date of acquisition and are readily convertible to cash with insignificant risk of changes in value.

For the purpose of the statements of cash flows, cash and cash equivalents are presented net of bank overdrafts and exclude deposits pledged as collateral, restricted cash in project account, sinking fund account, trustees' reimbursement account, security and principal account, finance service reserve account and escrow account pledged as collateral.

Share Capital

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

Perpetual Securities

Perpetual Securities is classified as equity when there is no contractual obligation to deliver cash or other financial assets to another person or entity or to exchange financial assets or liabilities with another person or entity that are potentially unfavourable to the Group. Distribution on Perpetual Securities is recognised in equity in the period in which they are paid.

Perpetual Sukuk

Perpetual Sukuk is classified as equity when there is no contractual obligation to deliver cash or other financial assets to another person or entity or to exchange financial assets or liabilities with another person or entity that are potentially unfavourable to the Group. Distribution on Perpetual Sukuk is recognised in equity in the period in which they are paid.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (continued

Redeemable Convertible Sukuk

The Redeemable Convertible Sukuk are regarded as compound instruments, consisting of a liability component and equity component. The component of Redeemable Convertible Sukuk that exhibits characteristics of a liability is recognised as a financial liability in the statement of financial position, net of transaction costs. The distribution on this Redeemable Convertible Sukuk is recognised as interest expense in profit or loss using the effective interest rate method. Upon issuance of the Redeemable Convertible Sukuk, the fair value of the liability component is determined using a market rate for an equivalent non-convertible debt and this amount is carried as a financial liability.

The residual amount, after deducting the fair value of the liability component, is recognised and included in shareholder's equity, net of transaction costs. The distribution on this Redeemable Convertible Sukuk is recognised in equity in the period in which they are declared.

Transaction costs are apportioned between the liability and equity components of the Redeemable Convertible Sukuk based on the allocation of proceeds to the liability and equity components when the instruments were first recognised.

Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

Contingent Liabilities and Contingent Assets

The Group does not recognise a contingent liability 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.

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.

Segment Reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenue and expenses that are related to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONT'D)

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

(a) Critical judgements in applying the Group's accounting policies

The management is of the opinion that there are no instances of application of critical judgements in applying the Group's accounting policies which are expected to have a significant effect on the amounts recognised in the financial statements.

(b) Key sources of estimation uncertainty

Management believes that there are no key assumptions made concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year other than as disclosed below:

(i) ***Property development revenue***

Revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation.

The progress towards complete satisfaction of the performance obligation is measured based on the Group's efforts or inputs to the satisfaction of the performance obligation (e.g. by reference to the property development costs incurred to date as a percentage of the estimated total costs of development of the contract). In making the estimate, management relies on opinion/service of experts, past experience and a continuous monitoring mechanism.

(ii) ***Net realisable value of completed properties***

Completed properties are stated at the lower of cost and net realisable value. The Group determines net realisable value based on the recent sales transactions of similar properties or comparable properties in similar or nearby locations net of estimated cost necessary to complete the sale. The estimation of the selling price is subject to significant inherent uncertainties in property market. Possible changes in these estimates could result in revisions to the valuation of the completed properties.

The carrying amount of completed properties is disclosed in Note 23.

(iii) ***Deferred tax assets***

Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which all deductible temporary differences, unused tax losses and unused tax credits can be utilised. Management judgement is required in determining the amount of deferred tax assets that can be recognised, based on the assessment of the probability of the future taxable profits.

The carrying amount of deferred tax assets is disclosed in Note 22.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONT'D)

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

(b) Key sources of estimation uncertainty (continued)

(iv) ***Valuation of investment properties***

The Group determines the fair value of its investment properties by reference to the selling prices of recent transactions of similar properties of nearby location and where necessary, adjusting for tenure, location, development concept and size, except for investment properties under construction in which their fair values are not reliably determinable. Investment properties under construction are measured at cost until either the fair value becomes reliably determinable or when construction is completed, whichever is earlier.

The management believes that the chosen valuation techniques and assumptions used are appropriate in determining the fair value of the Group's investment properties.

The carrying amount of investment properties is disclosed in Note 17.

(v) ***Impairment of property, plant and equipment, right-of-use assets and prepaid lease payments***

The Group assesses whether the carrying amounts of property, plant and equipment, right-of-use assets and prepaid lease payments are impaired by evaluating the extent to which the recoverable amount of the assets is less than its carrying amount. The recoverable amount is determined from the value in use calculation by discounting future cash flows using pre-tax discount rate. Significant judgments are required in the estimation of the present value of future cash flows generated by the assets.

The carrying amount of property, plant and equipment, right-of-use assets and prepaid lease payments are disclosed in Notes 14, 15 and 16 respectively.

(vi) ***Useful lives of depreciable assets***

Property, plant and equipment, right-of-use assets and prepaid lease payments are depreciated on a straight-line basis over their useful lives. Management estimates the useful lives of the depreciable assets to be within 2 to 78 years and reviews the useful lives of depreciable assets at each reporting date. At the reporting date, management assesses that the useful lives represent the expected utility of the assets to the Group and the Company. Actual results, however, may vary due to change in the expected level of usage, physical wear and tear and technological developments, which may result in adjustments to the Group's and the Company's assets.

(vii) ***Impairment of trade receivable, lease receivable, contract assets and other receivables***

The Group uses the simplified approach to estimate a lifetime expected credit losses ("ECL") for trade receivable, lease receivable and contract assets. The ECL on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the end of the reporting period, including time value of money where appropriate.

ECL of all other receivables are measured at an amount equal to 12-month ECL if credit risk on a receivable has not increased significantly. 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 historical experience and informed credit assessment and includes forward-looking information. Where the credit risk has increased significantly, the impairment loss is measured at an amount equal to lifetime ECL.

Based on the assessment performed, the ECL are disclosed in Note 24.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONT'D)

5. REVENUE

	Note	The Group		The Company	
		2020 RM'000	2019 RM'000	**2020 RM'000**	2019 RM'000
Revenue from contracts with customers:					
Property development revenue:					
- sales of properties under development		**1,083,888**	1,191,197	**-**	-
- sales of completed properties and land		**103,030**	216,914	**-**	-
	25	**1,186,918**	1,408,111	**-**	-
Sales of goods		**307,696**	341,294	**-**	-
Hotel room rental and other hotel related income		**13,306**	11,413	**-**	-
Others		**4,482**	4,766	**-**	-
		1,512,402	1,765,584	**-**	-
Revenue from other sources:					
Dividend income from subsidiary companies	46(a)	**-**	-	**135,900**	221,269
Interest income from:					
- advances to subsidiary companies	46(a)	**-**	-	**141,043**	143,552
- bank deposits		**2,093**	4,030	**2,093**	4,030
- investment in short-term funds		**14,578**	18,085	**14,578**	18,085
Rental income	17	**1,681**	1,994	**-**	-
		1,530,754	1,789,693	**293,614**	386,936
Timing of revenue recognition:					
- at a point in time		**428,514**	574,387	**-**	-
- over time		**1,083,888**	1,191,197	**-**	-
Revenue from contracts with customers		**1,512,402**	1,765,584	**-**	-

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONT'D)

6. COST OF SALES

		The Group	
	Note	**2020 RM'000**	2019 RM'000
Property development costs		**769,017**	753,376
Cost of completed properties and land sold		**89,543**	173,221
Cost of goods sold		**263,938**	285,919
Maintenance fees		**5,626**	6,125
Cost of hotel operation		**11,867**	16,698
Others		**4,337**	4,686
		1,144,328	1,240,025
Impairment of right-of-use assets	15	**6,270**	9,922
Land held for property development written off	18(a)	**3,414**	-
Reversal of write down of inventories	23	**(116)**	(45)
Write down of inventories	23	**12,799**	24,214
		1,166,695	1,274,116
Included in cost of goods sold are the following:			
Raw materials used		**202,877**	217,432
Changes in inventories of work-in-progress and finished goods		**(3,534)**	1,729
		199,343	219,161

7. STAFF COSTS

		The Group		The Company	
	Note	**2020 RM'000**	2019 RM'000	**2020 RM'000**	2019 RM'000
Wages, salaries and bonus		**112,629**	130,985	**1,383**	1,450
Employees Provident Fund and social security costs		**12,893**	14,991	**140**	150
Short-term accumulating compensated absences:					
- current financial year		**1,308**	1,222	**44**	39
- overprovision in prior financial years		**(1,222)**	(974)	**(39)**	(30)
Provision for post-employment benefits	35(c)	**1,460**	1,546	**-**	-
Other staff related expenses		**5,952**	7,398	**24**	46
		133,020	155,168	**1,552**	1,655

Included in staff costs are directors' remuneration of the Group and of the Company as further disclosed in Note 46(b) and government subsidies of RM1,714,000 (2019: RMNil) received by the Group during the financial year in relation to the Wage Subsidy Programme under National Economic Recovery Plan initiated by Government of Malaysia.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONT'D)

8. FINANCE INCOME

	The Group	
	2020 RM'000	2019 RM'000
Amortised cost adjustments:		
- trade and other receivables	**5,227**	3,241
Interest income from:		
- bank deposits	**4,750**	4,470
- project accounts	**3,715**	7,053
	13,692	14,764

9. FINANCE COSTS

		The Group		The Company	
	Note	**2020 RM'000**	2019 RM'000	**2020 RM'000**	2019 RM'000
Amortised cost adjustments on trade and other payables		**3,994**	6,602	**-**	-
Interest expense on:					
- advances from subsidiary companies	46(a)	**-**	-	**-**	880
- bank overdrafts		**46**	55	**-**	-
- hire purchase		**140**	178	**-**	-
- revolving credits		**713**	1,229	**-**	-
- term loans		**20,322**	26,342	**-**	-
- medium term notes	33	**21,334**	-	**21,334**	-
- lease liabilities		**860**	1,848	**-**	-
- others		**231**	996	**-**	-
		47,640	37,250	**21,334**	880
Less: Interest expense capitalised in land held for property development	18(a)	**(7,747)**	(11,833)	**-**	-
Less: Interest expense capitalised in property development costs	18(b)	**(15,449)**	(9,458)	**-**	-
		24,444	15,959	**21,334**	880

Included in the cost of sales is interest expense in property development costs recognised in profit or loss amounting to RM14,011,370 (2019: RM41,589,417).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONT'D)

10. PROFIT BEFORE TAX

	Note	The Group		The Company	
		2020 RM'000	2019 RM'000	**2020 RM'000**	2019 RM'000
Profit before tax is arrived at after charging:					
Allowance for impairment loss on financial assets:	24				
- trade and other receivables		**4,294**	682	**-**	-
- amounts due from subsidiary companies		**-**	-	**11,867**	37,075
Amortisation of prepaid lease payments	16	**417**	424	**-**	-
Auditors' remuneration:					
Statutory:					
- current financial year		**495**	511	**45**	45
- (over)/under provision in prior financial years		**(8)**	50	**-**	-
Others:					
- current financial year		**39**	45	**5**	5
- (over)/under provision in prior financial years		**(2)**	1	**-**	-
Bad debts written off		**307**	12	**-**	-
Depreciation of right-of-use assets	15	**12,127**	13,333	**-**	-
Expenses relating to short-term leases		**392**	563	**-**	-
Fair value loss on investment properties	17	**10,000**	-	**-**	-
Foreign exchange loss:					
- realised		**380**	10	**-**	-
- unrealised		**16**	43	**-**	-
Impairment of:					
- intangible assets	19	**29**	332	**-**	-
- investment in subsidiary companies		**-**	-	**303**	2,500
- property, plant and equipment	14	**3,908**	5,147	**-**	-
- right-of-use assets	15	**6,270**	9,922	**-**	-
Inventories written off		**1,331**	-	**-**	-
Land held for property development written off	18(a)	**3,414**	-	**-**	-
Loss on redemption of investment in short-term funds		**1,287**	-	**1,287**	-
Property, plant and equipment:					
- depreciation	14	**26,700**	26,648	**32**	61
- loss on disposal		**37**	2	**-**	-
- written off	14	**3,214**	17	**-**	-
Provision for liquidated ascertained damages		**843**	1,317	**-**	-
Waiver on late payment charges		**6**	20	**-**	-
Write down of inventories	23	**12,799**	24,214	**-**	-

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONT'D)

10. PROFIT BEFORE TAX (continued)

	Note	The Group		The Company	
		2020 RM'000	2019 RM'000	**2020 RM'000**	2019 RM'000
And crediting:					
Bad debts recovered		**-**	22	**-**	-
Foreign exchange gain:					
- realised		**7**	4	**-**	-
- unrealised		**141**	588	**-**	-
Fair value adjustment on investment in short-term funds		**466**	516	**466**	516
Forfeiture income		**366**	3,319	**-**	-
Gain on disposal of property, plant and equipment		**39**	374	**-**	-
Gain on redemption of investment in short-term funds		**-**	4,693	**-**	4,693
Government grants#		**209**	48,677	**-**	-
Lease rental income*		**4,907**	3,833	**-**	-
Insurance income		**8,724**	-	**-**	-
Rent concessions related to COVID-19	2	**96**	-	**-**	-
Reversal of allowance for impairment loss on financial assets:					
- trade and other receivables	24(a)	**364**	1,063	**-**	-
- amounts due from subsidiary companies	24(c)	**-**	-	**-**	44,613
Reversal of impairment of investment in a subsidiary company		**-**	-	**-**	8,200
Reversal of write down of inventories	23	**116**	45	**-**	-

* Excluding those classified as revenue in Note 5.

\# Represent financial assistance received from the Government for the implementation of certain development projects. The Government grants were recognised as a deduction from the related property development costs in Note 6.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONT'D)

11. INCOME TAX EXPENSE

	Note	The Group		The Company	
		2020 RM'000	2019 RM'000	**2020 RM'000**	2019 RM'000
Estimated income tax payable:					
Current financial year		**82,096**	64,083	**16,387**	13,350
Under/(Over) provision in prior financial years		**1,932**	(16,995)	**(33)**	(3,142)
		84,028	47,088	**16,354**	10,208
Deferred tax:	22				
Current financial year		**(31,251)**	723	**109**	(11)
(Under)/Over provision in prior financial years		**(3,154)**	19,815	**-**	-
		(34,405)	20,538	**109**	(11)
Income tax expense		**49,623**	67,626	**16,463**	10,197

Income tax is calculated at the Malaysian statutory tax rate of 24% (2019: 24%) of the estimated assessable profit for the year.

A reconciliation of income tax expense applicable to profit before tax at the statutory income tax rate to income tax expense at the effective income tax rate of the Group and of the Company is as follows:

	The Group		The Company	
	2020 RM'000	2019 RM'000	**2020 RM'000**	2019 RM'000
Profit before tax	**153,669**	270,219	**257,210**	402,102
Tax expense at Malaysian statutory tax rate of 24% (2019: 24%)	**36,881**	64,853	**61,730**	96,504
Tax effects of:				
Income exempted from tax	**(3,751)**	(4,627)	**(36,367)**	(57,732)
Non-taxable income	**(1,724)**	(1,789)	**(112)**	(13,925)
Expenses not deductible for tax purposes	**10,750**	11,063	**6,439**	10,044
Perpetual Sukuk distribution	**(2,203)**	(8,810)	**(2,203)**	(8,810)
Perpetual Securities distribution	**(12,991)**	(12,742)	**(12,991)**	(12,742)
Utilisation of deferred tax assets not previously recognised	**(5,286)**	(11,594)	**-**	-
Utilisation of tax incentive	**(1,118)**	-	**-**	-
Utilisation of reinvestment allowance	**(1,408)**	-	**-**	-
Deferred tax assets not recognised	**33,033**	34,400	**-**	-
Recognition of previously unrecognised deferred tax assets	**(1,338)**	(5,948)	**-**	-
Under/(Over) provision of estimated tax payable in prior financial years	**1,932**	(16,995)	**(33)**	(3,142)
(Under)/Over provision of deferred tax in prior financial years	**(3,154)**	19,815	**-**	-
Income tax expense	**49,623**	67,626	**16,463**	10,197

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONT'D)

12. EARNINGS PER ORDINARY SHARE

(a) Basic

The basic earnings per ordinary share for the financial year has been calculated based on the net profit attributable to ordinary equity holders of the Company divided by the weighted average number of ordinary shares in issue.

	The Group	
	2020	2019
Profit attributable to equity holders of the Company (RM'000)	**100,394**	200,334
Distribution paid to holders of Perpetual Sukuk (RM'000)	**(18,410)**	(36,921)
Distribution paid to holders of Perpetual Securities (RM'000)	**(54,768)**	(54,348)
Net profit attributable to ordinary equity holders of the Company (RM'000)	**27,216**	109,065
Weighted average number of ordinary shares in issue (Unit'000)	**2,427,688**	2,427,687
Basic earnings per ordinary share (sen)	**1.12**	4.49

(b) Diluted

The diluted earnings per share has been calculated by dividing the Group's net profit attributable to ordinary equity holders of the Company for the financial year by the weighted average number of ordinary shares assuming full conversion of Redeemable Convertible Sukuk and full exercise of the remaining warrants, adjusted for the number of such ordinary shares that would have been issued at fair value.

	The Group	
	2020	2019
Net profit attributable to ordinary equity holders of the Company (RM'000)	**27,216**	109,065
Weighted average number of ordinary shares in issue (Unit'000)	**2,427,688**	2,427,687
Weighted average number of ordinary shares deemed issued at no consideration (Unit'000)		
- Warrant C 2015/2020*	**-**	n/a
- Redeemable Convertible Sukuk	**144**	-
Adjusted weighted average number of ordinary shares (Unit'000)	**2,427,832**	2,427,687
Diluted earnings per ordinary share (sen)	**1.12**	4.49

* The effects of potential ordinary shares arising from the exercise of Warrant C 2015/2020 is anti-dilutive and accordingly is excluded from the diluted earnings per share computation above. The Warrant C 2015/2020 has expired on 21 February 2020.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONT'D)

13. DIVIDEND PAID/PROPOSED

	The Group and The Company	
	2020	2019
	RM'000	RM'000
Recognised during the financial year:		
Dividends on ordinary shares		
- First and final single-tier dividend of 3.35 sen per ordinary share, paid on 29 September 2020	**81,328**	-
- First and final single-tier dividend of 4.50 sen per ordinary share, paid on 25 September 2019	**-**	109,246
	81,328	109,246

The Directors have proposed a first and final single-tier dividend of 1.66 sen per ordinary share in respect of the current financial year. The proposed first and final dividend is subject to the approval of the shareholders at the forthcoming Annual General Meeting of the Company and has not been included as a liability in the financial statements for the current financial year. Such dividend, when approved by the shareholders, will be accounted for in equity as an appropriation of retained earnings during the financial year ending 31 December 2021.

14. PROPERTY, PLANT AND EQUIPMENT

The Group	Note	Long term leasehold land RM'000	Buildings RM'000	Renovations RM'000	Plant, machinery and factory equipment RM'000	Motor vehicles RM'000	Furniture, fittings, office and IT related equipment RM'000	# Capital work-in-progress RM'000	Total RM'000
Cost									
At 1 January 2019		40,548	82,490	21,644	229,359	15,276	42,531	-	431,848
Currency translation differences		-	476	-	1,643	35	49	-	2,203
Additions		-	174	1,074	24,664	1,345	2,322	-	29,579
Disposals		-	-	-	(76)	(1,134)	(18)	-	(1,228)
Written off	10	-	-	(12)	(46)	-	(71)	-	(129)
At 31 December 2019/1 January 2020		**40,548**	**83,140**	**22,706**	**255,544**	**15,522**	**44,813**	**-**	**462,273**
Currency translation differences		**-**	**(612)**	**-**	**(2,116)**	**(45)**	**(63)**	**-**	**(2,836)**
Additions		**-**	**28**	**1,017**	**17,598**	**53**	**2,326**	**28,222**	**49,244**
Transferred from inventories		**-**	**-**	**-**	**1,711**	**-**	**-**	**-**	**1,711**
Disposals		**-**	**-**	**-**	**(1,366)**	**(249)**	**(22)**	**-**	**(1,637)**
Written off	10	**-**	**(3,198)**	**(135)**	**(580)**	**-**	**(32)**	**-**	**(3,945)**
At 31 December 2020		**40,548**	**79,358**	**23,588**	**270,791**	**15,281**	**47,022**	**28,222**	**504,810**

14. PROPERTY, PLANT AND EQUIPMENT (continued)

The Group	Note	Long term leasehold land RM'000	Buildings RM'000	Renovations RM'000	Plant, machinery and factory equipment RM'000	Motor vehicles RM'000	Furniture, fittings, office and IT related equipment RM'000	# Capital work-in-progress RM'000	Total RM'000
Accumulated depreciation									
At 1 January 2019		905	31,803	4,528	137,251	10,005	19,963	-	204,455
Currency translation differences		-	279	-	1,253	31	48	-	1,611
Charge for the financial year	10	531	1,809	2,426	15,145	1,644	5,093	-	26,648
Disposals		-	-	-	(73)	(1,110)	(8)	-	(1,191)
Written off	10	-	-	(8)	(46)	-	(58)	-	(112)
At 31 December 2019/1 January 2020		**1,436**	**33,891**	**6,946**	**153,530**	**10,570**	**25,038**	**-**	**231,411**
Currency translation differences		**-**	**(382)**	**-**	**(1,656)**	**(39)**	**(61)**	**-**	**(2,138)**
Charge for the financial year	10	**531**	**1,641**	**2,381**	**16,492**	**1,549**	**4,106**	**-**	**26,700**
Disposals		**-**	**-**	**-**	**(1,282)**	**(249)**	**(18)**	**-**	**(1,549)**
Written off	10	**-**	**(314)**	**(5)**	**(410)**	**-**	**(2)**	**-**	**(731)**
At 31 December 2020		**1,967**	**34,836**	**9,322**	**166,674**	**11,831**	**29,063**	**-**	**253,693**
Accumulated impairment loss									
At 1 January 2019		-	-	-	41	-	-	-	41
Impairment loss for the financial year	10	-	-	1,123	-	-	4,024	-	5,147
At 31 December 2019/1 January 2020		**-**	**-**	**1,123**	**41**	**-**	**4,024**	**-**	**5,188**
Impairment loss for the financial year	10	**-**	**-**	**889**	**-**	**-**	**3,019**	**-**	**3,908**
At 31 December 2020		**-**	**-**	**2,012**	**41**	**-**	**7,043**	**-**	**9,096**
Net book values									
At 31 December 2019		39,112	49,249	14,637	101,973	4,952	15,751	-	225,674
At 31 December 2020		**38,581**	**44,522**	**12,254**	**104,076**	**3,450**	**10,916**	**28,222**	**242,021**

Capital work-in-progress comprises mainly construction of new factory building and set up of new production plant and machinery. This capital work-in-progress will be reclassified to appropriate categories of property, plant and equipment when they are ready for the intended use.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONT'D)

14. PROPERTY, PLANT AND EQUIPMENT (continued)

Impairment test for manufacturing plants

The recoverable amount of manufacturing plants and its related assets of a foreign subsidiary company was reviewed for impairment during the financial year due to losses incurred as a results of Covid-19 pandemic.

The recoverable amount is determined from the value in use calculation by discounting future cash flows using pre-tax discount rate. The cash flow projections included specific estimates for 5 years and a terminal growth rate thereafter.

Based on management's assessment, no impairment charge is required as the recoverable amount of these assets was higher than the carrying amounts. Management believes that no reasonable possible change in any of the below key assumptions would cause the carrying amounts to materially exceed their recoverable amounts.

The key assumptions used in the estimation of value in use calculations are as follows:

	2020 **%**	2019 %
Pre-tax discount rate	**14.0**	-
Annual revenue growth rate	**5.0**	-
Terminal value growth rate	**3.0**	-

Impairment test for hotel operating assets

The recoverable amount of hotel operating assets (which comprise of hotel properties and its related fitting, furniture and equipment) of a subsidiary company was reviewed for impairment during the financial year due to losses incurred as a result of Covid-19 pandemic.

The recoverable amount is determined from the value in use calculation by discounting future cash flows using pre-tax discount rate. The cash flow projections included specific estimate for 6.5 years (2019: 7.5 years) pursuant to the remaining lease period of hotel properties, which is expiring on 30 June 2027. The review led to the recognition of an impairment loss of RM10,177,986 (2019: RM15,068,889), which has been recognised in profit or loss.

The impairment loss was allocated pro rata to the individual operating assets of hotel as follows:

The Group	**Note**	**2020** **RM'000**	2019 RM'000
Property, plant and equipment		**3,908**	5,147
Right-of-use assets	15	**6,270**	9,922
		10,178	15,069

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONT'D)

14. PROPERTY, PLANT AND EQUIPMENT (continued)

Impairment test for hotel operating assets (continued)

The key assumptions used in the estimation of value in use calculations are as follows:

	2020 **%**	2019 %
Pre-tax discount rate	**12.5**	11.2
Average occupancy rate per annum	**4.9**	4.9
Average room rate per annum	**13.7**	9.6

Based on the sensitivity analysis performed, the changes in key assumptions and the impact to value in use calculations are summarised as follows:

		Impact to value in use	
Key assumptions	**Change in key assumptions**	**2020** **RM'000**	2019 RM'000
Pre-tax discount rate	Increase by 2%	**(1,292)**	(2,868)
Average occupancy rate	Decrease by 5%	**(1,810)**	(3,042)
Average room rate	Decrease by 5%	**(1,352)**	(4,225)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONT'D)

14. PROPERTY, PLANT AND EQUIPMENT (continued)

Analysis of buildings

The Group	Leasehold RM'000	Freehold RM'000	Total RM'000
Cost			
At 1 January 2019	56,147	26,343	82,490
Currency translation differences	476	-	476
Additions	164	10	174
At 31 December 2019/1 January 2020	**56,787**	**26,353**	**83,140**
Currency translation differences	**(612)**	**-**	**(612)**
Additions	**28**	**-**	**28**
Written off	**(3,198)**	**-**	**(3,198)**
At 31 December 2020	**53,005**	**26,353**	**79,358**
Accumulated depreciation			
At 1 January 2019	25,251	6,552	31,803
Currency translation differences	279	-	279
Charge for the financial year	1,355	454	1,809
At 31 December 2019/1 January 2020	**26,885**	**7,006**	**33,891**
Currency translation differences	**(382)**	**-**	**(382)**
Charge for the financial year	**1,186**	**455**	**1,641**
Written off	**(314)**	**-**	**(314)**
At 31 December 2020	**27,375**	**7,461**	**34,836**
Net book values			
At 31 December 2019	29,902	19,347	49,249
At 31 December 2020	**25,630**	**18,892**	**44,522**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONT'D)

14. PROPERTY, PLANT AND EQUIPMENT (continued)

Analysis of buildings (continued)

The Company	Note	Furniture and fittings RM'000	Office equipment RM'000	Total RM'000
Cost				
At 1 January 2019		103	1,382	1,485
Additions		-	4	4
At 31 December 2019/1 January 2020		**103**	**1,386**	**1,489**
Additions		**-**	**5**	**5**
At 31 December 2020		**103**	**1,391**	**1,494**
Accumulated depreciation				
At 1 January 2019		79	1,280	1,359
Charge for the financial year	10	1	60	61
At 31 December 2019/1 January 2020		**80**	**1,340**	**1,420**
Charge for the financial year	10	**12**	**20**	**32**
At 31 December 2020		**92**	**1,360**	**1,452**
Net book values				
At 31 December 2019		23	46	69
At 31 December 2020		**11**	**31**	**42**

Assets with restricted title

At the end of the reporting period, the net book values of property, plant and equipment of the Group pledged to financial institutions as security for term loans and short-term borrowings as disclosed in Notes 34 and 37, respectively are as follows:

	The Group	
	2020 RM'000	2019 RM'000
Net book values		
Freehold buildings	**3,053**	3,178
Leasehold buildings	**6,752**	9,596
Long term leasehold land	**38,581**	39,112
	48,386	51,886

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONT'D)

14. PROPERTY, PLANT AND EQUIPMENT (continued)

Assets held under hire purchase arrangements

At the end of the reporting period, the net book value of property, plant and equipment of the Group held under hire purchase arrangements is as follows:

	The Group	
	2020 RM'000	2019 RM'000
Net book values		
Motor vehicles	**2,561**	3,776

15. RIGHT-OF-USE ASSETS

The Group	Note	Land and buildings RM'000	Hotel properties RM'000	Business premises and hostels RM'000	Motor vehicles RM'000	Plant, machinery and office equipment RM'000	Total RM'000
Cost							
At 1 January 2019		-	-	-	-	-	-
Effect of MFRS 16 adoption		-	40,277	9,064	803	596	50,740
Additions		-	-	1,341	-	-	1,341
At 31 December 2019/ 1 January 2020		**-**	**40,277**	**10,405**	**803**	**596**	**52,081**
Additions		**37,346**	**-**	**6,352**	**741**	**162**	**44,601**
Effect of remeasurement of lease liabilities		**-**	**1,144**	**151**	**-**	**8**	**1,303**
Derecognition		**-**	**-**	**(550)**	**(803)**	**-**	**(1,353)**
At 31 December 2020		**37,346**	**41,421**	**16,358**	**741**	**766**	**96,632**
Accumulated depreciation							
At 1 January 2019		-	-	-	-	-	-
Effect of MFRS 16 adoption		-	5,061	4,140	647	417	10,265
Charge for the financial year	10	-	10,122	2,979	156	76	13,333
At 31 December 2019/ 1 January 2020		**-**	**15,183**	**7,119**	**803**	**493**	**23,598**
Charge for the financial year	10	**415**	**7,042**	**4,283**	**276**	**111**	**12,127**
Derecognition		**-**	**-**	**(550)**	**(803)**	**-**	**(1,353)**
At 31 December 2020		**415**	**22,225**	**10,852**	**276**	**604**	**34,372**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONT'D)

15. RIGHT-OF-USE ASSETS (continued)

The Group	Note	Land and buildings RM'000	Hotel properties RM'000	Business premises and hostels RM'000	Motor vehicles RM'000	Plant, machinery and office equipment RM'000	Total RM'000
Accumulated impairment loss							
At 1 January 2019		-	-	-	-	-	-
Impairment loss for the financial year*	10	-	9,922	-	-	-	9,922
At 31 December 2019/ 1 January 2020		**-**	**9,922**	**-**	**-**	**-**	**9,922**
Impairment loss for the financial year*	10	**-**	**6,270**	**-**	**-**	**-**	**6,270**
At 31 December 2020		**-**	**16,192**	**-**	**-**	**-**	**16,192**
Net book values							
At 31 December 2019		-	15,172	3,286	-	103	18,561
At 31 December 2020		**36,931**	**3,004**	**5,506**	**465**	**162**	**46,048**

* The Group has assessed hotel operating assets for impairment and recognised an impairment loss of RM6,269,527 (2019: RM9,921,738) in relation to hotel properties. Further information about the impairment loss is included in Note 14.

The leasing activities of the Group is summarised as follows:

(i) Land and buildings — The Group has entered into a non-cancellable operating lease agreement for the use of land and buildings. The tenure of this lease is 3 years, with option to renew for 4 terms with 3 years each upon expiry.

(ii) Hotel properties — The Group leased back hotel properties sold by entering into Leaseback and Guarantee Rental Return Agreements with the property purchasers pursuant to Group's property development activities. The tenure of these leases is 9 years (2019: 9 years). Whilst certain of these lease arrangements are based on yearly fixed payments, there are some lease arrangements which are not fixed and where the payment of these lease amounts, contingent upon operating profits being generated by the business, are based on a certain percentage of such profits.

(iii) Business premises and hostels — The Group has leased a number of business premises and hostels from various parties under non-cancellable operating leases. The tenure of these leases ranges between 2 to 10 years (2019: 2 to 3 years), with option to renew upon expiry.

(iv) Motor vehicles, plant, machinery and office equipment — The Group has leased a number of motor vehicles, plant, machinery and office equipment from various parties under non-cancellable operating leases. The tenure of these leases ranges between 3 to 5 years (2019: 3 to 5 years), with option to renew upon expiry.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONT'D)

16. PREPAID LEASE PAYMENTS

		The Group	
	Note	**2020 RM'000**	2019 RM'000
Leasehold land			
Cost			
At 1 January		**10,963**	10,703
Currency translation differences		**(334)**	260
At 31 December		**10,629**	10,963
Accumulated amortisation			
At 1 January		**6,452**	5,883
Amortisation for the financial year	10	**417**	424
Currency translation differences		**(200)**	145
At 31 December		**6,669**	6,452
Net book values			
At 31 December		**3,960**	4,511

The unexpired portions of the leasehold land as at 31 December 2020 are between 1.50 to 17 years (2019: 2.50 to 18 years).

Certain parcels of leasehold land of the Group with a carrying value of RM3,960,081 (2019: RM4,511,131) are pledged to financial institutions as security for term loans and short-term borrowings as disclosed in Notes 34 and 37, respectively.

17. INVESTMENT PROPERTIES

		The Group	
	Note	**2020 RM'000**	2019 RM'000
At 1 January		**195,880**	195,880
Loss on changes in fair value	10	**(10,000)**	-
At 31 December		**185,880**	195,880

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONT'D)

17. INVESTMENT PROPERTIES (continued)

Included in the above are:

	The Group	
	2020 RM'000	2019 RM'000
At fair value:		
Freehold commercial properties	**3,313**	3,313
Leasehold commercial properties	**140,000**	150,000
	143,313	153,313
At cost:		
Investment properties under construction	**42,567**	42,567
	185,880	195,880

Leasehold commercial properties are leased to third parties. Each of the lease contains an initial non-cancellable lease period of 1 to 3 years (2019: 1 to 3 years). Subsequent renewals are negotiated with the lessee and average renewal periods are 1 to 3 years (2019: 1 to 3 years).

	The Group	
	2020 RM'000	2019 RM'000
Rental income	**1,681**	1,994
Direct operating expenses	**(5,626)**	(6,125)

Investment properties of the Group amounting to RM182,566,090 (2019: RM192,566,090) are pledged as security pursuant to the Perpetual Securities Programme as disclosed in Note 32.

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 information

The table below analyses fair value measurement of investment properties which are categorised into Levels 1 to 3 as disclosed in Note 3.

	Level 1 RM'000	**Level 2 RM'000**	**Level 3 RM'000**	**Total RM'000**
At 31 December 2019	-	3,313	150,000	153,313
At 31 December 2020	**-**	**3,313**	**140,000**	**143,313**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONT'D)

17. INVESTMENT PROPERTIES (continued)

Fair value information (continued)

The fair value of the Group's freehold commercial properties was determined in reference to the selling price of recent transactions of similar properties of nearby location. The fair values of freehold commercial properties fall under Level 2 of the fair value hierarchy.

The fair value of the Group's leasehold investment properties has been arrived at on the basis of a valuation carried out by an independent valuer not related to the Group. The fair values were determined in reference to the selling price of recent transactions of similar properties of nearby location.

The fair value of leasehold commercial properties falls under Level 3 of the fair value hierarchy.

Description of valuation technique used and key inputs to valuation on investment properties measured at Level 3 are as follows:

			The Group	
Property category	**Valuation technique**	**Key inputs**	**2020 RM**	2019 RM
Commercial properties	Direct comparison method	Market value per square foot	**505**	560
		Market value per car park	**30,000**	30,000

Direct Comparison method

Under the direct comparison method, a property's fair value is estimated based on comparison of current prices in an active market for similar properties in the same location and condition and where necessary, adjusting for tenure, location, development concept and size. Fair value of investment properties derived using direct comparison method have been generally included in Level 3 fair value hierarchy due to the adjustments mentioned above. The most significant input into this valuation approach is price per square foot and price per car park of comparable properties.

Valuation processes applied by the Group

The fair value of investment properties was determined by external, independent property valuers not related to the Group, having appropriate professional qualifications and recent experience in the location and category of properties being valued. A reasonable increase or decrease as a result of changes in key inputs to the market value would not give a material impact to the Group.

Policy on transfer between levels

The fair value of an asset to be transferred between levels is determined as of the date of the event or change in circumstances that caused the transfer.

Transfer between Level 1 and 2 fair values

There was no transfer between Level 1 and 2 fair values during the financial year.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONT'D)

18. PROPERTY DEVELOPMENT ACTIVITIES

(a) Land held for property development

	Note	The Group 2020 RM'000	2019 RM'000
At 1 January			
Land costs		**962,290**	908,588
Development costs		**788,119**	711,209
		1,750,409	1,619,797
Costs incurred during the financial year			
Land costs		**6,012**	-
Development costs		**63,545**	63,325
		69,557	63,325
Transferred (to)/from property development costs	18(b)		
Land costs		**(7,378)**	53,702
Development costs		**(17,434)**	13,585
		(24,812)	67,287
Costs written off during the financial year			
Development costs	10	**(3,414)**	-
At 31 December			
Land costs		**960,924**	962,290
Development costs		**830,816**	788,119
		1,791,740	1,750,409

Included in land held for property development are interests on borrowings capitalised during the financial year amounting to RM7,746,619 (2019: RM11,833,438) as disclosed in Note 9. The interest rates for borrowing cost capitalised during the financial year ranging from 3.42% to 4.87% (2019: 4.90% to 5.15%) per annum.

Included in land held for property development are freehold land of RM912,473,869 (2019: RM598,860,148) and leasehold land of RM26,558,156 (2019: RM26,558,156) respectively, which are pledged to financial institutions as security pursuant to the Perpetual Securities Programme, Medium Term Notes and term loan facilities as disclosed in Notes 32, 33 and 34, respectively.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONT'D)

18. PROPERTY DEVELOPMENT ACTIVITIES (continued)

(b) Property development costs

	Note	The Group 2020 RM'000	2019 RM'000
At 1 January			
Land costs		**859,312**	793,800
Development costs		**672,335**	910,419
		1,531,647	1,704,219
Costs incurred during the financial year			
Land costs		**12,513**	250,217
Development costs		**815,487**	580,958
		828,000	831,175
Transferred from/(to) land held for property development	18(a)		
Land costs		**7,378**	(53,702)
Development costs		**17,434**	(13,585)
		24,812	(67,287)
Costs recognised as expense in profit or loss during the financial year			
Land costs		**(139,627)**	(112,924)
Development costs		**(599,540)**	(602,416)
		(739,167)	(715,340)
Transferred to inventories			
Land costs		**(3,571)**	(18,079)
Development costs		**(81,244)**	(203,041)
		(84,815)	(221,120)
At 31 December			
Land costs		**736,005**	859,312
Development costs		**824,472**	672,335
		1,560,477	1,531,647

Included in property development costs are interests on borrowings capitalised during the financial year amounting to RM15,449,270 (2019: RM9,458,216) as disclosed in Note 9. The interest rates for borrowing cost capitalised during the financial year ranging from 3.11% to 5.09% (2019: 4.43% to 5.25%) per annum.

Included in property development costs are freehold land of RM228,216,423 (2019: RM260,527,480) and leasehold land of RM381,283,254 (2019: RM446,695,384) respectively, which are pledged to financial institutions as security pursuant to the Perpetual Securities Programme, Medium Term Notes and term loan facilities of the Group as disclosed in Notes 32, 33 and 34, respectively.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONT'D)

19. INTANGIBLE ASSETS

The Group	Note	License fees RM'000	Goodwill RM'000	Total RM'000
At 31 December 2019				
Cost		82	12,968	13,050
Accumulated amortisation		(82)	-	(82)
Accumulated impairment				
- At 1 January 2019		-	(7,462)	(7,462)
- Charge for the financial year	10	-	(332)	(332)
- At 31 December 2019		-	(7,794)	(7,794)
Carrying amounts		-	5,174	5,174
At 31 December 2020				
Cost		**82**	**12,968**	**13,050**
Accumulated amortisation		**(82)**	**-**	**(82)**
Accumulated impairment				
- At 1 January 2020		**-**	**(7,794)**	**(7,794)**
- Charge for the financial year	10	**-**	**(29)**	**(29)**
- At 31 December 2020		**-**	**(7,823)**	**(7,823)**
Carrying amounts		**-**	**5,145**	**5,145**

Goodwill arose in the previous financial years relates to a premium paid over the fair value of identifiable net assets, at the acquisition date, of a subsidiary company due to the expected high revenue and profitability growth following development of the freehold land owned by the subsidiary company into a planned mix development township.

The impairment is provided using the value in use calculation by estimating the future cash flows reflected by the remaining proportion of the gross development value of unrecognised revenue from the related property development project from which the goodwill arises.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONT'D)

20. INVESTMENT IN SUBSIDIARY COMPANIES

	The Company	
	2020 RM'000	2019 RM'000
Unquoted shares, at cost	**225,126**	225,126
Less: Accumulated impairment losses	**(18,910)**	(18,607)
	206,216	206,519

Details of the subsidiary companies are as follows:

Name of company	Place of operation/ country of incorporation	Proportion of ownership interest and voting power held by the Group		Principal activities
		2020 %	2019 %	
Subsidiary companies of Mah Sing Group Berhad				
Capitol Avenue Development Sdn Bhd	Malaysia	**100**	100	Property development
Dsara Sentral Sdn Bhd	Malaysia	**100**	100	Property development
Elite Park Development Sdn Bhd	Malaysia	**100**	100	Property development
Enchanting Heights Sdn Bhd	Malaysia	**100**	100	Property development
Enchanting View Development Sdn Bhd	Malaysia	**100**	100	Property development
Enrich Property Development Sdn Bhd	Malaysia	**100**	100	Property development
Fusion Heights Development Sdn Bhd	Malaysia	**100**	100	Dormant
Garden Vista Development Sdn Bhd	Malaysia	**100**	100	Dormant
Gentali Motor Corpn. Sdn Bhd	Malaysia	**60.5**	60.5	Inactive
Golden Venice Development (MM2H) Sdn Bhd	Malaysia	**100**	100	Property development
Grand Prestige Development Sdn Bhd	Malaysia	**100**	100	Property development
Icon City Development Sdn Bhd	Malaysia	**100**	100	Property development and property investment
Jastamax Sdn Bhd	Malaysia	**100**	100	Property development
Klassik Tropika Development Sdn Bhd	Malaysia	**100**	100	Property development
Konsortium Lingkaran Lembah Kinta Sdn Bhd	Malaysia	**51**	51	Dormant
Legend Grand Development Sdn Bhd	Malaysia	**100**	100	Property development
Liberty Property Management Sdn Bhd	Malaysia	**100**	100	Inactive

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONT'D)

20. INVESTMENT IN SUBSIDIARY COMPANIES (continued)

Name of company	Place of operation/ country of incorporation	Proportion of ownership interest and voting power held by the Group		Principal activities
		2020 %	2019 %	
Subsidiary companies of Mah Sing Group Berhad				
Loyal Sierra Development Sdn Bhd	Malaysia	**100**	100	Property development
Mah Sing Development Sdn Bhd	Malaysia	**100**	100	Provision of money lending service
Mah Sing Enterprise Sdn Bhd	Malaysia	**100**	100	Inactive
Mah Sing International (HK) Limited*	Hong Kong	**100**	100	Investment holding
Mah Sing International Ltd^	British Virgin Islands	**100**	100	Investment holding
Mah Sing Investment Singapore Pte Ltd*	Singapore	**100**	100	Inactive
Mah Sing Plastics Industries Sendirian Berhad	Malaysia	**100**	100	Manufacturing of plastic and trading other related products
Mah Sing Properties Sdn Bhd	Malaysia	**100**	100	Property development and investment holding
Mah Sing Trading Sdn Bhd	Malaysia	**100**	100	Trading of building materials
Mah Sing Utilities Sdn Bhd	Malaysia	**100**	100	Provision of utilities and management services
Major Land Development Sdn Bhd	Malaysia	**100**	100	Property development
Marvellous Vantage Sdn Bhd	Malaysia	**100**	100	Property investment
Maxim Heights Sdn Bhd	Malaysia	**100**	100	Property development
Mediterranean View Development Sdn Bhd	Malaysia	**100**	100	Property development
Meridin East Sdn Bhd	Malaysia	**100**	100	Property development
Meridin Hospitality Sdn Bhd	Malaysia	**100**	100	Provision of hospitality management services
Mont Meridian Development Sdn Bhd	Malaysia	**100**	100	Dormant
Multi Synergy Group Sdn Bhd	Malaysia	**100**	100	Property development
Myvilla Development Sdn Bhd	Malaysia	**100**	100	Property development
MS Lakecity Sdn Bhd	Malaysia	**100**	100	Property development
MSGB (Australia) Sdn Bhd	Malaysia	**100**	100	Investment holding

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONT'D)

20. INVESTMENT IN SUBSIDIARY COMPANIES (continued)

Name of company	Place of operation/ country of incorporation	Proportion of ownership interest and voting power held by the Group		Principal activities
		2020 %	2019 %	
Subsidiary companies of Mah Sing Group Berhad				
Nature Legend Development Sdn Bhd	Malaysia	**100**	100	Property development and investment holding
Nova Century Development Sdn Bhd	Malaysia	**100**	100	Property development
Nova Indah Development Sdn Bhd	Malaysia	**100**	100	Project management services
Nova Legend Development Sdn Bhd	Malaysia	**100**	100	Property development and investment holding
Oasis Garden Development Sdn Bhd	Malaysia	**100**	100	Property development
Peninsular Connection Sdn Bhd	Malaysia	**100**	100	Inactive
Pleasant Network Sdn Bhd	Malaysia	**100**	100	Inactive
Semai Meranti Sdn Bhd	Malaysia	**100**	100	Property development
Star Residence Sdn Bhd	Malaysia	**100**	100	Property development
Southville City Sdn Bhd	Malaysia	**100**	100	Property development
Superior Focus Sdn Bhd	Malaysia	**80**	80	Inactive
Supreme Springs Sdn Bhd	Malaysia	**100**	100	Property development
Suria Lagenda Development Sdn Bhd	Malaysia	**100**	100	Dormant
Tanda Klasik Development Sdn Bhd	Malaysia	**100**	100	Dormant
Tropika Istimewa Development Sdn Bhd	Malaysia	**100**	100	Property development
Uptrend Housing Development Sdn Bhd	Malaysia	**100**	100	Property development
Venice View Development Sdn Bhd	Malaysia	**100**	100	Property development
Vienna Home Sdn Bhd	Malaysia	**100**	100	Property development
Vienna View Development Sdn Bhd	Malaysia	**100**	100	Property development
Vital Roles Sdn Bhd	Malaysia	**90**	90	Inactive
Vital Routes Sdn Bhd	Malaysia	**100**	100	Investment holding
Mah Sing International Limited@	Cayman Islands	**100**	100	Investment holding

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONT'D)

20. INVESTMENT IN SUBSIDIARY COMPANIES (continued)

Name of company	Place of operation/ country of incorporation	Proportion of ownership interest and voting power held by the Group		Principal activities
		2020 %	2019 %	
Subsidiary companies of Mah Sing Properties Sdn Bhd				
Acacia Springs Management Sdn Bhd	Malaysia	**100**	100	Property management
Mestika Bistari Sdn Bhd	Malaysia	**100**	100	Property development and property investment
Mestika Kenangan Sdn Bhd	Malaysia	**100**	100	Property management
MS Icon Property Services Sdn Bhd	Malaysia	**100**	100	Property management
Prima Peninsular Development Sdn Bhd	Malaysia	**100**	100	Inactive
Quantum Noble Development Sdn Bhd	Malaysia	**100**	100	Property management
Subsidiary company of Vital Routes Sdn Bhd				
P.T. Mah Sing Indonesia*	Indonesia	**65**	65	Manufacturing of plastic moulded products
Subsidiary company of Mah Sing Plastics Industries Sendirian Berhad				
Mah Sing Healthcare Sdn Bhd (Formerly known as Kenwira Sdn Bhd)	Malaysia	**100**	100	Manufacturing, marketing and trading of gloves
Subsidiary company of MSGB (Australia) Sdn Bhd				
MSGB Australia Pty Ltd	Australia	**100**	100	Dormant
Subsidiary company of Nova Legend Development Sdn Bhd				
Cosmowealth Housing Development Sdn Bhd	Malaysia	**78**	78	Property development
Subsidiary company of Nature Legend Development Sdn Bhd				
M Vertica Sdn Bhd	Malaysia	**100**	100	Property development and property investment
Subsidiary company of Mah Sing International Limited				
Mah Sing Holdings Limited^	British Virgin Islands	**100**	100	Dormant

* Audited by other firms of auditors.

@ The company is not audited by Deloitte PLT. As the company is incorporated in Cayman Islands, no statutory audit is required under Companies Law of Cayman Islands.

^ The company is not audited by Deloitte PLT. As the company is incorporated in British Virgin Islands, no statutory audit is required under BVI Business Companies Act 2014.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONT'D)

20. INVESTMENT IN SUBSIDIARY COMPANIES (continued)

Composition of the Group

Information about the composition of the Group at the end of the reporting period is as follows:

Principal activities	Place of operation/ country of incorporation	Number of wholly-owned subsidiary companies	
		2020	2019
Dormant	Australia	**1**	1
Dormant	British Virgin Islands	**1**	1
Dormant	Malaysia	**5**	5
Investment holding	Cayman Islands	**1**	1
Investment holding	British Virgin Islands	**1**	1
Investment holding	Hong Kong	**1**	1
Investment holding	Malaysia	**2**	2
Inactive	Malaysia	**5**	6
Inactive	Singapore	**1**	1
Manufacturing of plastic and trading other related products	Malaysia	**1**	1
Manufacturing and trading of gloves	Malaysia	**1**	0
Project management services	Malaysia	**1**	1
Property development	Malaysia	**30**	30
Property development and investment holding	Malaysia	**3**	3
Property development and property investment	Malaysia	**3**	3
Property investment	Malaysia	**1**	1
Property management	Malaysia	**4**	4
Provision of hospitality management services	Malaysia	**1**	1
Provision of money lending service	Malaysia	**1**	1
Provision of utilities and management services	Malaysia	**1**	1
Trading of building materials	Malaysia	**1**	1
		66	66

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONT'D)

20. INVESTMENT IN SUBSIDIARY COMPANIES (continued)

Composition of the Group (continued)

Principal activities	Place of operation/ country of incorporation	Number of non wholly-owned subsidiary companies	
		2020	2019
Dormant	Malaysia	**1**	1
Inactive	Malaysia	**3**	3
Manufacturing of plastic moulded products	Indonesia	**1**	1
Property development	Malaysia	**1**	1
		6	6

Non-controlling interests in subsidiary companies

The Group's subsidiary companies that have material non-controlling interests ("NCI") are as follows:

	P.T. Mah Sing Indonesia	Cosmowealth Housing Development Sdn Bhd	Other individually immaterial subsidiary companies	Total
At 31 December 2020				
NCI percentage of ownership interest and voting interest	**35%**	**22%**	**10% - 49%**	
Carrying amounts of NCI (RM'000)	**3,642**	**7,729**	**155**	**11,526**
Total comprehensive (loss)/income for the financial year attributable to NCI (RM'000)	**(2,979)**	**6,529**	**(4)**	**3,546**
At 31 December 2019				
NCI percentage of ownership interest and voting interest	35%	22%	10% - 49%	
Carrying amounts of NCI (RM'000)	6,621	1,200	159	7,980
Total comprehensive (loss)/income for the financial year attributable to NCI (RM'000)	(282)	2,950	(4)	2,664

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONT'D)

20. INVESTMENT IN SUBSIDIARY COMPANIES (continued)

Non-controlling interests in subsidiary companies (continued)

Summarised financial information of the Group's subsidiary companies that have material non-controlling interests is set out below. The summarised financial information below represents amounts before intra-group eliminations.

P.T. Mah Sing Indonesia	2020 RM'000	2019 RM'000
Non-current assets	**24,707**	27,961
Current assets	**25,539**	23,406
Non-current liabilities	**(13,066)**	(12,397)
Current liabilities	**(26,774)**	(20,052)
Net assets	**10,406**	18,918
Revenue	**63,052**	109,768
Loss for the year	**(8,211)**	(1,963)
Total comprehensive loss for the year	**(8,511)**	(806)
Cash flows (used in)/generated from operating activities	**(2,366)**	4,820
Cash flows used in investing activities	**(79)**	(266)
Cash flows generated from/(used in) financing activities	**2,351**	(4,531)
Net (decrease)/increase in cash and cash equivalents	**(94)**	23
Dividends paid to NCI	**-**	-

Cosmowealth Housing Development Sdn Bhd	2020 RM'000	2019 RM'000
Non-current assets	**5,750**	3,645
Current assets	**313,892**	251,907
Non-current liabilities	**(54,736)**	(44,283)
Current liabilities	**(230,684)**	(206,724)
Net assets	**34,222**	4,545
Revenue	**205,294**	174,341
Profit for the year	**29,678**	13,409
Total comprehensive income for the year	**29,678**	13,409
Cash flows generated from/(used in) operating activities	**11,875**	(6,266)
Cash flows used in investing activities	**(78)**	(449)
Cash flows generated from financing activities	**18,327**	26,451
Net increase in cash and cash equivalents	**30,124**	19,736
Dividends paid to NCI	**-**	-

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONT'D)

21. INVESTMENT IN ASSOCIATED COMPANY

	The Group		The Company	
	2020 RM'000	2019 RM'000	**2020 RM'000**	2019 RM'000
Unquoted shares, at cost	**-**	99	**-**	99
Less:				
Accumulated impairment	**-**	(26)	**-**	(99)
Group's share of post acquisition accumulated losses	**-**	(73)	**-**	-
	-	-	**-**	-

Details of associated company are as follows:

Name of company	Place of operation/ country of incorporation	Proportion of ownership interest and voting power held by the Group		Principal activities
		2020 %	2019 %	
Prestige Greenery Sdn Bhd*	Malaysia	**39.5**	39.5	Dormant

* Audited by other firm of auditors.

The associated company of the Group and of the Company is under the process of striking off. Accordingly, the cost of investment has been written off during the year.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONT'D)

22. DEFERRED TAX (ASSETS)/LIABILITIES

		The Group		The Company	
	Note	**2020 RM'000**	2019 RM'000	**2020 RM'000**	2019 RM'000
At 1 January		**(76,532)**	(97,051)	**36**	47
Effect of MFRS 16 adoption		**-**	(19)	**-**	-
At 1 January (Restated)		**(76,532)**	(97,070)	**36**	47
Recognised in profit or loss	11	**(34,405)**	20,538	**109**	(11)
Arose from issuance of Redeemable Convertible Sukuk	33	**1,830**	-	**1,830**	-
At 31 December		**(109,107)**	(76,532)	**1,975**	36

Deferred tax assets and liabilities shall be set-off when there is legally enforceable rights to set-off current tax assets and current tax liabilities and when such deferred taxes relate to the same tax authority.

The following amounts, presented after appropriate setting off, are shown in the statements of financial position:

	The Group		The Company	
	2020 RM'000	2019 RM'000	**2020 RM'000**	2019 RM'000
Deferred tax assets	**(169,054)**	(145,606)	**-**	-
Deferred tax liabilities	**59,947**	69,074	**1,975**	36
	(109,107)	(76,532)	**1,975**	36

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONT'D)

22. DEFERRED TAX (ASSETS)/LIABILITIES (continued)

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

Deferred tax assets

The Group	Property development costs RM'000	Unused tax losses RM'000	Unabsorbed capital allowances and reinvestment allowances RM'000	Other deductible temporary differences RM'000	Offsetting RM'000	Total RM'000
At 1 January 2019	(147,122)	(15,539)	(2,977)	(9,446)	6,496	(168,588)
Effect of MFRS 16 adoption	-	-	-	(19)	-	(19)
1 January 2019 (Restated)	(147,122)	(15,539)	(2,977)	(9,465)	6,496	(168,607)
Recognised in profit or loss	29,465	(11,804)	2,469	5,185	(2,314)	23,001
At 31 December 2019/ 1 January 2020	**(117,657)**	**(27,343)**	**(508)**	**(4,280)**	**4,182**	**(145,606)**
Recognised in profit or loss	**(16,000)**	**(4,925)**	**(3,881)**	**(1,905)**	**3,263**	**(23,448)**
At 31 December 2020	**(133,657)**	**(32,268)**	**(4,389)**	**(6,185)**	**7,445**	**(169,054)**

Deferred tax liabilities

The Group	Property, plant and equipment RM'000	Investment properties RM'000	Property development costs RM'000	Redeemable Convertible Sukuk RM'000	Offsetting RM'000	Total RM'000
At 1 January 2019	13,146	1,822	63,065	-	(6,496)	71,537
Recognised in profit or loss	1,458	-	(6,235)	-	2,314	(2,463)
At 31 December 2019/ 1 January 2020	**14,604**	**1,822**	**56,830**	**-**	**(4,182)**	**69,074**
Arose from issuance of Redeemable Convertible Sukuk	**-**	**-**	**-**	**1,830**	**-**	**1,830**
Recognised in profit or loss	**5,615**	**(1,725)**	**(11,698)**	**114**	**(3,263)**	**(10,957)**
At 31 December 2020	**20,219**	**97**	**45,132**	**1,944**	**(7,445)**	**59,947**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONT'D)

22. DEFERRED TAX (ASSETS)/LIABILITIES (continued)

Deferred tax liabilities (continued)

The Company	Property, plant and equipment RM'000	Redeemable Convertible Sukuk RM'000	Total RM'000
At 1 January 2019	47	-	47
Recognised in profit or loss	(11)	-	(11)
At 31 December 2019/1 January 2020	**36**	**-**	**36**
Arose from issuance of Redeemable Convertible Sukuk	**-**	**1,830**	**1,830**
Recognised in profit or loss	**(4)**	**113**	**109**
At 31 December 2020	**32**	**1,943**	**1,975**

Details of deductible temporary differences, unused tax losses and unabsorbed capital allowances pertaining to certain subsidiary companies which have not been recognised in the financial statements due to uncertainty of realisation are as follows:

	The Group	
	2020 RM'000	2019 RM'000
Deductible temporary differences	**229,468**	193,750
Unused tax losses	**276,273**	206,006
Unabsorbed capital allowances	**14,179**	10,128
	519,920	409,884

The availability of the unused tax losses and unabsorbed capital allowances for offsetting future taxable profits of the Group are subject to the agreement with the tax authorities.

Any unused tax losses and unabsorbed capital allowances in a year of assessment can only be carried forward for a maximum period of 7 consecutive years of assessment. This can be utilised against income from the same business source for unabsorbed capital allowances and utilised against income from any business source for unused tax losses.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONT'D)

23. INVENTORIES

	The Group	
	2020 RM'000	2019 RM'000
At cost:		
Completed properties	**460,937**	550,521
Raw materials	**9,645**	13,417
Work-in-progress	**1,628**	832
Finished goods	**13,700**	11,202
Hotel operating supplies	**191**	144
	486,101	576,116
At net realisable value:		
Completed properties	**268,108**	187,065
Raw materials	**158**	54
Finished goods	**78**	41
	268,344	187,160
	754,445	763,276

The cost of inventories recognised as an expense of the Group includes RM12,798,632 (2019: RM24,214,089) in respect of write down of inventories to net realisable value, and has been reduced by RM115,930 (2019: RM45,556) in respect of the reversal of such write down.

Certain completed properties of subsidiary companies amounting to RM293,986,449 (2019: RM360,136,035) are pledged to financial institutions as security pursuant to the Perpetual Securities Programme, Medium Term Notes, term loans and short-term borrowings as disclosed in Notes 32, 33, 34 and 37, respectively.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONT'D)

24. TRADE AND OTHER RECEIVABLES

	Note	The Group		The Company	
		2020 RM'000	2019 RM'000	**2020 RM'000**	2019 RM'000
Trade receivables					
- Property development projects		**337,328**	299,193	**-**	-
- Retention sums		**107,055**	97,992	**-**	-
- Sales of goods		**60,408**	56,547	**-**	-
- Others		**3,857**	3,133	**-**	-
	(a)	**508,648**	456,865	**-**	-
Less: Allowance for impairment loss		**(5,717)**	(4,327)	**-**	-
		502,931	452,538	**-**	-
Other receivables	(b)	**29,336**	36,275	**2,377**	2,559
Less: Allowance for impairment loss		**(6,024)**	(3,551)	**(2,285)**	(2,285)
		23,312	32,724	**92**	274
Amounts due from subsidiary companies	(c)	**-**	-	**3,488,425**	3,140,552
Less: Allowance for impairment loss		**-**	-	**(64,896)**	(53,029)
		-	-	**3,423,529**	3,087,523
Deposits for purchase of property, plant and equipment		**9,102**	6,427	**-**	-
Other deposits		**39,109**	36,092	**7**	7
Less: Allowance for impairment loss	(d)	**(33)**	(2)	**(2)**	(2)
		39,076	36,090	**5**	5
Prepayments		**47,595**	32,174	**25**	140
		622,016	559,953	**3,423,651**	3,087,942

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONT'D)

24. TRADE AND OTHER RECEIVABLES (continued)

(a) Trade receivables

The credit term of trade receivables of the Group range from cash basis to 120 days (2019: cash basis to 120 days) from date of invoice and progress billing.

Retention sums receivable are trade receivables retained by stakeholders that are due upon expiry of retention periods ranging from 8 to 24 months (2019: 8 to 24 months) as stipulated in the sale and purchase agreements.

The currency profile of trade receivables is as follows:

	The Group	
	2020 RM'000	2019 RM'000
Ringgit Malaysia	**483,841**	425,539
Indonesian Rupiah	**10,476**	13,602
United States Dollar	**10,140**	10,970
Singapore Dollar	**1,601**	4,817
Australian Dollar	**2,590**	1,723
Euro Dollar	**-**	214
	508,648	456,865

Ageing analysis of trade receivables

	The Group	
	2020 RM'000	2019 RM'000
Trade receivables not past due	**237,857**	226,749
Retention sums	**106,979**	97,916
Past due < 2 months	**78,039**	78,958
Past due 2 - 4 months	**38,650**	18,258
Past due > 4 months	**41,406**	30,657
	502,931	452,538
Impaired trade receivables		
Trade receivables not past due	**248**	441
Retention sums	**76**	76
Past due < 2 months	**288**	412
Past due 2 - 4 months	**106**	32
Past due > 4 months	**4,999**	3,366
	5,717	4,327
	508,648	456,865

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONT'D)

24. TRADE AND OTHER RECEIVABLES (continued)

(a) Trade receivables (continued)

Movement of allowance for impairment loss - trade receivables

		The Group	
	Note	**2020 RM'000**	2019 RM'000
At 1 January		**4,327**	5,014
Allowance during the financial year	10	**1,790**	675
Reversal during the financial year	10	**(364)**	(1,063)
Write off during the financial year		**(36)**	(299)
At 31 December		**5,717**	4,327

Concentration of credit risk with respect to trade receivables is limited due to the Group's large number of customers, which are widely distributed and covers a broad range of end markets. The Group's historical experience in collection of accounts receivable falls within the recorded allowances. Due to these factors, the management believes there is no additional credit risk beyond amounts provided for doubtful debts for the Group's trade receivables.

(b) Other receivables

The currency profile of other receivables is as follows:

	The Group		The Company	
	2020 RM'000	2019 RM'000	**2020 RM'000**	2019 RM'000
Ringgit Malaysia	**27,599**	36,212	**2,377**	2,559
Indonesian Rupiah	**1,737**	63	**-**	-
	29,336	36,275	**2,377**	2,559

Movement of allowance for impairment loss - other receivables

		The Group		The Company	
	Note	**2020 RM'000**	2019 RM'000	**2020 RM'000**	2019 RM'000
At 1 January		**3,551**	3,544	**2,285**	2,285
Allowance during the financial year	10	**2,473**	7	**-**	-
At 31 December		**6,024**	3,551	**2,285**	2,285

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONT'D)

24. TRADE AND OTHER RECEIVABLES (continued)

(c) Amounts due from subsidiary companies

Amounts due from subsidiary companies arose mainly from inter-company advances and payments on behalf which are unsecured and repayable on demand. Amounts due from subsidiary companies are subject to the following interest rates:

	The Company	
	2020 RM'000	2019 RM'000
Interest at 3.25%	**2,043,645**	1,724,670
Interest at 4.42%	**598,460**	-
Interest at 6.55%	**153,725**	152,747
Interest at 6.80%	**-**	573,921
Interest at 6.90%	**690,649**	687,331
Interest free	**1,946**	1,883
	3,488,425	3,140,552

Movement of allowance for impairment loss - amounts due from subsidiary companies

		The Company	
	Note	**2020 RM'000**	2019 RM'000
At 1 January		**53,029**	60,567
Allowance during the financial year	10	**11,867**	37,075
Reversal during the financial year	10	**-**	(44,613)
At 31 December		**64,896**	53,029

(d) Other deposits

Movement of allowance for impairment loss - other deposits

		The Group		The Company	
	Note	**2020 RM'000**	2019 RM'000	**2020 RM'000**	2019 RM'000
At 1 January		**2**	2	**2**	2
Allowance during the financial year	10	**31**	-	**-**	-
At 31 December		**33**	2	**2**	2

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONT'D)

25. CONTRACT ASSETS/(LIABILITIES)

The Group's contract assets and contract liabilities from property development are as follows:

		The Group	
	Note	**2020 RM'000**	2019 RM'000
Contract assets		**265,321**	352,012
Contract liabilities		**(78,213)**	(85,505)
		187,108	266,507
At 1 January 2020		**266,507**	120,325
Consideration payable to customers		**18,997**	33,767
Revenue recognised during the year	5	**1,186,918**	1,408,111
Progress billings during the year		**(1,285,314)**	(1,295,696)
At 31 December 2020		**187,108**	266,507

The transaction price allocated to the performance obligations that are unsatisfied or partially satisfied as at 31 December 2020 is RM1,640,745,698 (2019: RM1,727,203,901), of which the Group expected to be recognised as revenue within the next 4 years (2019: 5 years) based on the completion of respective contracts.

26. CONTRACT COST ASSETS

The movement of the contract cost assets is as follows:

	The Group	
	2020 RM'000	2019 RM'000
At 1 January	**51,480**	44,976
Addition during the year	**39,530**	55,993
Amortised during the year	**(38,380)**	(49,489)
At 31 December	**52,630**	51,480

Contract costs consist of sales commission and agency fees paid to intermediaries to secure contracts with customers.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONT'D)

27. DEPOSITS, CASH, BANK BALANCES AND INVESTMENT IN SHORT-TERM FUNDS

		The Group		The Company	
	Note	**2020 RM'000**	2019 RM'000	**2020 RM'000**	2019 RM'000
Cash and bank balances		**89,570**	129,364	**6,838**	559
Project accounts	(a)	**509,550**	276,874	**-**	-
Deposits with licensed banks	(b)	**21,896**	31,131	**10,657**	10,457
Investment in short-term funds	(c)	**534,996**	626,092	**534,996**	626,092
		1,156,012	1,063,461	**552,491**	637,108

(a) Project accounts

Project accounts are bank accounts maintained in accordance with Section 7A of the Housing Development (Control and Licensing) Act, 1966. These accounts, which consist of monies received from purchasers, are for the payment of property development expenditure incurred. The surplus monies, if any, will be released to the respective subsidiary companies upon the completion of the property development projects.

Included in project accounts of the Group amounting to RMNil (2019: RM9,448,357) are restricted from use for the payment of property development expenditure pursuant to banking facilities granted to a subsidiary company as disclosed in Note 34.

(b) Deposits with licensed banks

Deposits with licensed banks (including short-term deposits) of the Group and of the Company have an average maturity of 53 days (2019: 53 days) and 7 days (2019: 7 days) respectively.

Deposits with licensed banks of the Group amounting to RM8,722,624 (2019: RM8,603,831) have been pledged as collateral for the term loans as disclosed in Note 34.

Deposits with licensed banks of the Group and of the Company amounting to RM62,289 have been deposited in Trustees' Reimbursement Account in accordance with the terms of the Medium Term Notes and Perpetual Securities.

In the previous financial year, deposits with licensed banks of the Group and of the Company amounting to RM60,980 have been deposited in Trustees' Reimbursement Account in accordance with the terms of the Perpetual Sukuk and Perpetual Securities.

Investment in short-term funds are placements made in managed funds that invest in fixed deposits and short-term money market instruments offered by banks or financial institutions licensed under Financial Services Act 2013 or the Islamic Financial Services Act 2013 which allow redemption with notice of 1 business day.

Investment in short-term funds of the Group and of the Company amounting to RM16,960,413 (2019: RM22,875,870) have been deposited in Escrow Account and pledged as collateral pursuant to the Perpetual Securities Programme.

Investment in short-term funds of the Group and of the Company amounting to RMNil (2019: RM288,998,300) have been deposited in Sinking Fund Account pursuant to the Perpetual Sukuk Programme.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONT'D)

27. DEPOSITS, CASH, BANK BALANCES AND INVESTMENT IN SHORT-TERM FUNDS (continued)

(b) Deposits with licensed banks (continued)

Investment in short-term funds of the Group and of the Company amounting to RM16,346,336 (2019: RMNil) have been deposited in Security and Principal Account in accordance with the terms of the Medium Term Notes.

Investment in short-term funds of the Group and of the Company amounting to RM6,523,288 (2019: RMNil) have been deposited in Finance Service Reserve Account in accordance with the terms of the Medium Term Notes.

The interest rates per annum during the financial year are as follows:

	The Group		The Company	
	2020 **%**	2019 %	**2020** **%**	2019 %
Project accounts	**0.25 - 2.00**	1.00 - 2.20	**-**	-
Deposits with licensed banks	**1.50 - 3.10**	2.90 - 3.40	**1.75 - 3.06**	3.06 - 3.40
Investment in short-term funds	**1.56 - 3.54**	3.13 - 4.16	**1.56 - 3.54**	3.13 - 4.16

The currency profile of deposits, cash, bank balances and investment in short-term funds is as follows:

	The Group		The Company	
	2020 **RM'000**	2019 RM'000	**2020** **RM'000**	2019 RM'000
Ringgit Malaysia	**1,152,767**	1,060,112	**552,491**	637,108
United States Dollar	**2,491**	2,455	**-**	-
Indonesian Rupiah	**51**	159	**-**	-
Singapore Dollar	**449**	479	**-**	-
Australian Dollar	**243**	238	**-**	-
Others	**11**	18	**-**	-
	1,156,012	1,063,461	**552,491**	637,108

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONT'D)

28. SHARE CAPITAL

	The Group and the Company	
	Number of shares Unit'000	RM'000
Ordinary shares		
Issued and paid up:		
At 1 January 2019/31 December 2019/1 January 2020	**2,427,687**	**1,776,055**
Exercise of warrants	**1**	**2**
At 31 December 2020	**2,427,688**	**1,776,057**

During the financial year, the Company issued 787 new ordinary shares at an exercise price of RM2.10 per ordinary share pursuant to the exercise of Warrant C 2015/2020.

The new ordinary shares issued rank pari passu with the existing ordinary shares of the Company.

WARRANT C 2015/2020

Warrant C 2015/2020 is constituted by a Deed Poll dated 15 January 2015 ("Deed Poll").

The salient features of the Warrant C 2015/2020 are as follows:

(a) The issue date of Warrant C 2015/2020 is 23 February 2015 and the expiry date is 21 February 2020. Any Warrant C 2015/2020 not exercised at the expiry date will lapse and cease to be valid for any purpose;

(b) Each Warrant C 2015/2020 entitles the registered holder to subscribe for one (1) new ordinary share in the Company at an exercise price of RM2.63 (adjusted to RM2.10) per ordinary share;

(c) The exercise price and the number of Warrant C 2015/2020 are subject to adjustments in the event of alteration to the share capital of the Company in accordance with the provisions of the Deed Poll;

(d) The holders of Warrant C 2015/2020 are not entitled to participate in any distribution and/or offer of further securities in the Company (except for the issue of new Warrant C 2015/2020 pursuant to adjustment as mentioned in item (c) above), until and unless such holders exercise the rights under the Warrant C 2015/2020 to subscribe for new ordinary shares; and

(e) The new ordinary shares allotted as a result of the exercise of the Warrant C 2015/2020 shall upon issuance and allotment, rank pari passu in all respects with the then existing ordinary shares of the Company, save and except that such new ordinary shares shall not be entitled to any dividends, rights, allotments and/or other distributions for which the entitlement date is prior to the date of allotment of the new ordinary shares.

During the financial year ended 31 December 2015, the exercise price and the number of Warrant C 2015/2020 were adjusted in accordance with the provisions of the Deed Poll (as mentioned in item (c) above) as a result of the Bonus Issue. The exercise price was adjusted from RM2.63 to RM2.10.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONT'D)

28. SHARE CAPITAL (continued)

WARRANT C 2015/2020 (continued)

The movements in the Company's Warrant C 2015/2020 are as follows:

	Number of Warrant C 2015/2020 (Unit'000)
At 1 January 2019/31 December 2019/1 January 2020	**166,134**
Exercise of warrants	**(1)**
Lapsed	**(166,133)**
31 December 2020	-

29. RESERVES

		The Group		The Company	
	Note	**2020 RM'000**	2019 RM'000	**2020 RM'000**	2019 RM'000
Warrant reserve	(a)	**-**	21,265	**-**	21,265
Exchange fluctuation reserve	(b)	**6,016**	6,353	**-**	-
Equity component of Redeemable Convertible Sukuk	(c)	**5,754**	-	**5,754**	-
		11,770	27,618	**5,754**	21,265

(a) Warrant reserve

Warrant reserve arose from the rights issues together with free detachable warrants, which is measured at fair value on the date of issuance. Warrants reserve is transferred to the share capital account upon the exercise of warrants and the warrant reserve in relation to unexercised warrants at the expiry of the warrant periods will be transferred to retained earnings.

(b) Exchange fluctuation reserve

Exchange differences arising from translation of the financial statements of foreign operations are taken to the exchange fluctuation reserve account as disclosed in the accounting policies.

(c) Equity component of Redeemable Convertible Sukuk

The equity component of Redeemable Convertible Sukuk represents the residual amount of the Redeemable Convertible Sukuk after deducting the fair value of the liability component. This amount is presented net of transaction costs and deferred tax liability. Details of the Redeemable Convertible Sukuk are set out in Note 33.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONT'D)

30. RETAINED EARNINGS

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

31. PERPETUAL SUKUK

The Company issued a total of RM540,000,000 nominal value of unrated Perpetual Sukuk under the Shariah principle of Musharakah ("Perpetual Sukuk") by way of private placement which was completed on 31 March 2015. The proceeds arising from the Perpetual Sukuk will be utilised for Shariah-compliant purposes which include investments, working capital requirements of the Group and the refinancing of the Group's existing borrowings.

The salient features of the Perpetual Sukuk are as follows:

(a) The Perpetual Sukuk has no fixed maturity date and the Company has an option to redeem all or part of the Perpetual Sukuk at the end of the fifth year and thereafter on each subsequent periodic distribution date (i.e. semi-annually);

(b) The Company also has the option to redeem the Perpetual Sukuk if there is any change or amendment to the accounting standards resulting in the Perpetual Sukuk no longer being classified as equity;

(c) The Perpetual Sukuk carries a periodic distribution rate of 6.8% per annum payable semi-annually from year 1 to year 5;

(d) Deferred periodic distribution, if any, will be cumulative but will not earn additional profits (i.e. there will be no compounding);

(e) Payment to the holders of Perpetual Sukuk will rank:

  (i) ahead of any class of the Company's share capital, including, without limitation, any preference shares and ordinary shares in the capital of the Company;

  (ii) junior and subordinated to all present and future creditors (whether secured or unsecured); and

  (iii) pari passu with any instruments or security issued or guaranteed by the Company that ranks or is expressed to rank, whether by its terms or by operation or law, pari passu with the Perpetual Sukuk;

(f) The Perpetual Sukuk is unrated and is unsecured.

On 31 March 2020, the Company has completed the redemption of RM540,000,000 nominal value of the unrated Perpetual Sukuk.

32. PERPETUAL SECURITIES

The Company has completed the following issuance of the unrated senior perpetual securities ("Perpetual Securities") pursuant to the Perpetual Securities Programme of up to RM1.0 billion in nominal value:

(i) First issuance amounting to RM650 million in nominal value ("Perpetual Securities (First Issuance)") on 3 April 2017. Net proceeds amounting to RM645,212,270 have been received pursuant to the said issuance; and

(ii) Second issuance amounting to RM145 million in nominal value ("Perpetual Securities (Second Issuance)") on 15 November 2018. Net proceeds amounting to RM144,175,655 have been received pursuant to the said issuance.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONT'D)

32. PERPETUAL SECURITIES (continued)

The proceeds arising from the Perpetual Securities will be utilised for investments, capital expenditure, working capital requirements of the Group and the refinancing of the Group's existing borrowings.

The salient features of the Perpetual Securities are as follows:

(a) The Perpetual Securities has no fixed maturity date and the Company has an option to redeem all or part of the Perpetual Securities (First Issuance) at the end of the fifth year from the issuance date and Perpetual Securities (Second Issuance) at the end of third year from the issuance date thereafter on each subsequent coupon payment date (i.e. semi-annually);

(b) The Company also has the option to redeem the Perpetual Securities if there is any change or amendment to the accounting standards resulting in the Perpetual Securities no longer being classified as equity;

(c) The Perpetual Securities (First Issuance) carries a coupon rate of 6.9% per annum payable semi-annually from year 1 to year 5;

(d) The Perpetual Securities (Second Issuance) carries a coupon rate of 6.55% per annum payable semi-annually from year 1 to year 3;

(e) Deferred coupon payment, if any, will be cumulative but will not earn additional coupon (i.e. there will be no compounding);

(f) Payment to the holders of Perpetual Securities will rank:

  (i) pari passu without discrimination, preference or priority among the issuance of the Secured Perpetual Securities but each issuance will be secured by different security and shall rank at least pari passu with all other present and future unsecured, unconditional and unsubordinated obligations of the Company and with any instrument or security issued, entered into or guaranteed by the Company that ranks or is expressed to rank, whether by its terms or by operation or law, pari passu with the Perpetual Securities;

  (ii) pari passu without discrimination, preference or priority among the issuance of the Unsecured Perpetual Securities and shall rank at least pari passu with all other present and future unsecured, unconditional and unsubordinated obligations of the Company and with any instrument or security issued, entered into or guaranteed by the Company that ranks or is expressed to rank, whether by its terms or by operation or law, pari passu with the Perpetual Securities;

  (iii) ahead of any class of the Company's share capital (including, without limitation, any preference shares and ordinary shares in the capital of the Company other than any instrument or security ranking in priority in payment) and any other instruments or securities issued, entered into or guaranteed by the Company, whether by its terms or by operation of law, ranks in right of payment behind the claims of unsecured or unsubordinated obligations of the Company which include Perpetual Sukuk upon dissolution; and

  (iv) pari passu without discrimination, preference or priority among the issuance of the Secured Perpetual Securities and the Unsecured Perpetual Securities and shall rank at least pari passu with all other present and future unsecured, unconditional and unsubordinated obligations of the Company and with any instrument or security issued, entered into or guaranteed by the Company that ranks or is expressed to rank, whether by its terms or by operation or law, pari passu with the Perpetual Securities upon the security provided for the Secured Perpetual Securities being exhausted and the Secured Perpetual Securities and Unsecured Perpetual Securities are still outstanding.

(g) The Perpetual Securities is unrated and is secured over the investment properties, development land, completed properties and deposits, cash, bank balances and investment in short-term funds as disclosed in Notes 17, 18, 23 and 27 respectively.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONT'D)

33. MEDIUM TERM NOTES

During the financial year, the Company has issued the following Islamic Medium Term Notes ("Sukuk Murabahah") pursuant to an Islamic Medium Term Note Programme of up to RM1.0 billion in nominal value under the Shariah principle of Murabahah (via Tawarruq arrangement):

(i) 5-year Sukuk Murabahah of RM600 million in nominal value ("First Tranche") on 13 March 2020, which carries a fixed profit rate of 4.35% per annum payable semi-annually; and

(ii) 7-year Redeemable Convertible Sukuk Murabahah of RM100 million in nominal value ("Second Tranche") on 29 December 2020, which carries a fixed profit rate of 3% per annum payable semi-annually.

The Proceeds arising from the Sukuk Murabahah will be utilised for Shariah-compliant purposes which include investments, capital expenditures, working capital requirement of the Group, repayment of the Group's existing borrowing and redemption of the Company's Perpetual Securities.

The salient features of the Sukuk Murabahah are as follows:

(a) The Second Tranche of Sukuk Murabahah may be redeemed at the option of the Redeemable Convertible Sukuk Murabahah holders on the 5th anniversary of the issue date in whole or in part by cash and in one lump sum at par;

(b) The Redeemable Convertible Sukuk Murabahah holders can convert all or any part of the Second Tranche of Sukuk Murabahah at a conversion price of RM0.755, into fully paid-up new shares of the Company at any time from the issue date up to the maturity date;

(c) The Sukuk Murabahah shall at all times rank pari passu in all respects without discrimination, preference or priority among themselves and shall rank at least pari passu with all other present and future unsecured and unsubordinated obligations of the Company;

(d) The Sukuk Murabahah is unrated and is secured over the development land, completed properties and deposits, cash, bank balances and investment in short-term funds as disclosed in Notes 18, 23 and 27 respectively.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONT'D)

33. MEDIUM TERM NOTES (continued)

The Medium Term Notes have been accounted for in the Statement of financial position of the Group and of the Company as follows:

		The Group and the Company		
2020	**Note**	**First Tranche RM'000**	**Second Tranche RM'000**	**Total RM'000**
At 1 January 2020		**-**	**-**	**-**
Proceeds from issuance of Sukuk Murabahah		**598,500**	**97,981**	**696,481**
Equity components, net of deferred tax liabilities	29(c)	**-**	**(5,754)**	**(5,754)**
Deferred tax liabilities	22	**-**	**(1,830)**	**(1,830)**
Transaction costs		**(1,124)**	**(537)**	**(1,661)**
Liability components on initial recognition		**597,376**	**89,860**	**687,236**
Interest expenses	9	**21,311**	**23**	**21,334**
Interest paid		**(13,229)**	**-**	**(13,229)**
At 31 December 2020		**605,458**	**89,883**	**695,341**

The effective interest rates of Medium Term Notes at the end of the financial year are ranging from 4.42% to 4.69% (2019: Nil).

34. TERM LOANS

		The Group	
	Note	**2020 RM'000**	2019 RM'000
Secured			
Term loans	(a)	**494,835**	553,405
Bridging loans	(b)	**16,229**	5,685
Foreign term loans	(c)	**4,054**	5,204
		515,118	564,294

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONT'D)

34. TERM LOANS (continued)

The terms loans are repayable as follows:

	The Group		The Company	
	2020 RM'000	2019 RM'000	**2020 RM'000**	2019 RM'000
Current:				
Repayable not later than 1 year	**9,752**	119,369	**-**	-
Non-current:				
Repayable later than 1 year and not later than 2 years	**99,029**	82,914	**-**	-
Repayable later than 2 years and not later than 5 years	**345,754**	282,866	**-**	-
Repayable more than 5 years	**60,583**	79,145	**-**	-
	505,366	444,925	**-**	-
	515,118	564,294	**-**	-

(a) Term Loans

The Group

As at 31 December 2020, the Group has term loan facilities from local licensed banks of RM875,949,541 (2019: RM702,304,525).

The term loan facilities are secured by way of legal charges over the leasehold land and buildings, development land, completed properties, deposits with licensed banks and Escrow Account, specific debenture as interim security over the development land, completed properties and guarantees issued by the Company as disclosed in Notes 14, 16, 18, 23 and 27(b), respectively.

(b) Bridging Loans

As at 31 December 2020, the Group has bridging loan facilities from local licensed banks of RM220,000,000 (2019: RM60,000,000).

The bridging loan facilities are secured by way of legal charges over the development land of the subsidiary companies, and guarantees issued by the Company as disclosed in Note 18(b).

(c) Foreign Term Loans

As at 31 December 2020, a foreign subsidiary company has foreign term loan facilities from a foreign licensed bank of RM4,054,110 (2019: RM5,203,848).

The foreign term loan facilities are secured by way of legal charges over leasehold land and buildings of the subsidiary company as disclosed in Notes 14 and 16, respectively.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONT'D)

34. TERM LOANS (continued)

The currency profile of the term loans is as follows:

	The Group	
	2020 RM'000	2019 RM'000
Ringgit Malaysia	**511,064**	559,090
Indonesian Rupiah	**4,054**	5,204
	515,118	564,294

During the financial year, the interest rates of the term loans are as follows:

	The Group	
	2020 %	2019 %
Local currency	**3.10 - 5.09**	4.41 - 5.25
Foreign currency:		
Indonesian Rupiah	**10.50**	11.00

35. LONG-TERM AND DEFERRED PAYABLES

		The Group	
	Note	**2020 RM'000**	2019 RM'000
Hire purchase liabilities	(a)	**1,398**	2,409
Deferred payables	(b)	**13,222**	16,177
Retirement benefit obligations	(c)	**10,958**	10,351
Lease liabilities	(d)	**49,061**	20,283
		74,639	49,220

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONT'D)

35. LONG-TERM AND DEFERRED PAYABLES (continued)

(a) Hire purchase liabilities

		The Group	
	Note	**2020 RM'000**	2019 RM'000
Minimum hire purchase payments:			
- not later than 1 year		**1,097**	1,183
- later than 1 year and not later than 5 years		**1,452**	2,556
		2,549	3,739
Future finance charges on hire purchase liabilities:			
- not later than 1 year		**(92)**	(140)
- later than 1 year and not later than 5 years		**(54)**	(147)
		(146)	(287)
Principal amount relating to hire purchase liabilities		**2,403**	3,452
Principal amount relating to hire purchase liabilities:			
- not later than 1 year	36	**1,005**	1,043
- later than 1 year and not later than 5 years		**1,398**	2,409
		2,403	3,452

The average term for hire purchase is 5 years (2019: 5 years). At the end of the reporting period, the average effective borrowing rate was 3.94% (2019: 3.94%) per annum. Interest rates are fixed at the inception of the hire purchase arrangements.

The hire purchase liabilities are secured by assets acquired under hire purchase arrangements as disclosed in Note 14.

(b) Deferred payables

		The Group	
	Note	**2020 RM'000**	2019 RM'000
Deferred payables at amortised cost:			
- not later than 1 year	36	**3,591**	15,173
- later than 1 year and not later than 5 years		**13,222**	16,177
		16,813	31,350

Included in the deferred payables shown above are payables in relation to the acquisition of subsidiary companies amounting to RM13,222,157 (2019: RM22,857,118). Development charges amounting to RM3,590,742 (2019: RM8,492,688) have also been made under deferred payment terms. These deferred payables are measured at amortised costs at an effective interest rate of 7.40% (2019: 5.9%) per annum.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONT'D)

35. LONG-TERM AND DEFERRED PAYABLES (continued)

(c) Retirement benefit obligations

A foreign subsidiary company operates an unfunded defined retirement benefit scheme ("the Scheme") for its eligible employees.

The amounts recognised in the statements of financial position are determined as follows:

	The Group	
	2020 RM'000	2019 RM'000
Present value of retirement benefit obligations	**10,958**	10,351

Movements in the net liability in the current financial year are as follows:

		The Group	
	Note	**2020 RM'000**	2019 RM'000
At 1 January		**10,351**	9,881
Amounts recognised in profit or loss:	7		
Current service cost		**729**	718
Interest on obligation		**762**	833
Accelerate recognition of past service cost		**(31)**	(5)
		1,460	1,546
Benefit paid		**(312)**	(633)
Net actuarial gain		**(218)**	(685)
Currency translation differences		**(323)**	242
At 31 December		**10,958**	10,351

Principal actuarial assumptions used:

	The Group	
	2020 %	2019 %
Discount rate	**7.8**	8.1
Expected rate of salary increase	**7.8**	8.5

No sensitivity analysis on the principal actuarial assumptions is prepared as the Group does not expect any material effect on the Group's profit or loss and other comprehensive income arising from the effect of reasonably possible changes to the above principal actuarial assumptions at the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONT'D)

35. LONG-TERM AND DEFERRED PAYABLES (continued)

(d) Lease liabilities

		The Group	
	Note	**2020 RM'000**	2019 RM'000
Lease liabilities payments:			
- not later than 1 year		**16,195**	13,597
- later than 1 year and not later than 5 years		**24,281**	17,282
- later than 5 years		**36,506**	5,099
		76,982	35,978
Future finance charges on lease liabilities:			
- not later than 1 year		**(2,114)**	(1,243)
- later than 1 year and not later than 5 years		**(6,138)**	(1,809)
- later than 5 years		**(5,588)**	(289)
		(13,840)	(3,341)
Principal amount relating to lease liabilities		**63,142**	32,637
Principal amount relating to lease liabilities:			
- not later than 1 year	36	**14,081**	12,354
- later than 1 year and not later than 5 years		**18,143**	15,473
- later than 5 years		**30,918**	4,810
		63,142	32,637

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONT'D)

36. TRADE AND OTHER PAYABLES

		The Group		The Company	
	Note	**2020 RM'000**	2019 RM'000	**2020 RM'000**	2019 RM'000
Trade payables	(a)	**262,471**	184,064	**-**	-
Accrued construction costs		**401,815**	343,738	**-**	-
Retention sum		**209,370**	196,637	**-**	-
Hire purchase liabilities	35(a)	**1,005**	1,043	**-**	-
Payable for acquisition of subsidiary companies	35(b)	**-**	10,063	**-**	-
Payable for development charges	35(b)	**3,591**	5,110	**-**	-
Other payables		**64,700**	81,258	**552**	98
Lease liabilities	35(d)	**14,081**	12,354	**-**	-
Amounts due to subsidiary companies	(b)	**-**	-	**4,055**	4,082
Amounts due to non-controlling shareholders of subsidiary companies	(c)	**2,210**	2,129	**-**	-
Payable for acquisition of property, plant and equipment		**14,145**	14,510	**-**	-
Deposits received from customers		**34,352**	20,912	**-**	-
		1,007,740	871,818	**4,607**	4,180
Provision for affordable housing obligations	(d)	**80,307**	99,716	**-**	-
Provision for liquidated ascertained damages	(e)	**2,723**	4,276	**-**	-
Accrued operating expenses		**80,455**	88,136	**778**	1,041
		1,171,225	1,063,946	**5,385**	5,221

(a) Trade payables

The credit terms for trade payables of the Group range from cash basis to 90 days (2019: cash basis to 90 days).

(b) Amounts due to subsidiary companies

Amounts due to subsidiary companies arose mainly from inter-company advances and payments on behalf which are interest free, unsecured and repayable on demand. During the financial year, interest expense amounting to RMNil (2019: RM880,361) has been recognised in profit or loss of the Company.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONT'D)

36. TRADE AND OTHER PAYABLES (continued)

(c) Amounts due to non-controlling shareholders of subsidiary companies

Amounts due to non-controlling shareholders of subsidiary companies bear interest at rates ranging from 0.20% to 8.00% (2019: 1.82% to 8.00%) per annum are unsecured and repayable on demand. During the financial year, interest expense amounting to RM97,153 (2019: RM106,548) has been recognised in profit or loss of the Group as disclosed in Note 9.

(d) Provision for affordable housing obligations

The Malaysian Institute of Accountants ("MIA") issued Financial Reporting Standards Implementation Committee ("FRSIC") Consensus 17 on Development of Affordable Housing on 24 November 2011. It recommends that the estimated amount of shortfall relating to affordable housing obligation be recognised as a provision. The recognition of such provision would result in the recognition of a corresponding asset in the form of common costs in the development of premium housing as included in Note 18(b) on Property Development Costs.

On 7 March 2018, MIA issued an Addendum to FRSIC Consensus 17, clarifying that an entity shall not apply the principles in FRSIC Consensus 17 after the adoption of MFRS 15. Based on the addendum issued, the Group will continue to assess and estimate the provision for affordable housing obligations as and when there is present obligation to construct the affordable housing.

The movements of the provision for affordable housing obligations are as follows:

	The Group	
	2020	2019
	RM'000	RM'000
At 1 January	**99,716**	85,966
Provision made during the financial year	**6,877**	21,801
Reversal/Utilisation of provision during the financial year	**(26,286)**	(8,051)
At 31 December	**80,307**	99,716

(e) Provision for liquidated ascertained damages

	The Group	
	2020	2019
	RM'000	RM'000
At 1 January	**4,276**	2,524
Provision made during the financial year	**506**	3,373
Payment made during the financial year	**(2,059)**	(1,621)
At 31 December	**2,723**	4,276

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONT'D)

36. TRADE AND OTHER PAYABLES (continued)

The currency profile of trade and other payables is as follows:

	The Group		The Company	
	2020 RM'000	2019 RM'000	**2020 RM'000**	2019 RM'000
Ringgit Malaysia	**987,839**	845,575	**4,607**	4,180
United States Dollar	**4,979**	15,559	**-**	-
Indonesian Rupiah	**14,922**	10,684	**-**	-
	1,007,740	871,818	**4,607**	4,180

37. SHORT-TERM BORROWINGS

		The Group	
	Note	**2020 RM'000**	2019 RM'000
Foreign revolving credits	(a)	**5,492**	2,655
Bank overdrafts	(b)	**430**	-
		5,922	2,655

(a) Foreign revolving credits

The foreign revolving credit facilities from a foreign licensed bank totalling RM16,468,000 (2019: RM7,080,000) by a subsidiary company are secured by legal charges over leasehold land and buildings.

The currency profile of foreign revolving credits is as follows:

	The Group	
	2020 RM'000	2019 RM'000
Indonesian Rupiah	**5,492**	2,655

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONT'D)

37. SHORT-TERM BORROWINGS (continued)

(b) Bank overdrafts

As at 31 December 2020, the Group has secured overdraft facilities from local and foreign licensed banks of RM6,000,000 (2019: RM6,000,000) and RM1,144,000 (2019: RM1,180,000) respectively.

The currency profile of foreign bank overdrafts is as follows:

	The Group	
	2020 RM'000	2019 RM'000
Indonesian Rupiah	**430**	-

The local bank overdrafts facilities are secured against negative pledges over the present and future assets of subsidiary companies and guarantee issued by the Company.

The foreign bank overdrafts are secured by legal charges over leasehold land and buildings.

(c) Local revolving credits

As at 31 December 2020, the Group has secured local revolving credit facilities from licensed banks of RM105,000,000. The local revolving credit facilities are secured by negative pledges over the present and future assets of a subsidiary company, specific debentures as interim security over completed properties and guarantees issued by the Company.

In the previous financial year, the Group has secured local revolving credit facilities from licensed banks of RM110,000,000. The local revolving credit facilities are secured by deed of assignment over the freehold building, negative pledges over the present and future assets of a subsidiary company, specific debentures as interim security over completed properties and guarantees issued by the Company.

(d) Local bankers acceptances

As at 31 December 2020, the Group has secured local bankers acceptances facilities from licensed banks of RM9,000,000 (2019: RM9,000,000). The local bankers acceptances are secured against guarantees issued by the Company.

The fair value of the short-term borrowings approximate their carrying values at the end of the reporting period. During the financial year, the floating interest rates for the short-term borrowings are as follows:

	The Group	
	2020 %	2019 %
Foreign revolving credits	**8.50 - 10.50**	10.75 - 11.00
Foreign bank overdrafts	**10.50**	-

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONT'D)

38. CASH AND CASH EQUIVALENTS

	The Group		The Company	
	2020 RM'000	2019 RM'000	**2020 RM'000**	2019 RM'000
Cash and bank balances	**89,570**	129,364	**6,838**	559
Project accounts	**509,550**	276,874	**-**	-
Deposits with licensed banks	**21,896**	31,131	**10,657**	10,457
Investment in short-term funds	**534,996**	626,092	**534,996**	626,092
Bank overdrafts	**(430)**	-	**-**	-
	1,155,582	1,063,461	**552,491**	637,108
Less: Deposits pledged as collateral	**(8,723)**	(8,604)	**-**	-
Deposits in Escrow Account	**(16,960)**	(22,876)	**(16,960)**	(22,876)
Deposits in Sinking Fund Account	**-**	(288,998)	**-**	(288,998)
Deposits in Project Account	**-**	(9,448)	**-**	-
Deposits in Security and Principal Account	**(16,346)**	-	**(16,346)**	-
Deposits in Finance Service Reserve Account	**(6,523)**	-	**(6,523)**	-
Deposits in Trustees Reimbursement Account	**(62)**	(61)	**(62)**	(61)
	1,106,968	733,474	**512,600**	325,173

39. CONTINGENT LIABILITIES

	The Group		The Company	
	2020 RM'000	2019 RM'000	**2020 RM'000**	2019 RM'000
Corporate guarantees issued to financial institutions for credit facilities granted to subsidiary companies	**-**	-	**2,159,612**	1,571,125
Corporate guarantees issued to third parties for supply of goods	**-**	-	**1,135**	1,141
Bank guarantees issued to third parties	**143,324**	154,956	**-**	-
	143,324	154,956	**2,160,747**	1,572,266

The Group has adopted the provisions of Paragraph 92 of MFRS 137 *Provisions, Contingent Liabilities and Contingent Assets* pursuant to the non-disclosure of the financial effect in relation to the litigation matters and these matters may include disputed liquidated ascertained damages and service charge rates.

The Group is relying on its solicitors view that the Group has good chance to succeed in the litigation proceedings and thus no provisions have been made by the Group at this juncture.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONT'D)

40. MATERIAL LITIGATION

On 25 October 2019, the Company's wholly owned subsidiary, Elite Park Development Sdn Bhd ("EPD") had through its solicitors filed and served Statement of Claim against Zulhkiple Abu Bakar ("ZAB") following a general endorsed writ.

By way of a Consultancy Agreement dated 9 June 2015 ("Consultancy Agreement"), EPD appointed ZAB to provide amongst others, value engineering services to the original foundation and structural designs ("Services") for the buildings in the project erected on Lot 24673 (PT 2105), Bandar Kundang, Mukim Rawang, Daerah Gombak, Selangor.

EPD has appointed experts and found that ZAB's designs are not in accordance with established engineering practices and standards. EPD claims ZAB is in breach of the Consultancy Agreement and/or negligent in providing the Services to EPD. As such, EPD is claiming for damages against ZAB as follows:

(i) A total sum of damages of RM40,670,558 and/or alternatively for damages to be assessed; and

(ii) Interest at the rate of 5% or any other rate as the Court deems fit and proper on the judgement sum calculated from the date of judgement until the date of final settlement and costs.

On 27 November 2019, ZAB has filed a statement of defence and counterclaim against EPD alleging amongst others:

(i) Unlawful termination of the Consultancy Agreement;

(ii) EPD pay to ZAB a total sum of RM114,088 being ZAB's outstanding fee under the Consultancy Agreement; and

(iii) General damages to be assessed.

On 15 July 2020, EPD had through its solicitors filed and served the Amended Writ and Amended Statement of Claim against ZAB and two other defendants namely, Pembinaan Infrastruktur OKH Sdn Bhd ("OKH") and Lonpac Insurance Berhad ("LONPAC") in the same legal proceedings.

The claim against OKH is for breach of contract in failing amongst others, to provide materials and workmanship of the quality and standard pursuant to a letter of award dated 28 November 2014 and a Standard Form PAM 2006 Contract entered into between EPD and OKH to build and construct buildings in the project erected on Lot 24673 (PT 2105), Bandar Kundang, Mukim Rawang, Daerah Gombak, Selangor ("Development").

The claim against LONPAC is for breach of an insurance policy issued by LONPAC in favour of EPD as beneficiary under a Contractors' All Risk Policy in failing to pay to EPD for damages and/or losses suffered by EPD in the Development.

As such, EPD is claiming for damages against ZAB, OKH and LONPAC as disclosed in above.

The solicitors of EPD are of the view that EPD has good grounds to succeed in its claims against ZAB, OKH and LONPAC. It is preliminary at this stage to ascertain the potential recoverable amount. The matter has been fixed for trial between 11 October 2021 and 15 October 2021.

Save for the above and as disclosed in Note 39, the Group was not engaged in any material litigation.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONT'D)

41. CHANGE IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details the changes in liabilities of the Group and of the Company arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified as financing activities in the statements of cash flows of the Group and of the Company.

2020	Term loans (Note 34) RM'000	Short-term borrowings (excluding bank overdrafts) (Note 37) RM'000	Long-term and deferred payables (Note 35) RM'000	Medium Term Notes (Note 33) RM'000
The Group				
At beginning of year	**564,294**	**2,655**	**49,220**	**-**
Proceeds	**184,668**	**77,142**	**-**	**696,481**
Repayments	**(239,142)**	**(74,202)**	**(15,761)**	**-**
Interest payment	**-**	**-**	**-**	**(13,229)**
Payment of corporate exercise expenses	**-**	**-**	**-**	**(1,661)**
Non-cash changes	**-**	**-**	**1,905**	**21,334**
Currency translation differences	**(151)**	**(103)**	**(324)**	**-**
Others	**5,449**	**-**	**39,599**	**(7,584)**
At end of year	**515,118**	**5,492**	**74,639**	**695,341**
The Company				
At beginning of year	**-**	**-**	**-**	**-**
Proceeds	**-**	**-**	**-**	**696,481**
Interest payment	**-**	**-**	**-**	**(13,229)**
Payment of corporate exercise expenses	**-**	**-**	**-**	**(1,661)**
Non-cash changes	**-**	**-**	**-**	**21,334**
Others	**-**	**-**	**-**	**(7,584)**
At end of year	**-**	**-**	**-**	**695,341**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONT'D)

41. CHANGE IN LIABILITIES ARISING FROM FINANCING ACTIVITIES (continued)

2019	Term loans (Note 34) RM'000	Short-term borrowings (excluding bank overdrafts) (Note 37) RM'000	Long-term and deferred payables (Note 35) RM'000	Medium Term Notes (Note 33) RM'000
The Group				
At beginning of year	559,098	4,168	31,591	-
Effect of MFRS 16 adoption	-	-	31,366	-
Proceeds	354,342	18,947	-	-
Repayments	(349,322)	(20,534)	(14,249)	-
Non-cash changes	-	-	1,920	-
Arising from the acquisition of property, plant and equipment	-	-	628	-
Currency translation differences	176	74	242	-
Others	-	-	(2,278)	-
At end of year	564,294	2,655	49,220	-

42. CAPITAL RISK MANAGEMENT, FINANCIAL INSTRUMENTS AND FINANCIAL RISKS

(a) Capital Management

The primary objective of the Group's capital management is to ensure that it maintains a healthy and optimal capital base in order to maintain investors, creditors and market confidence and to sustain future development of the business so that it can continue to maximise returns for shareholders and benefits for other stakeholders. The capital structure of the Group and the Company comprises net debt/(cash) (deposit, cash, bank balances and investment in short-term funds offset by borrowings as detailed in Notes 27, 33, 34, 35(a) and 37 and equity (comprising share capital, reserves, retained earnings, Perpetual Sukuk, Perpetual Securities and non-controlling interests as detailed in Notes 28 to 32).

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristic of the underlying assets. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders, issue new shares, buy back issued shares, obtain new borrowings or reduce borrowings. No changes were made in the objectives, policies or processes during the year ended 31 December 2020.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONT'D)

42. CAPITAL RISK MANAGEMENT, FINANCIAL INSTRUMENTS AND FINANCIAL RISKS (continued)

(b) Net Gearing Ratio

The net gearing ratio at the end of the reporting period are as follows:

	The Group		The Company	
	2020 RM'000	2019 RM'000	**2020 RM'000**	2019 RM'000
Total borrowings	**1,218,784**	570,401	**695,341**	-
Less: Deposit, cash, bank balances and investment in short-term funds	**(1,156,012)**	(1,063,461)	**(552,491)**	(637,108)
Net debt/(cash)	**62,772**	(493,060)	**142,850**	(637,108)
Total equity	**4,241,361**	4,826,367	**3,474,029**	3,922,032
Net debt-to-equity ratio	**0.01**	N/A	**0.04**	N/A

(c) Categories of Financial Instruments

	The Group		The Company	
	2020 RM'000	2019 RM'000	**2020 RM'000**	2019 RM'000
Financial assets				
At FVTPL:				
Investment in short-term funds	**534,996**	626,092	**534,996**	626,092
Amortised cost:				
Trade and other receivables	**565,319**	521,352	**3,423,626**	3,087,802
Deposits, cash and bank balances	**621,016**	437,369	**17,495**	11,016
	1,721,331	1,584,813	**3,976,117**	3,724,910
Financial liabilities				
Trade and other payables	**1,076,434**	935,450	**5,385**	5,221
Medium Term Notes	**695,341**	-	**695,341**	-
Loans and borrowings	**523,443**	570,401	**-**	-
Deferred payables	**62,283**	36,460	**-**	-
	2,357,501	1,542,311	**700,726**	5,221

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONT'D)

42. CAPITAL RISK MANAGEMENT, FINANCIAL INSTRUMENTS AND FINANCIAL RISKS (continued)

(d) Financial Risk Management Objectives and Policies

The Group and the Company have exposure to the following risks from its use of financial instruments:

- Market risk
  - Foreign currency risk
  - Interest rate risk
- Credit risk
- Liquidity risk
- Cash flow risk

Risk management objectives, policies and procedures for managing the risk

The Group and the Company have formulated a financial risk management framework whose principal objective is to minimise the Group's and the Company's exposure to risks and/or costs associated with the financing, investing and operating activities of the Group and the Company.

Financial risk management is carried out through risk reviews, internal control systems and adherence to Group and the Company financial risk management policies. The Board regularly reviews these risks and approves the treasury policies, which cover the management of these risks.

(i) Market risk

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates.

The Group is exposed to foreign currency risk on certain transactions entered into by subsidiary companies in currencies other than its functional currency.

Exposure to foreign currency risk

The Group's exposures to foreign currency risk (a currency which is other than the functional currency of the subsidiary companies) arising from foreign balances as at the end of the reporting period is represented by the following carrying amounts:

The Group	RM/AUD RM'000	RM/SGD RM'000	RM/USD RM'000	RP/USD RM'000	RM/EUR RM'000	Total RM'000
2020						
Trade and other receivables	**2,590**	**1,601**	**10,140**	**-**	**-**	**14,331**
Trade and other payables	**-**	**-**	**(3,851)**	**(1,128)**	**-**	**(4,979)**
Net exposure	**2,590**	**1,601**	**6,289**	**(1,128)**	**-**	**9,352**
2019						
Trade and other receivables	1,723	4,817	10,970	-	214	17,724
Trade and other payables	-	-	(14,316)	(1,243)	-	(15,559)
Net exposure	1,723	4,817	(3,346)	(1,243)	214	2,165

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONT'D)

42. CAPITAL RISK MANAGEMENT, FINANCIAL INSTRUMENTS AND FINANCIAL RISKS (continued)

(d) Financial Risk Management Objectives and Policies (continued)

(i) Market risk (continued)

Foreign currency risk (continued)

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's profit after tax for a 2% (2019: 2%) strengthening of the following functional currency of the Group entities against the respective foreign currencies, with all other variables held constant.

	Group profit after tax	
The Group	**2020 RM'000**	2019 RM'000
RM/AUD	**(39)**	(26)
RM/EURO	**-**	(3)
RM/SGD	**(24)**	(73)
RM/USD	**(96)**	51
RP/USD	**17**	19

For a 2% (2019: 2%) weakening of RM and RP against the above relevant currencies at the end of the reporting period, there would be a comparable opposite effect on the Group's profit after tax.

Interest rate risk

The Group's exposure to interest rate risk arises primarily from the loans and borrowings. The interest rate management policy is aimed at optimising net interest cost and reducing volatility.

Exposure to interest rate risk

The Group is exposed to interest rate risk through the impact of rate changes on interest bearing loans and borrowings. The carrying amounts of these loans and borrowings are disclosed in Notes 34 and 37, respectively.

Cash flow sensitivity analysis for variable rate instruments

The following table demonstrates the sensitivity to a reasonably possible change in interest rates with all other variables held constant, of the Group's profit after tax through the impact on interest expense on floating rate loans and borrowings.

		Profit after tax	
	Change in interest rate basis points	**2020 RM'000**	2019 RM'000
The Group			
Cost of fund	- 25	**990**	1,077
Cost of fund	+ 25	**(990)**	(1,077)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONT'D)

42. CAPITAL RISK MANAGEMENT, FINANCIAL INSTRUMENTS AND FINANCIAL RISKS (continued)

(d) Financial Risk Management Objectives and Policies (continued)

(ii) Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligation resulting in financial loss to the Group and the Company.

The Group's exposure to credit risk arises principally from trade and other receivables and bank guarantees issued to third parties.

The Company's exposure to credit risk arises principally from amount due from subsidiary companies, corporate guarantees issued to financial institutions and third parties.

Financial assets measured at amortised cost

Risk management objectives, policies and processes for managing the risk

The Group extends credit to its customers based upon careful evaluation of the customer's financial condition and credit history. Trade receivables are monitored on an ongoing basis by the Group's credit control department.

Exposure to credit risk

At the end of the reporting period, the Group's and the Company's maximum exposure to credit risk arising from trade and other receivables is represented by the carrying amounts in the statements of financial position.

As explained in Note 3, expected credit losses ("ECL") are measured as an allowance equal to 12-month ECL for stage 1 assets, or lifetime ECL for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. In assessing whether the credit risk of an asset has significantly increased the Group and the Company take into account qualitative and quantitative reasonable and supportable forward looking information.

Financial guarantee

Risk management objectives, policies and processes for managing the risk

The Company provides financial guarantee to financial institutions and third parties for credit facilities and supply of goods respectively granted to subsidiary companies. The Company monitors the results of the subsidiary companies regularly and repayments made by the subsidiary companies.

Exposure to credit risk

The Group's and the Company's maximum exposure to credit risk amount to RM143,323,701 and RM2,160,747,346 (2019: RM154,956,395 and RM1,572,265,944) respectively, representing the corporate and bank guarantees issued to third parties and financial institutions as at the end of the reporting period.

(iii) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting its financial obligations due to a shortage of funds.

The Group and the Company practise prudent liquidity risk management to minimise the mismatch of financial assets and liabilities and to maintain sufficient credit facilities for contingent funding requirement of working capital.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONT'D)

42. CAPITAL RISK MANAGEMENT, FINANCIAL INSTRUMENTS AND FINANCIAL RISKS (continued)

(d) Financial Risk Management Objectives and Policies (continued)

(iii) Liquidity risk (continued)

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and the Company's financial liabilities at the end of the reporting period based on contractual undiscounted repayment obligations:

2020	Note	Within one year RM'000	One to five years RM'000	Over five years RM'000	Total RM'000
The Group					
Non-interest bearing					
Trade and other payables		**962,908**	**96,032**	**-**	**1,058,940**
Long-term and deferred payables		**3,591**	**15,000**	**-**	**18,591**
Financial guarantee*	39	**-**	**-**	**-**	**-**
Interest bearing					
Trade and other payables		**2,210**	**-**	**-**	**2,210**
Long-term and deferred payables		**16,808**	**23,139**	**37,705**	**77,652**
Medium Term Notes		**29,028**	**703,323**	**106,000**	**838,351**
Loans and borrowings		**39,792**	**489,647**	**63,421**	**592,860**
Total undiscounted financial liabilities		**1,054,337**	**1,327,141**	**207,126**	**2,588,604**
The Company					
Non-interest bearing					
Trade and other payables		**5,385**	**-**	**-**	**5,385**
Financial guarantee*	39	**-**	**-**	**-**	**-**
Interest bearing					
Medium Term Notes		**29,028**	**703,323**	**106,000**	**838,351**
Total undiscounted financial liabilities		**34,413**	**703,323**	**106,000**	**843,736**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONT'D)

42. CAPITAL RISK MANAGEMENT, FINANCIAL INSTRUMENTS AND FINANCIAL RISKS (continued)

(d) Financial Risk Management Objectives and Policies (continued)

(iii) Liquidity risk (continued)

Analysis of financial instruments by remaining contractual maturities (continued)

2019	Note	Within one year RM'000	One to five years RM'000	Over five years RM'000	Total RM'000
The Group					
Non-interest bearing					
Trade and other payables		837,128	74,015	-	911,143
Long-term and deferred payables		15,554	18,591	-	34,145
Financial guarantee*	39	-	-	-	-
Interest bearing					
Trade and other payables		2,129	-	-	2,129
Long-term and deferred payables		13,597	17,282	5,099	35,978
Loans and borrowings		147,791	417,852	81,077	646,720
Total undiscounted financial liabilities		1,016,199	527,740	86,176	1,630,115
The Company					
Non-interest bearing					
Trade and other payables		5,221	-	-	5,221
Financial guarantee*	39	-	-	-	-
Total undiscounted financial liabilities		5,221	-	-	5,221

* At the end of the reporting period, no events have arisen which may cause the Financial Guarantees provided by the Group and the Company to be called upon or claimed by any counterparty pursuant to the relevant contracts entered by the Group or the Company. Consequently, the amount included is RMNil.

(iv) Cash flow risk

The Group and the Company review their cash flow position regularly to manage the exposure to fluctuations in future cash flows associated with their monetary financial instruments.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONT'D)

42. CAPITAL RISK MANAGEMENT, FINANCIAL INSTRUMENTS AND FINANCIAL RISKS (continued)

(d) Financial Risk Management Objectives and Policies (continued)

(v) Fair value

The carrying amounts of current financial assets and liabilities are reasonable approximation of fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the end of the reporting period.

The fair value of long-term financial assets and liabilities are determined by the present value of future cash flow estimated and discounted using the current interest rates for similar instruments at the end of the reporting period. There is no material difference between the fair values and carrying values of these assets and liabilities at the end of the reporting period.

The Group's long-term loans other than the medium term notes bear interest at floating rate and hence their carrying amounts approximates fair values. The liability component of the medium term notes is recognised initially at fair value and measured subsequently at amortised cost using effective interest method.

The table below analyses fair value measurement of financial instruments which are categorised into Levels 1 to 3 as disclosed in Note 3.

Fair value of financial instruments that are measured at fair value in the statements of financial position at the end of the reporting period

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
2020				
The Group and the Company				
Financial assets				
Investment in short-term funds	**534,996**	**-**	**-**	**534,996**
2019				
The Group and the Company				
Financial assets				
Investment in short-term funds	626,092	-	-	626,092

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONT'D)

42. CAPITAL RISK MANAGEMENT, FINANCIAL INSTRUMENTS AND FINANCIAL RISKS (continued)

(d) Financial Risk Management Objectives and Policies (continued)

(v) Fair value (continued)

Fair value of financial instruments that are not measured at fair value in the statements of financial position at the end of the reporting period (but fair value disclosures are required)

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
2020				
The Group				
Financial liabilities				
Medium Term Notes	**-**	**697,832**	**-**	**697,832**
Long-term deferred payables	**-**	**63,681**	**-**	**63,681**
The Company				
Financial liabilities				
Medium Term Notes	**-**	**697,832**	**-**	**697,832**
2019				
The Group				
Financial liabilities				
Long-term deferred payables	-	38,869	-	38,869

There is no transfer between Level 1 and 2 fair values during the financial years ended 31 December 2020 and 31 December 2019.

43. SEGMENT REPORTING

Segment information is presented in respect of the Group's business segments, which reflects the Group's internal reporting structure that are regularly reviewed by the Group's chief operating decision maker for the purposes of allocating resources to the segment and assessing its performance.

For management purposes, the Group is organised into the following operating divisions:

(i) Properties - investment and development of residential, commercial and industrial properties

(ii) Plastics - manufacturing, assembly and trading of a range of plastic moulded products

(iii) Hotel - provision of hospitality management services

(iv) Investment holding and others - investment holding operations, provision of management and property support services, trading of building materials, manufacturing and trading of gloves and other related healthcare products.

Inter-segment revenue comprises dividend income, interest charges, trading of plastic moulded products and hotel room rental income.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONT'D)

43. SEGMENT REPORTING (continued)

Information regarding the Group's reportable segments is presented below:

(a) Business Segments

2020	Properties RM'000	Plastics RM'000	Hotel RM'000	Investment Holding and Others RM'000	Elimination RM'000	Group RM'000
Revenue						
External revenue	**1,188,600**	**288,247**	**13,309**	**40,598**	**-**	**1,530,754**
Inter-segment revenue	**-**	**-**	**41**	**271,745**	**(271,786)**	**-**
	1,188,600	**288,247**	**13,350**	**312,343**	**(271,786)**	**1,530,754**
Results						
Operating profit/(loss)	**148,098**	**17,222**	**(14,614)**	**13,715**	**-**	**164,421**
Interest income	**13,466**	**115**	**-**	**111**	**-**	**13,692**
Finance costs	**(10,509)**	**(1,763)**	**(410)**	**(11,762)**	**-**	**(24,444)**
Profit/(Loss) before tax	**151,055**	**15,574**	**(15,024)**	**2,064**	**-**	**153,669**
Income tax expense						**(49,623)**
Profit for the year						**104,046**
Other Information						
Additions to non-current assets	**74,721**	**25,606**	**116**	**62,959**	**-**	**163,402**
Depreciation and amortisation	**9,763**	**20,410**	**8,656**	**415**	**-**	**39,244**
Fair value loss on investment properties	**10,000**	**-**	**-**	**-**	**-**	**10,000**
Impairment loss of:						
- property, plant and equipment	**-**	**-**	**3,908**	**-**	**-**	**3,908**
- right-of-use assets	**-**	**-**	**6,270**	**-**	**-**	**6,270**
Insurance income	**100**	**8,624**	**-**	**-**	**-**	**8,724**
Inventories written off	**-**	**1,331**	**-**	**-**	**-**	**1,331**
Land held for property development written off	**3,414**	**-**	**-**	**-**	**-**	**3,414**
Property, plant and equipment written off	**-**	**3,214**	**-**	**-**	**-**	**3,214**
Reversal of write down of inventories	**(94)**	**(22)**	**-**	**-**	**-**	**(116)**
Write down of inventories	**12,547**	**252**	**-**	**-**	**-**	**12,799**
Assets and Liabilities						
Segment assets	**5,728,475**	**298,730**	**12,405**	**646,105**	**-**	**6,685,715**
Current and deferred tax assets						**180,268**
Total assets						**6,865,983**
Segment liabilities	**1,660,912**	**100,952**	**22,918**	**755,676**	**-**	**2,540,458**
Current and deferred tax liabilities						**84,164**
Total liabilities						**2,624,622**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONT'D)

43. SEGMENT REPORTING (continued)

(a) Business Segments (continued)

2019	Properties RM'000	Plastics RM'000	Hotel RM'000	Investment Holding and Others RM'000	Elimination RM'000	Group RM'000
Revenue						
External revenue	1,410,105	327,051	11,413	41,124	-	1,789,693
Inter-segment revenue	-	9	135	360,961	(361,105)	-
	1,410,105	327,060	11,548	402,085	(361,105)	1,789,693
Results						
Operating profit/(loss)	254,646	20,339	(28,752)	25,181	-	271,414
Interest income	14,209	237	-	318	-	14,764
Finance costs	(11,792)	(2,510)	(1,644)	(13)	-	(15,959)
Profit/(Loss) before tax	257,063	18,066	(30,396)	25,486	-	270,219
Income tax expense						(67,626)
Profit for the year						202,593
Other Information						
Additions to non-current assets	66,674	26,557	1,010	4	-	94,245
Depreciation and amortisation	8,683	18,323	13,156	243	-	40,405
Impairment loss of:						
- property, plant and equipment	-	-	5,147	-	-	5,147
- right-of-use assets	-	-	9,922	-	-	9,922
Write down of inventories	24,120	94	-	-	-	24,214
Assets and Liabilities						
Segment assets	5,545,166	290,030	29,038	657,804	-	6,522,038
Current and deferred tax assets						153,788
Total assets						6,675,826
Segment liabilities	1,626,837	96,791	33,244	8,748	-	1,765,620
Current and deferred tax liabilities						83,839
Total liabilities						1,849,459

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONT'D)

43. SEGMENT REPORTING (continued)

(a) Business Segments (continued)

Segment assets

Segment assets consist of property, plant and equipment, right-of-use assets, prepaid lease payments, investment properties, land held for property development, intangible assets, property development costs, inventories and other current assets that are used in the operating activities of the segment and exclude current and deferred tax assets.

Segment liabilities

Segment liabilities include loans and borrowings, medium term notes, trade payables and other payables, long-term and deferred payables, other current liabilities and exclude current and deferred tax liabilities.

Additions to non-current assets

Additions to non-current assets comprise additions to property, plant and equipment, right-of-use assets, prepaid lease payments, investment properties and land held for property development.

(b) Geographical information

With the exception of a manufacturing set up for plastics moulded products in Indonesia, the entire Group's active business operations are located in Malaysia.

Revenue by geographical market

The following is an analysis of the Group's external sales by location of customers, irrespective of the origin of the goods/ services:

	The Group	
	2020 RM'000	2019 RM'000
Malaysia	**1,346,743**	1,496,483
Indonesia	**73,556**	124,188
Singapore	**23,613**	33,539
China	**16,369**	20,080
Hong Kong	**13,252**	30,323
Thailand	**15,588**	12,987
Vietnam	**7,617**	11,751
Other countries	**34,016**	60,342
	1,530,754	1,789,693

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONT'D)

43. SEGMENT REPORTING (continued)

(b) Geographical information (continued)

Segment assets and additions to non-current assets by geographical market

The following are analysis of the carrying amount of segment assets and additions to non-current assets by geographical areas in which the assets are located:

	Carrying amount of segment assets		Additions to non-current assets	
	2020 RM'000	2019 RM'000	**2020 RM'000**	2019 RM'000
Malaysia	**6,386,290**	6,470,405	**163,090**	93,979
Indonesia	**298,730**	50,913	**312**	266
Singapore	**449**	479	**-**	-
Hong Kong	**4**	3	**-**	-
Australia	**242**	238	**-**	-
	6,685,715	6,522,038	**163,402**	94,245

(c) Major customer

There is no single customer that contributed 10% or more to the Group's revenue for 2020 and 2019.

44. OPERATING LEASE COMMITMENT

As Lessor - for the lease of investment properties and commercial properties

The Group leases out its investment properties and commercial properties under non-cancellable operating leases. The tenure of these leases ranges between 1 to 6 years (2019: 1 to 3 years) with option to renew upon expiry. Certain of the leases include contingent rental arrangements computed based on sales achieved by tenants.

The future minimum lease receivables under non-cancellable leases as at the end of the reporting period are as follow:

	Lease rental receivables	
The Group	**2020 RM'000**	2019 RM'000
Less than one year	**5,223**	3,763
One to three years	**3,159**	3,495
More than three years	**147**	-
	8,529	7,258

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONT'D)

45. CAPITAL COMMITMENTS

	The Group	
	2020 RM'000	2019 RM'000
Approved and contracted for acquisition of property, plant and equipment	**125,012**	9,435

46. RELATED PARTY DISCLOSURES

(a) Significant related party disclosures during the financial year are as follows:

	The Group	
	2020 RM'000	2019 RM'000
Transactions with Directors of the Company and/or companies in which they have interests		
(i) Rental expenses paid/payable to Principal View Sdn Bhd	**1,538**	1,538
(ii) Maintenance charges paid/payable to Harian Madu Sdn Bhd	**187**	187
(iii) Sales of development properties to family members of a Director of the Company	**975**	-

	The Group	
	2020 RM'000	2019 RM'000
Transactions with non-controlling interests		
(i) Interests paid/payable to:		
- PT Kingsanindo Perkasa Indah	**7**	23
- T.S. Law Corporation Sdn Bhd	**90**	83

	The Company	
	2020 RM'000	2019 RM'000
Transactions with subsidiary companies		
(i) Dividend income from subsidiary companies	**135,900**	221,269
(ii) Finance costs on amounts due to subsidiary companies	**-**	880
(iii) Interest income on amounts due from subsidiary companies	**141,043**	143,552

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONT'D)

46. RELATED PARTY DISCLOSURES (continued)

(a) Significant related party disclosures during the financial year are as follows: (continued)

Related party and relationship

Name of related party	Relationship
(i) Principal View Sdn Bhd	- Company in which Tan Sri Dato' Sri Leong Hoy Kum has substantial financial interest
(ii) Harian Madu Sdn Bhd	- Company in which the directors and shareholders are brothers-in-law to Tan Sri Dato' Sri Leong Hoy Kum
(iii) PT Kingsanindo Perkasa Indah	- Non-controlling interest of P.T. Mah Sing Indonesia
(iv) T.S. Law Corporation Sdn Bhd	- Non-controlling interest of Cosmowealth Housing Development Sdn Bhd

(b) Key management personnel compensation

Directors of the Company

	The Group		The Company	
	2020 RM'000	2019 RM'000	**2020 RM'000**	2019 RM'000
Directors' fees	**228**	214	**228**	214
Other emoluments	**13,614**	18,519	**528**	591
Benefits-in-kind	**141**	141	**35**	35
Total short-term employment benefits	**13,983**	18,874	**791**	840
Post employment benefits				
- EPF	**1,634**	2,222	**63**	71
	15,617	21,096	**854**	911

Other key management personnel (including Directors of the subsidiary companies)

	The Group		The Company	
	2020 RM'000	2019 RM'000	**2020 RM'000**	2019 RM'000
Remuneration	**8,170**	9,590	**-**	-
Benefits-in-kind	**268**	286	**-**	-
Total short-term employment benefits	**8,438**	9,876	**-**	-
Post employment benefits				
- EPF	**828**	1,034	**-**	-
	9,266	10,910	**-**	-
Total compensation	**24,883**	32,006	**854**	911

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONT'D)

47. SUBSEQUENT EVENT

On 19 February 2021, Oasis Garden Development Sdn Bhd ("Oasis Garden"), a wholly-owned subsidiary of the Company, had accepted the counter offer approval letter dated 20 January 2021 issued by the Sepang District/Land Office (Pentadbir Tanah Sepang) ("**Approval Letter**") for the alienation of a parcel of prime land in Bandar Baru Salak Tinggi, Daerah Sepang, Negeri Selangor measuring approximately 100 acres for a total consideration of RM95,832,000 ("**Consideration**") ("**Proposed Acquisition**"). The Approval Letter was issued pursuant to an offer from Oasis Garden dated 3 August 2020. The Land comes with the benefit of converted residential title, enabling rapid speed to market to meet market demand in the location.

The completion of the Proposed Acquisition is pending the full settlement of the Consideration.

48. RECLASSIFICATION

The following amounts previously reported in the 2019 financial statements have been reclassified to conform to the 2020 financial statements presentation. Such reclassification has no effect on net assets.

The Group	As reported previously RM'000	Reclassification RM'000	As reclassified RM'000
Statements of Financial Position			
Current assets			
Contract assets	**403,492**	**(51,480)**	**352,012**
Contract cost assets	**-**	**51,480**	**51,480**
Statements of Cash Flows			
Change in working capital			
Change in contract assets	**(79,586)**	**6,505**	**(73,081)**
Change in contract cost assets	**-**	**(6,505)**	**(6,505)**

STATEMENT BY DIRECTORS

We, Tan Sri Dato' Seri Siti Norma Binti Yaakob and Datuk Ho Hon Sang, being two of the Directors of **MAH SING GROUP BERHAD**, state that, in the opinion of the Directors, the accompanying financial statements set out on pages 152 to 262 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2020 and of the financial performance and cash flows of the Group and of the Company for the financial year ended on that date in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Signed on behalf of the Board
in accordance with a resolution of the Board of Directors dated 25 February 2021.

TAN SRI DATO' SERI SITI NORMA BINTI YAAKOB
Chairperson

DATUK HO HON SANG
Director

Kuala Lumpur

DECLARATION BY THE OFFICER PRIMARILY RESPONSIBLE FOR THE FINANCIAL MANAGEMENT OF THE COMPANY

I, **TEONG SZE HOWE**, being the Officer primarily responsible for the financial management of **MAH SING GROUP BERHAD**, do solemnly and sincerely declare that to the best of my knowledge and belief, the accompanying financial statements set out on pages 152 to 262 are 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.

TEONG SZE HOWE (MIA : 35702)

Subscribed and solemnly declared at Kuala Lumpur on 25 February 2021.

Before me,

COMMISSIONER FOR OATHS

PROPERTIES OWNED BY THE GROUP

AS AT 31 DECEMBER 2020

Location	Description	Date of Acquisition / Date of Valuation	Tenure	Land Area (Acre)	Net Book Value (RM)
Lot 9, Lingkaran Sultan Mohamed 1 Kawasan Perindustrian Bandar Sultan Suleiman 42000 Port Klang Selangor Darul Ehsan	Industrial Building (Age: 29 years)	8-Aug-1992 25-Jun-2018	Leasehold (expiring on 21-Sept-2093)	7.00	18,642,825
Wisma Mah Sing 163 Jalan Sungai Besi 57100 Kuala Lumpur	44 units office lots and 95 units of parking lots (Age: 24 years)	1995, 2012, 2013 and 2017	Freehold	-	8,420,681
Kawasan Industri Jababeka J1 Jababeka XIIB, Blok W17-20 Cikarang Industrial Estate Bekasi, Indonesia	Industrial Building (Age: 23 years)	25-Jun-1997	Leasehold (expiring on 29-Jun-2022)	5.16	1,937,337
Mah Sing Integrated Industrial Park Mukim Sungai Buloh Daerah Petaling Negeri Selangor	Residential Development	18-Oct-1999	Leasehold (expiring on 11-Dec-2096)	3.18	4,875,344
Aman Perdana Mukim Kapar Daerah Klang Selangor Darul Ehsan	Mixed Development	2-Apr-2004	Freehold	27.84	18,598,435
Sierra Perdana Mukim Plentong Daerah Johor Bahru Johor Darul Takzim	Mixed Development	21-Dec-2005	Freehold	36.83	65,763,619
Hijauan Residence & Bayu Sekamat, Cheras Lot 3442, Lot 670 & Lot 671 Mukim Cheras Daerah Hulu Langat Selangor Darul Ehsan	Residential Development	30-Oct-2006 29-Sep-2008	Freehold	27.48	54,683,480
Icon Residence, Mont' Kiara Lot 55331, Mukim Batu Daerah Kuala Lumpur Wilayah Persekutuan	Residential Development	28-Feb-2007	Freehold	-	25,908,668

PROPERTIES OWNED BY THE GROUP

AS AT 31 DECEMBER 2020 (CONT'D)

Location	Description	Date of Acquisition / Date of Valuation	Tenure	Land Area (Acre)	Net Book Value (RM)
Southbay Penang Mukim 12, Daerah Barat Daya Negeri Pulau Pinang	Residential & Mixed Development	13-Jun-2007 18-Feb-2011	Freehold	21.18	180,519,727
Southgate Commercial Centre Seksyen 92 Bandar Kuala Lumpur	Commercial Development	27-Jul-2007	Freehold	-	1,662,327
StarParc Point GM 2018, Lot 21717, Mukim Setapak Tempat Kampong Pasir Werdieburn Jalan Genting Klang, Daerah KL State of Wilayah Persekutuan KL	Commercial Development	10-Nov-2008 (JV date)	Freehold (JV)	-	6,239,073
Garden Residence, Cyberjaya Mukim Dengkil Daerah Sepang Selangor Darul Ehsan	Residential Development	12-Aug-2009	Freehold	12.82	56,635,851
Perdana Residence 2, Selayang Mukim Batu, Bandar Selayang Daerah Gombak Selangor Darul Ehsan	Residential Development	28-Oct-2009	Freehold	3.73	7,154,658
Petaling Jaya Commercial Hub Lot No. P.T. 245 Mukim Damansara Daerah Petaling Selangor Darul Ehsan	Residential & Mixed Development	28-Oct-2009	Leasehold (expiring on 29-Sep-2111)	10.27	197,562,962
Icon Residence, Georgetown, Penang Lot No. 951, Seksyen 13 Bandar Georgetown Daerah Timur Laut Pulau Pinang	Residential Development	2-Dec-2009	Freehold	3.38	68,676,318
Garden Plaza, Cyberjaya Mukim Dengkil Daerah Sepang Selangor Darul Ehsan	Commercial Development	22-Feb-2010	Freehold	-	31,381,813
M-Suites GRN 71445 Lot 293, Seksyen 89 Daerah Kuala Lumpur Negeri Wilayah Persekutuan	Commercial Development	22-Apr-2010	Freehold	-	2,881,648

PROPERTIES OWNED BY THE GROUP

AS AT 31 DECEMBER 2020 (CONT'D)

Location	Description	Date of Acquisition / Date of Valuation	Tenure	Land Area (Acre)	Net Book Value (RM)
Star Avenue @ D'sara Pekan Baru Subang Daerah Petaling Selangor Darul Ehsan	Star Avenue Lifestyle Mall and Car Parks (Age: 5 years)	9-Jul-2010	Leasehold (expiring on 6-May-2111 & 26-June-2111)	-	140,000,000
Clover, Cyberjaya Mukim Dengkil Daerah Sepang Selangor Darul Ehsan	Residential Development	3-Oct-2010	Freehold	-	813,046
M-City Mukim Ampang Daerah Kuala Lumpur Negeri Wilayah Persekutuan	Mixed Development	3-Nov-2010	Freehold	-	2,808,076
Ferringhi Residence, Penang Mukim 17 Daerah Timur Laut Batu Ferringhi Pulau Pinang	Residential Development	23-Nov-2010	Freehold	30.29	350,678,530
Mah Sing i-Parc Mukim Tanjung Kupang Daerah Johor Bahru Johor Darul Ta'zim	Industrial Development	12-Apr-2011	Freehold	20.79	121,440,432
Marvellous Vantage 5 units at Southgate Commercial Centre Seksyen 92 Bandar Kuala Lumpur	Commercial (5 units) (Age: 10 years)	15-Apr-2011	Freehold	-	6,200,000
M Residence @ Rawang Lot 1950,1316,1952 & 1266 Mukim Rawang Daerah Gombak Negeri Selangor	Mixed Development	5-Oct-2011	Freehold	133.57	78,093,136
Kawasan Industrik Mitrakarawang Jalan Mitra Timur II Plot D-18-20 & 37-39 Karawang 41361 Indonesia	Industrial Building (Age: 9 years)	1-Nov-2011	Leasehold (expiring on 12-Dec-2037)	6.00	8,774,463

PROPERTIES OWNED BY THE GROUP

AS AT 31 DECEMBER 2020 (CONT'D)

Location	Description	Date of Acquisition / Date of Valuation	Tenure	Land Area (Acre)	Net Book Value (RM)
M Residence 2 @ Rawang Bandar Kundang Daerah Gombak Negeri Selangor	Residential Development	29-Feb-2012	Leasehold (expiring on 15-Feb-2104)	7.16	30,018,315
Southville City Mukim Dengkil Daerah Sepang Negeri Selangor	Mixed Development	21-May-2012	Freehold	381.36	808,521,958
The Meridin @ Medini Bandar Medini, Iskandar Mukim Pulai, Daerah Johor Bahru Negeri Johor	Iconic Integrated Development	18-Oct-2012	Leasehold (expiring on 14-Apr-2142 & 25-June-2142)	-	209,206,844
D'sara Sentral H.S.(D) 291822, No. PT 4629 Pekan Baru Sungai Buloh Daerah Petaling Negeri Selangor	Mixed Development	3-Apr-2013	Leasehold (expiring on 14-Aug-2112)	-	65,132,974
Lakeville Residence H.S.D 119736, No. PT 26755 Mukim Batu Daerah Kuala Lumpur Negeri Wilayah Persekutuan Kuala Lumpur	Mixed Development	28-May-2013	Leasehold (expiring on 25-Nov-2113)	-	10,618,093
M Residence 3 @ Rawang HSD 35626, PT 23373 Mukim Rawang, Daerah Gombak Negeri Selangor	Mixed Development	27-Aug-2013	Leasehold (expiring on 7-May-2099)	64.74	119,166,300
Bandar Meridin East Mukim of Plentong District of Johor Bahru Johor	Mixed Development	1-Oct-2013	Freehold	1,168.27	663,608,897
Lot 4, Lingkaran Sultan Mohamed 1 Kawasan Perindustrian Bandar Sultan Suleiman 42000 Port Klang Selangor Darul Ehsan	Office and warehouse buildings (Age: 5 years)	24-Feb-2016	Leasehold (expiring on 21-Sep-2093)	4.98	38,816,466

PROPERTIES OWNED BY THE GROUP

AS AT 31 DECEMBER 2020 (CONT'D)

Location	Description	Date of Acquisition / Date of Valuation	Tenure	Land Area (Acre)	Net Book Value (RM)
Austin Perdana Mukim Tebrau Daerah Johor Bahru Johor Darul Takzim	3 blocks of 5 storey Corporate Office (Age: 5 years)	1-Apr-2016	Freehold	-	5,669,443
M Centura & M Arisa Geran Mukim 336, Lot 772 Geran Mukim 561, Lot 773 & Geran Mukim 557, Lot 774 Tempat Sungai Untut, Mukim Setapak Daerah Kuala Lumpur	Residential Development	25-May-2017	Freehold	2.15	148,864,463
M Parc Lot 13254, Mukim 14 Seberang Perai Tengah, Pulau Pinang	Industrial Development	3-Jul-2017	Freehold	17.30	46,152,940
M Vertica PN 52949, Lot 481319 Mukim Kuala Lumpur Wilayah Persekutuan Kuala Lumpur	Mixed Development	30-Aug-2017	Leasehold (expiring on 14-Aug-2116)	4.16	408,504,293
M Oscar Lot PT 304, PT 305, PT 598, Lot 1560 Lot 1561 & PT 13843 Jalan 2/149, Mukim Petaling Daerah Kuala Lumpur Wilayah Persekutuan Kuala Lumpur	Residential Development	28-Mar-2019	Freehold	-	122,530,453
M Luna H.S. (D) 120077, No. PT 26888 Mukim Batu, Tempat Taman Metropolitan, Kepong Daerah Kuala Lumpur	Residential Development	23-Jul-2019	Leasehold	-	124,493,225
M Adora Lot 201522, Jalan Wangsa Melawati 1 Mukim Setapak Wilayah Persekutuan Kuala Lumpur	Residential Development	6-Aug-2019	Leasehold	-	90,501,948

STATISTICS OF SHAREHOLDINGS

AS AT 7 APRIL 2021

Class of Shares : Ordinary shares
Voting Rights : One vote per ordinary share

ANALYSIS OF SHAREHOLDINGS

Size of Holdings	No. of Holders	No. of Shares	%
1 - 99	800	30,931	0.001
100 - 1,000	3,957	2,709,988	0.112
1,001 - 10,000	18,985	103,669,571	4.270
10,001 - 100,000	10,874	345,515,870	14.233
100,001 - 121,384,391*	1,373	1,204,576,495	49.618
121,384,392 and above **	4	771,185,000	31.766
Total	**35,993**	**2,427,687,855**	**100.000**

Remark:
* Less than 5% of issued shares
** 5% and above of issued shares

SUBSTANTIAL SHAREHOLDERS

	No. of Ordinary Shares Held			
Name	Direct	%	Indirect	%
Mayang Teratai Sdn Bhd	653,038,200	26.900	-	-
Mayang Teratai Limited	180,000,000	7.414	-	-
Tan Sri Dato' Sri Leong Hoy Kum	10,319,007	0.425	[a] 833,038,200	34.314

Notes:
a Deemed interested by virtue of shareholdings of Mayang Teratai Sdn Bhd and Mayang Teratai Limited

DIRECTORS' SHAREHOLDINGS

	No. of Ordinary Shares Held			
Name	Direct	%	Indirect	%
Tan Sri Dato' Sri Leong Hoy Kum	10,319,007	0.425	[#] 842,183,198	34.691
Dato' Ng Poh Seng	708,900	0.029	-	-
Datuk Seri Leong Yuet Mei	-	-	[*] 316,814	0.013
Abd Malik Bin A Rahman	10,000	negligible	-	-

Notes:
Deemed interested by virtue of shareholdings of Mayang Teratai Sdn Bhd, Mayang Teratai Limited and his family members
* Deemed interested by virtue of shareholdings of family members

STATISTICS OF SHAREHOLDINGS
AS AT 7 APRIL 2021 (CONT'D)

LIST OF TOP THIRTY HOLDERS AS AT 7 APRIL 2021

NO.	NAME	No. of Shares	%
1	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Mayang Teratai Sdn Bhd (414365800567)	268,000,000	11.039
2	Citigroup Nominees (Asing) Sdn Bhd Exempt AN for Bank of Singapore Limited (Foreign)	180,685,000	7.443
3	CIMB Group Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Mayang Teratai Sdn Bhd (49643 JPLE)	167,000,000	6.879
4	ABB Nominee (Tempatan) Sdn Bhd Pledged Securities Account for Mayang Teratai Sdn Bhd	155,500,000	6.405
5	Amanahraya Trustees Berhad Amanah Saham Bumiputera	113,704,500	4.684
6	UOB Kay Hian Nominees (Asing) Sdn Bhd Exempt AN for UOB Kay Hian Pte Ltd (A/C Clients)	66,479,657	2.738
7	Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board	63,134,887	2.601
8	Amanahraya Trustees Berhad Amanah Saham Malaysia	60,790,300	2.504
9	Amanahraya Trustees Berhad Amanah Saham Malaysia 2 - Wawasan	59,425,978	2.448
10	Amanahraya Trustees Berhad Amanah Saham Malaysia 3	56,868,425	2.343
11	Mayang Teratai Sdn Bhd	50,881,100	2.096
12	Amanahraya Trustees Berhad Amanah Saham Bumiputera 2	33,000,000	1.359
13	Amanahraya Trustees Berhad Amanah Saham Bumiputera 3 - Didik	29,258,162	1.205
14	Cartaban Nominees (Asing) Sdn Bhd Exempt AN for State Street Bank & Trust Company (West CLT OD67)	12,832,680	0.529
15	HLB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Mayang Teratai Sdn Bhd (PJCAC)	11,657,100	0.480
16	Tan Sri Dato' Sri Leong Hoy Kum	10,319,007	0.425
17	Citigroup Nominees (Asing) Sdn Bhd UBS AG	10,135,852	0.418

STATISTICS OF SHAREHOLDINGS

AS AT 7 APRIL 2021 (CONT'D)

NO.	NAME	No. of Shares	%
18	Siti Munajat Binti Md Ghazali	10,000,000	0.412
19	HSBC Nominees (Asing) Sdn Bhd Exempt AN for Bank Julius Baer & Co. Ltd. (Singapore BCH)	9,620,000	0.396
20	DB (Malaysia) Nominee (Asing) Sdn Bhd SSBT Fund WTAU for Wisdomtree Emerging Markets Smallcap Dividend Fund	9,305,900	0.383
21	Lembaga Tabung Angkatan Tentera	9,184,500	0.378
22	AMSEC Nominees (Tempatan) Sdn Bhd AmBank (M) Berhad (Hedging)	8,621,900	0.355
23	Tee Kim Chee	8,000,000	0.330
24	DB (Malaysia) Nominee (Asing) Sdn Bhd SSBT Fund ZYEF for Vanguard Global Ex-U.S. Real Estate Indexfund	7,764,225	0.320
25	Amanahraya Trustees Berhad Amanah Saham Nasional	7,261,125	0.299
26	RHB Investment Bank Berhad IVT "SW Book 1"	6,857,900	0.282
27	Puan Sri Datin Sri Lim Suat Kiew	6,831,880	0.281
28	Amanahraya Trustees Berhad ASN Imbang (Mixed Asset Balanced) 1	6,428,612	0.265
29	Cartaban Nominees (Asing) Sdn Bhd SSBT Fund W95H for Multiple Common Trust Funds Trust, Emerging Markets Small Cap Systematic Equity Portfolio (WTC, NA)	6,389,300	0.263
30	Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Toh Heng Hwee @ Tho Pe Hwi (E-KTU)	5,772,600	0.238
	Total	**1,451,710,590**	**59.798**

NOTICE OF TWENTY-NINTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Twenty-Ninth Annual General Meeting of Mah Sing Group Berhad ("**Mah Sing**" or "**Company**") will be conducted fully virtual through live streaming from the broadcast venue stated below for the following purposes:

Meeting Platform	:	https://tiih.online
Day and Date	:	Wednesday, 30 June 2021
Time	:	10.00 a.m.
Broadcast Venue	:	Penthouse Suite 1, Wisma Mah Sing, No. 163, Jalan Sungai Besi, 57100 Kuala Lumpur, Malaysia
Mode of Communication	:	Submission of typed text via the Meeting Platform

AGENDA

As Ordinary Businesses:

1. To receive the Audited Financial Statements for the financial year ended 31 December 2020 together with the Directors' and Auditors' Reports thereon.
   (Please refer to Note A)

2. To approve the declaration of a first and final single-tier dividend of 1.66 sen per ordinary share in respect of the financial year ended 31 December 2020. **(Ordinary Resolution 1)**

3. To approve the Directors' fees of RM228,000 for the financial year ended 31 December 2020. **(Ordinary Resolution 2)**

4. To re-elect the following Directors who retire pursuant to Article 107 of the Company's Constitution:

   (i) Tan Sri Dato' Sri Leong Hoy Kum; and **(Ordinary Resolution 3)**
   (ii) Abd Malik Bin A Rahman. **(Ordinary Resolution 4)**

5. To re-appoint Deloitte PLT as Auditors of the Company for the financial year ending 31 December 2021 and to authorise the Directors to fix their remuneration. **(Ordinary Resolution 5)**

As Special Businesses:

To consider and if thought fit, to pass the following Ordinary Resolutions, with or without modifications:

6. **AUTHORITY TO ALLOT SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016**

   "THAT subject to the Companies Act 2016, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the Company's Constitution and approval of the relevant governmental regulatory authorities, if required, the Directors be and are hereby empowered pursuant to Sections 75 and 76 of the Companies Act 2016 to allot shares in the Company, grant rights to subscribe for shares in the Company, convert any securities into shares in the Company, or allot shares under an agreement or option or offer from time to time, at such price, upon such terms and conditions, for such purposes and to such persons whomsoever as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares issued and allotted, to be subscribed under any rights granted, to be issued from conversion of any security, or to be issued and allotted under an agreement or option or offer during the preceding 12 months pursuant to this resolution does not exceed 10% of the total number of issued shares (excluding treasury shares) of the Company for the time being AND THAT the Directors be and are also empowered to obtain approval for the listing of and quotation for the additional shares so allotted on Bursa Malaysia Securities Berhad AND FURTHER THAT such authority shall continue to be in force until the conclusion of the next Annual General Meeting ("**AGM**") of the Company after the approval was given, or at the expiry of the period within which the next AGM is required to be held after the approval was given, whichever is earlier, unless revoked or varied by an ordinary resolution of the Company at a general meeting." **(Ordinary Resolution 6)**

NOTICE OF TWENTY-NINTH ANNUAL GENERAL MEETING
(CONT'D)

7. PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE AS SPECIFIED IN SECTION 2.3.1 OF THE CIRCULAR TO SHAREHOLDERS OF THE COMPANY DATED 30 APRIL 2021 ("CIRCULAR")

"THAT subject always to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given to the Company and/or its subsidiaries ("**Mah Sing Group**") to enter into and give effect to specified recurrent related party transactions of a revenue or trading nature of Mah Sing Group with specified classes of Related Parties (as defined in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad) as specified in Section 2.3.1 of the Circular, which are necessary for the day-to-day operations of Mah Sing Group provided that the transactions are in the ordinary course of business and are carried out at arms' length basis on normal commercial terms and on terms not more favourable to the Related Parties than those generally available to the public as well as are not detrimental to the minority shareholders of the Company and such approval, shall continue to be in force until:

(a) the conclusion of the next Annual General Meeting ("**AGM**") of the Company, at which time the mandate will lapse, unless the mandate is renewed by a resolution passed at that meeting; or

(b) the expiration of the period within which the next AGM of the Company after that date is required to be held pursuant to Section 340(2) of the Companies Act 2016 ("**Act**") (but must not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or

(c) revoked or varied by a resolution passed by the shareholders of the Company in a general meeting;

whichever is earlier.

AND THAT authority be and is hereby given to the Directors of the Company to complete and do all such acts, deeds and things as they may consider expedient or necessary in the best interest of the Company (including executing all such documents as may be required) to give effect to the transactions contemplated and/or authorised by this Ordinary Resolution." **(Ordinary Resolution 7)**

8. **PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY**

"THAT subject to the Companies Act 2016 ("**Act**"), provisions of the Company's Constitution and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Bursa Securities**") ("**Listing Requirements**") and any applicable laws, regulations and guidelines issued by other regulatory authorities, and the approvals of all relevant governmental and/or regulatory authorities, the Company be and is hereby authorised, to the fullest extent permitted by law, to purchase such number of the Company's issued shares as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit and expedient in the best interest of the Company provided that:

(a) the aggregate number of ordinary shares in the Company ("**Shares**") purchased ("**Purchased Shares**") and/or held as treasury shares pursuant to this ordinary resolution does not exceed 10% of the total number of issued shares of the Company as quoted on Bursa Securities as at time of purchase(s); and

(b) the maximum amount of funds to be allocated by the Company for the purpose of purchasing the shares shall not exceed the retained profits of the Company based on the latest audited financial statements and/or the latest management accounts (where applicable) available at the time of purchase(s),

("Proposed Share Buy-Back").

NOTICE OF TWENTY-NINTH ANNUAL GENERAL MEETING
(CONT'D)

THAT the authority to facilitate the Proposed Share Buy-Back will commence immediately upon passing of this ordinary resolution and will continue to be in force until:

(a) the conclusion of the next Annual General Meeting ("**AGM**") of the Company following at which time the authority shall lapse unless by ordinary resolution passed at the meeting, the authority is renewed, either unconditionally or subject to conditions; or

(b) the expiration of the period within which the next AGM after that date is required by law to be held; or

(c) revoked or varied by ordinary resolution passed by the shareholders of the Company at a general meeting;

whichever occurs first, but shall not prejudice the completion of purchase(s) by the Company of its own Shares before the aforesaid expiry date, and in any event, in accordance with the Listing Requirements and any applicable laws, rules, regulations, orders, guidelines and requirements issued by any relevant authorities.

AND THAT the Directors of the Company be and are hereby authorised, at their discretion, to deal with the Purchased Shares until all the Purchased Shares have been dealt with by the Directors in the following manner as may be permitted by the Act, Listing Requirements, applicable laws, rules, regulations, guidelines, requirements and/or orders of any relevant authorities for the time being in force:

(i) to cancel all or part of the Purchased Shares;

(ii) to retain all or part of the Purchased Shares as treasury shares as defined in Section 127 of the Act;

(iii) to distribute all or part of the treasury shares as dividends to the shareholders of the Company;

(iv) to resell all or part of the treasury shares;

(v) to transfer all or part of the treasury shares for the purposes of or under the employees' share scheme established by the Company and/or its subsidiaries;

(vi) to transfer all or part of the treasury shares as purchase consideration;

(vii) to sell, transfer or otherwise use the shares for such other purposes as the Minister charged with the responsibility for companies may by order prescribe; and/or

(viii) to deal with the treasury shares in the manners as allowed by the Act, the Listing Requirements, applicable laws, rules, regulations, guidelines, requirements and/or orders of any relevant authorities for the time being in force.

AND THAT authority be and is hereby given to the Directors of the Company to do all such acts, deeds and things as they may consider expedient or necessary in the best interest of the Company (including executing all such documents as may be required) to give full effect to the Proposed Share Buy-Back with full power to assent to any condition, variation, modification and/or amendment as may be required by any relevant authorities and to deal with all matters relating thereto and take all steps and do all acts and things in any manner as they may deem necessary in connection with the Proposed Share Buy-Back in the best interest of the Company."

(Ordinary Resolution 8)

NOTICE OF TWENTY-NINTH ANNUAL GENERAL MEETING
(CONT'D)

9. To transact any other business of which due notice shall have been given.

BY ORDER OF THE BOARD

YANG BAO LING (SSM PC No. 202008002683) (MAICSA 7041240)
KUAN HUI FANG (SSM PC No. 202008001235) (MIA 16876)
Company Secretaries

Kuala Lumpur
30 April 2021

NOTES:

1. IMPORTANT NOTICE

In light of the Coronavirus Disease 2019 (COVID-19) outbreak and as part of the safety measures, the Twenty-Ninth Annual General Meeting of the Company ("**29th AGM**") will be conducted virtually through live streaming from the Broadcast Venue and online remote participation via Remote Participation and Voting ("**RPV**") facilities provided by Tricor Investor & Issuing House Services Sdn Bhd ("**Tricor**") via its TIIH Online website at https://tiih.online.

The Broadcast Venue is strictly a main venue of the 29th AGM where the Chairperson will be present in compliance with Section 327(2) of the Companies Act, 2016. Thus, members, proxies, authorised representatives and attorneys ("**Members**") **WILL NOT BE ALLOWED** to be physically present at the Broadcast Venue on the day of the 29th AGM. Instead, Members who are eligible can attend, participate, speak (including posing questions to the Board of Directors via real time submission of typed texts) and vote (collectively, "**Participate**") remotely at the 29th AGM via the RPV provided by Tricor.

Please read these Notes carefully and follow the procedures in the Administrative Guide for the 29th AGM in order to Participate via RPV.

2. Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in the Notice of the 29th AGM of the Company shall be put to vote by way of a poll.

3. In respect of deposited securities, only members whose names appear in the **Record of Depositors** as at **23 June 2021** shall be entitled to Participate remotely via RPV at the 29th AGM or appoint proxy(ies) to Participate on his/her behalf.

4. A member who is entitled to Participate at the 29th AGM via RPV may appoint not more than two (2) proxies (or in case of a corporation, to appoint authorised representatives) to attend and vote in his/her stead. There shall be no restriction as to the qualification of the proxy.

5. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 ("**SICD**"), it may appoint not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.

6. Where a member of the Company is an exempt authorised nominee as defined under SICD which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account (omnibus account), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

7. Where a member or the authorised nominee appoints more than one (1) proxy (subject always to a maximum of two (2) proxies of each meeting), or where an exempt authorised nominee appoints two (2) or more proxies, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.

8. The instrument appointing a proxy shall be in writing signed by the appointor or his/her attorney duly authorised in writing or, if the appointor is a corporation, either under its common seal or under the hand of its officer or of its attorney duly authorised.

9. A member who has appointed a proxy or attorney or authorised representative to Participate at this 29th AGM via RPV must request his/her proxy or attorney or authorised representative to register himself/herself for RPV via TIIH Online website at https://tiih.online. Please follow the **Procedures for RPV** in the Administrative Guide for the 29th AGM.

10. The Form of Proxy shall be deposited at the office of the Company's Share Registrar, Tricor Investor & Issuing House Services Sdn. Bhd. at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia, or its Customer Service Centre, Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia OR submit the Form of Proxy electronically via TIIH Online website at https://tiih.online, not less than forty-eight (48) hours before the time for holding this 29th AGM or any adjournment thereof. Please refer to the **Procedure for Electronic Lodgement of Form of Proxy** in the Administrative Guide for the 29th AGM.

11. A corporate representative duly appointed by a corporate member must deposit the **original** certificate of appointment of corporate representative or in case of an attorney duly appointed pursuant to a power of attorney, must deposit a **notarially certified copy** of that power of attorney, at the office of the Company's Share Registrar stated in item 10 above, not less than forty-eight (48) hours before the time for holding this 29th AGM or any adjournment thereof. Please refer to the **Appointment of Proxy, Corporate Representative or Attorney** in the Administrative Guide for the 29th AGM for further details.

12. Due to the constant evolving COVID-19 situation in Malaysia, we may be required to change the arrangements of the 29th AGM at short notice. Kindly check the Company's website or announcements for the latest updates on the status of the 29th AGM. The Company will continue to observe the guidelines issued by the Ministry of Health and will take all relevant precautionary measures as advised.

NOTICE OF TWENTY-NINTH ANNUAL GENERAL MEETING
(CONT'D)

EXPLANATORY NOTES ON ORDINARY AND SPECIAL BUSINESSES

1. **Note A - Audited Financial Statements for the Financial Year Ended 31 December 2020 and the Reports of Directors and Auditors**

   This agenda item is meant for discussion only as under the provision of Sections 248(2) and 340(1)(a) of the Companies Act 2016, the audited financial statements and the Reports of Directors and Auditors thereon do not require a formal approval of the shareholders. Hence, this agenda item will not be put forward for voting.

2. **Ordinary Resolution 2 - To approve the Directors' fees of RM228,000 for the financial year ended 31 December 2020**

   The payment of Directors' fees for the financial year ended 31 December 2020 to the Non-Executive Directors will only be made if the proposed ordinary resolution has been passed at the 29th AGM pursuant to Article 102 of the Company's Constitution and Section 230 of the Companies Act 2016. Details of the Directors' fees are published in the Corporate Governance Report on the Company's corporate website at www.mahsing.com.my.

3. **Ordinary Resolutions 3 and 4 - To re-elect Directors who retire in accordance with Article 107 of the Company's Constitution**

   Article 107 of the Company's Constitution provides that one-third of the Directors of the Company for the time being shall retire by rotation at an AGM of the Company provided always that each Director shall retire from office once at least in each three years but shall be eligible for re-election at the AGM. A Director retiring at a meeting shall retain office until the close of the meeting at which he retires.

   Tan Sri Dato' Sri Leong Hoy Kum and Abd Malik Bin A Rahman, who retire in accordance with Article 107 of the Company's Constitution, are standing for re-election as Directors of the Company and being eligible, have offered themselves for re-election at the 29th AGM. Each Director standing for re-election has undergone a performance evaluation conducted by the Nomination Committee and the Board of Directors and has demonstrated that he remains competent and committed to the role as a Director. The Board has also through the Nomination Committee, conducted an assessment on Abd Malik Bin A Rahman's independence and is satisfied that he has complied with the criteria prescribed by the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and Malaysian Code on Corporate Governance. Detailed profile of each Director can be found in the Integrated Annual Report 2020.

4. **Ordinary Resolution 5 – Re-appointment of Auditors**

   The Board approved the recommendation by the Audit Committee to recommend the re-appointment of Deloitte PLT as auditors of the Company to the shareholders for approval at the forthcoming 29th AGM. The Board and Audit Committee are satisfied that Deloitte PLT has the relevant criteria prescribed by Paragraph 15.21 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

5. **Ordinary Resolution 6 – Authority To Allot Shares**

   The proposed ordinary resolution, if passed, will enable the Company to renew the general mandate given to the Directors of the Company to allot ordinary shares of the Company from time to time and to grant rights to subscribe for shares in the Company, convert any securities into shares in the Company, or allot shares under an agreement or option or offer, provided that the aggregate number of shares allotted pursuant to this resolution does not exceed 10% of the total number of issued shares (excluding treasury shares) of the Company for the time being. The renewal of the general mandate is sought to avoid any delay arising from and incurring additional cost in convening a separate general meeting to obtain approval of the shareholders. This authority, unless revoked or varied at a general meeting, will expire at the conclusion of the next AGM of the Company.

   The general mandate, if passed, will enable the Directors to take swift action in case of a need to issue and allot new shares in the Company for fund raising exercises or in the event business opportunities arise which include but not limited to the issuance/placement of shares for purpose of funding current and/or future investment projects, acquisitions and/or for issuance of shares as settlement of purchase consideration, or other circumstances arise which involve grant of rights to subscribe for shares, conversion of any securities into shares, or allotment of shares under an agreement or option or offer, or such other application as the Directors may deem fit in the best interest of the Company.

   The Company issued 7-year Redeemable Convertible Sukuk Murabahah ("**Convertible Sukuk**") of RM100 million in nominal value on 29 December 2020 pursuant to the general mandate obtained from the shareholders at the 28th AGM of the Company held on 30 June 2020.

   The status of utilisation of net proceeds raised from the issuance of Convertible Sukuk, amounting to RM97,981,000 as at 31 March 2021 is as follows:

Description of utilisation	Proposed utilisation RM'000	Actual utilisation RM'000	Balance unutilised RM'000	Estimated timeframe for utilisation
Future investment	95,000	(71,982)	23,018	12 months
General working capital requirements	2,981	-	2,981	12 months
Total	97,981	(71,982)	25,999	

   The Convertible Sukuk holder can convert all or any part of the Convertible Sukuk at a conversion price of RM0.755 into fully paid-up new ordinary shares of the Company at any time from and including the issue date of the Convertible Sukuk and up to 7 years from the issue date. Please refer to the Company's announcement dated 24 September 2020 and subsequent announcements in relation to the Convertible Sukuk for further details. As at the date of this notice, there are no shares issued arising from conversion of the Convertible Sukuk.

6. **Ordinary Resolution 7 – Recurrent Related Party Transactions of a Revenue or Trading Nature**

   The proposed ordinary resolution, if passed, will enable the Company to renew the mandate for the Company and/or its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature with related parties which are necessary for the Group's day-to-day operations and are in the ordinary course of business carried out on an arm's length basis based on normal commercial terms and on terms not more favourable to the related parties than those generally available to the public and are not detrimental to the minority shareholders of the Company, pursuant to the provisions of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The details of the proposal are set out in the Circular to Shareholders dated 30 April 2021, accompanying the Company's Integrated Annual Report for the financial year ended 31 December 2020.

7. **Ordinary Resolution 8 – Share Buy-Back Authority**

   The proposed ordinary resolution, if passed, will enable the Company to renew the mandate to empower the Directors of the Company to exercise the power of the Company to purchase such number of ordinary shares in the Company up to 10% of the total number of issued ordinary shares of the Company by utilising an aggregate amount of the funds not exceeding the retained profits of the Company as at the transaction date of the Proposed Share Buy-Back. This authority will, unless revoked or varied at a general meeting, expires at the conclusion of the next AGM of the Company. The details of the proposal are set out in the Share Buy-Back Statement dated 30 April 2021, accompanying the Company's Integrated Annual Report for the financial year ended 31 December 2020.

NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT

NOTICE IS HEREBY GIVEN THAT the first and final single-tier dividend of 1.66 sen per ordinary share in respect of the financial year ended 31 December 2020, if approved at the Twenty-Ninth Annual General Meeting of Mah Sing Group Berhad ("**Company**"), will be paid on 29 September 2021 to Depositors of ordinary shares registered in the Record of Depositors of the Company on 17 September 2021.

A Depositor shall qualify for entitlement to the dividend only in respect of:

(a) Shares transferred into the Depositor's securities account before 4.30 p.m. on 17 September 2021 in respect of transfers; and

(b) Shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to Rules of Bursa Malaysia Securities Berhad.

BY ORDER OF THE BOARD

YANG BAO LING (SSM PC No. 202008002683) (MAICSA 7041240)
KUAN HUI FANG (SSM PC No. 202008001235) (MIA 16876)
Company Secretaries

Kuala Lumpur
30 April 2021

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

Pursuant to paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, there is no individual seeking election as Director of the Company at this Twenty-Ninth Annual General Meeting.

ADMINISTRATIVE GUIDE FOR THE TWENTY-NINTH ANNUAL GENERAL MEETING OF MAH SING GROUP BERHAD

Date and Time : Wednesday, 30 June 2021 at 10.00 a.m.

Broadcast Venue : Penthouse Suite 1, Wisma Mah Sing, No. 163, Jalan Sungai Besi, 57100 Kuala Lumpur, Malaysia

MODE OF MEETING

1. In light of the Coronavirus Disease 2019 (COVID-19) outbreak and as part of the Company's efforts to curb the spread of COVID-19 and safety measures, the Twenty-Ninth Annual General Meeting of Mah Sing Group Berhad ("**29th AGM**") will be conducted virtually through live streaming from the Broadcast Venue and online remote participation via Remote Participation and Voting ("**RPV**") facilities. This is in line with the Guidance Note on the Conduct of General Meetings for Listed Issuers issued by Securities Commission Malaysia on 5 March 2021, including any amendment that may be made from time to time.

2. The Broadcast Venue is strictly a main venue of the 29th AGM where the Chairperson will be present in compliance with Section 327(2) of the Companies Act 2016. Thus, members, proxies, authorised representatives and attorneys ("**Members**") **WILL NOT BE ALLOWED** to be physically present at the Broadcast Venue on the day of the 29th AGM. Instead, Members who are eligible can attend, participate, speak (including posing questions to the Board of Directors via real time submission of typed texts) and vote (collectively, "**Participate**") remotely at the 29th AGM via the RPV provided by Tricor Investor & Issuing House Services Sdn Bhd ("**Tricor**") via its **TIIH Online website at https://tiih.online**.

3. Due to the constant evolving COVID-19 situation in Malaysia, we may be required to change the arrangements of the 29th AGM at short notice. Kindly check the Company's website or announcements for the latest updates on the status of the 29th AGM. The Company will continue to observe the guidelines issued by the Ministry of Health and will take all relevant precautionary measures as advised.

COMMUNICATION WITH THE BOARD OF DIRECTORS OF THE COMPANY

4. In order to enhance the efficiency of the proceedings of the 29th AGM, Members may in advance, before the 29th AGM, submit questions to the Board of Directors via Tricor's TIIH Online website at https://tiih.online, by selecting "e-Services" to login, pose questions and submit electronically **no later than 28 June 2021** or to use the query box to transmit questions to the Board of Directors via RPV during live streaming. The Board of Directors will endeavor to response to the relevant questions received at the 29th AGM.

REMOTE PARTICIPATION AND VOTING

5. Members are to Participate remotely at the 29th AGM using RPV provided by Tricor via its TIIH Online website at https://tiih.online. Please refer to the Procedures for RPV.

6. **A member who has appointed a proxy or authorised representative or attorney to Participate at this 29th AGM via RPV must request his/her proxy or authorised representative or attorney to register himself/herself for the RPV at TIIH Online website at https://tiih.online. Please refer to the Procedures for RPV.**

7. As the 29th AGM is a fully virtual AGM, members who are unable to Participate in the 29th AGM may appoint the Chairperson of the Meeting as his/her proxy and indicate the voting instructions in the proxy form.

ADMINISTRATIVE GUIDE FOR THE TWENTY-NINTH ANNUAL GENERAL MEETING OF MAH SING GROUP BERHAD
(CONT'D)

PROCEDURES FOR RPV

8. Members, proxies, corporate representatives or attorneys who wish to Participate the 29th AGM remotely using the RPV are advised to read and follow the requirements and procedures as summarised below:

PROCEDURES	ACTIONS
BEFORE THE DAY OF THE 29th AGM	
(a) Register as a user with TIIH Online	• Using your computer, access the website at https://tiih.online. Register as a user under "e-Services" select "Create Account by **Individual Holder**". Please refer to the tutorial guide posted on the homepage for assistance. • Registration as a user will be approved within one working day and you will be notified via email. • If you are already a user with TIIH Online, you are not required to register again. You will receive an e-mail to notify you that the remote participation is available for registration at TIIH Online.
(b) Submit your request to attend 29th AGM remotely	• Registration is open from **10.00 a.m. on Friday, 30 April 2021 until the day of 29th AGM on Wednesday, 30 June 2021**. Members, proxies, corporate representatives or attorneys are required to pre-register their attendance for the 29th AGM to ascertain their eligibility to participate at the 29th AGM using the RPV. • To register for RPV, visit the TIIH Online website and login in with your user ID (i.e. email address) and password and select the corporate event: "(**REGISTRATION**) **MAH SING GROUP BERHAD 29TH AGM**". • Read and agree to the Terms & Conditions and confirm the Declaration. • Select "Register for Remote Participation and Voting". • Review your registration and proceed to register. • The system will send an **e-mail to notify** that your registration for the remote participation is received and will be verified. • After verification of your registration against the General Meeting Record of Depositors dated 23 June 2021, the system will send you an e-mail **after 28 June 2021** to approve or reject your registration for remote participation. **(Note: Please allow sufficient time for approval of new user of TIIH Online as well as the registration for RPV)**
ON THE DAY OF THE 29th AGM (30 JUNE 2021)	
(c) Login to TIIH Online	• To participate in the 29th AGM, visit the TIIH Online website and log in with your user ID and password at any time **from 9.00 a.m.** i.e. 1 hour before the commencement of the meeting **on Wednesday, 30 June 2021 at 10.00 a.m.**
(d) Participate through live streaming	• Select the corporate event: "(**LIVE STREAM MEETING**) **MAH SING GROUP BERHAD 29TH AGM**" to engage in the proceedings of the 29th AGM remotely. • If you have any question for the Board of Directors, you may use the query box to transmit your question. The Board will endeavor to respond to the questions submitted by the remote participants during the 29th AGM.

ADMINISTRATIVE GUIDE FOR THE TWENTY-NINTH ANNUAL GENERAL MEETING OF MAH SING GROUP BERHAD (CONT'D)

PROCEDURES	ACTIONS
ON THE DAY OF THE 29th AGM (30 JUNE 2021)	
(e) Online remote voting	• Voting session commences from 10.00 a.m. on Wednesday, 30 June 2021 until a time when the Chairperson announces the completion of the voting session at the 29th AGM venue. • Select the corporate event: "(**REMOTE VOTING**) **MAH SING GROUP BERHAD 29TH AGM**" or if you are on the live stream meeting page, you can select "**GO TO REMOTE VOTING PAGE**" button below the Query Box. • Read and agree to the Terms & Conditions and confirm the Declaration. • Select the CDS account that represents your shareholdings. • Indicate your votes for the resolutions that are tabled for voting. • Confirm and submit your votes.
(f) End of remote participation	• Upon the announcement by the Chairperson on the conclusion of the 29th AGM, the live streaming will end.

Note to users of the RPV:

(i) Should your registration for the RPV be approved, we will make available to you the rights to join the live stream meeting and to vote remotely. Your login to TIIH Online on the day of meeting will indicate your presence at the virtual meeting.

(ii) The quality of your connection to the live broadcast is dependent on the bandwidth and stability of the internet at your location and the device you use.

(iii) In the event you encounter any issues with logging-in, connection to the live stream meeting or voting online on the day of meeting, kindly call Tricor Help Line at 011-4080 5616 / 011-4080 3168 / 011-40803169 / 011-40803170 or e-mail to tiih.online@my.tricorglobal.com for assistance.

ENTITLEMENT TO ATTEND AND VOTE

9. Only a member whose name appears on the Record of Depositor as at **23 June 2021** shall be entitled to attend and vote or appoint proxies or corporate representatives or attorneys to attend and/or vote on his/her behalf in the 29th AGM via RPV at TIIH Online website at https://tiih.online.

10. If you wish to personally Participate in the 29th AGM, please do not submit any Form of Proxy. You will not be allowed to Participate in the 29th AGM together with a proxy appointed by you.

11. If you have submitted your Form of Proxy prior to the 29th AGM and subsequently decide to personally Participate in the 29th AGM, please proceed to register yourself for RPV at TIIH Online website at https://tiih.online.

APPOINTMENT OF PROXY, CORPORATE REPRESENTATIVE OR ATTORNEY

12. As the 29th AGM is a fully virtual AGM, members who are unable to Participate in the 29th AGM may appoint the Chairperson of the Meeting as his/her proxy and indicate the voting instructions in the proxy form.

13. Members who appoint proxy(ies) to Participate via RPV at the 29th AGM must ensure that the duly executed Forms of Proxy are deposited in its hard copy form or by electronic means to Tricor not less than forty-eight (48) hours before the time appointed for holding the 29th AGM i.e. Monday, 28 June 2021 at 10.00 a.m. or any adjournment thereof, otherwise the Form of Proxy shall not be treated as valid.

ADMINISTRATIVE GUIDE FOR THE TWENTY-NINTH ANNUAL GENERAL MEETING OF MAH SING GROUP BERHAD
(CONT'D)

The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner:

(a) In hard copy form

In the case of an appointment made in hard copy form, the **original Form of Proxy** must be deposited at the office of the Share Registrar of the Company, Tricor Investor & Issuing House Services Sdn. Bhd. at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia, or its Customer Service Centre, Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia.

(b) By electronic form

The Form of Proxy can be electronically submitted to the Share Registrar of the Company via TIIH Online website at https://tiih.online. Kindly refer to the Procedures for Electronic Lodgement of Form of Proxy.

Please ensure **ALL** the particulars as required in the Form of Proxy are completed, signed and dated accordingly.

14. For a **corporate member** who has appointed a corporate representative, must deposit the **original** certificate of appointment of corporate representative at the office of the Share Registrar of the Company, Tricor Investor & Issuing House Services Sdn. Bhd. at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia, or its Customer Service Centre, Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia not later than Monday, 28 June 2021 at 10.00 a.m. to Participate via RPV in the 29th AGM.

The certificate of appointment of corporate representative should be executed in the following manner:

(a) If the corporate member has a common seal, the certificate of appointment should be executed under seal in accordance with the constitution of the corporate member.

(b) If the corporate member does not have a common seal, the certificate of appointment should be affixed with the rubber stamp of the corporate member (if any) and executed by:

(i) at least two (2) authorised officers, of whom one shall be a director; or

(ii) any director and/or authorised officers in accordance with the laws of the country under which the corporate member is incorporated.

15. Any authority pursuant to which such an appointment is made by a **power of attorney** must be deposited at the office of the Company's Share Registrar stated in item 14 above not later than Monday, 28 June 2021 at 10.00 a.m. to Participate via RPV in the 29th AGM. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.

PROCEDURES FOR ELECTRONIC LODGEMENT OF FORM OF PROXY

16. Procedures to lodge your Form of Proxy electronically via Tricor's TIIH Online website at https://tiih.online are summarised below:

PROCEDURES	ACTIONS
(i) Steps for individual shareholders	
(a) Register as a user with TIIH Online	• Using your computer, please access the TIIH Online website at https://tiih.online. Register as a user under "e-Services". You may refer to the tutorial guide posted on the homepage for assistance. • If you are already a user with TIIH Online, you are not required to register again.

ADMINISTRATIVE GUIDE FOR THE TWENTY-NINTH ANNUAL GENERAL MEETING OF MAH SING GROUP BERHAD (CONT'D)

PROCEDURES	ACTIONS
(b) Proceed with submission of Form of Proxy	• After the release of the Notice of the 29th AGM by the Company, login with your user name (i.e. email address) and password. • Select the corporate event: "**Mah Sing Group Berhad 29th AGM: Submission of Proxy Form**". • Read and agree to the Terms & Conditions and confirm the Declaration. • Insert your CDS account number and indicate the number of shares for your proxy(ies) to vote on your behalf. • Appoint your proxy(ies) and insert the required details of your proxy(ies) or appoint the Chairperson as your proxy. • Indicate your voting instructions – FOR or AGAINST, otherwise your proxy(ies) will decide your votes. • Review and confirm your proxy(ies) appointment. • Print the Form of Proxy for your record.
ii. Steps for corporation or institutional shareholders	
(a) Register as a User with TIIH Online	• Access TIIH Online at https://tiih.online • Under e-Services, the authorised or nominated representative of the corporation or institutional shareholders selects "**Create Account by Representative of Corporate Holder**". • Complete the registration form and upload the required documents. • Registration will be verified, and you will be notified by email within one (1) to two (2) working days. • Proceed to activate your account with the temporary password given in the email and re-set your own password. (Note: The representative of a corporation or institutional shareholder must register as a user in accordance with the above steps before he/she can subscribe to this corporate holder electronic proxy submission. Please contact our Share Registrar if you need clarifications on the user registration)
(b) Proceed with submission of form of proxy	• Login to TIIH Online at https://tiih.online • Select the corporate exercise name: "**Mah Sing Group Berhad 29th AGM: Submission of Proxy Form**". • Agree to the Terms & Conditions and Declaration. • Proceed to download the file format for "Submission of Proxy Form" in accordance with the Guidance Note set therein. • Prepare the file for the appointment of proxies by inserting the required data. • Login to TIIH Online, select corporate exercise name: "**Mah Sing Group Berhad 29th AGM: Submission of Proxy Form**". • Proceed to upload the duly completed proxy appointment file. • Select "Submit" to complete your submission. • Print the confirmation report of your submission for your record.

ADMINISTRATIVE GUIDE FOR THE TWENTY-NINTH ANNUAL GENERAL MEETING OF MAH SING GROUP BERHAD
(CONT'D)

VOTING AT THE 29TH AGM

17. The voting at the 29th AGM will be conducted by poll in accordance with Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The Company has appointed Tricor Investor & Issuing House Services Sdn Bhd as the Poll Administrator to conduct the poll voting electronically and Asia Securities Sdn Berhad as Independent Scrutineers to verify the poll results.

18. Members, proxies, corporate representatives or attorneys can proceed to vote on the resolutions at any time from Wednesday, 30 June 2021 at 10.00 a.m. but before end of the voting session which will be announced by the Chairperson of the Meeting. Kindly refer to the guidance on how to vote remotely via TIIH Online website at https://tiih.online as provided in item (e) of the above sub-section "Procedures for RPV".

19. Upon completion of the voting session for the 29th AGM, the Independent Scrutineers will verify and announce the poll results. The resolutions proposed at the 29th AGM and the results of the voting will be announced at the 29th AGM by the Chairperson and/or the Secretary and subsequently via an announcement made by the Company through Bursa Malaysia Securities Berhad at www.bursamalaysia.com.

INTEGRATED ANNUAL REPORT 2020 AND OTHER DOCUMENTS

20. As part of our dedicated commitment to sustainable practices, the following documents can be downloaded from the Company's website https://www.mahsing.com.my/investor-relations/general-meeting-documents

    (a) Integrated Annual Report 2020
    (b) Circular to Shareholders in relation to the Proposed Renewal of Recurrent Related Party Transactions and Share Buy-Back Statement
    (c) Sustainability Report 2020

21. If you wish to obtain a printed copy of the Integrated Annual Report 2020, Circular to Shareholders and Share Buy-Back Statement, you may submit an online request to the Share Registrar, Tricor's website at https://tiih.online by selecting "Request for Annual Report/Circular" under the "Investor Services". However, please consider the environment before you decide to request for the printed copy. The environmental concerns like global warming, deforestation and climate change affect human, animal and nation.

NO BREAKFAST/LUNCH PACKS AND DOOR GIFT

22. There will be no distribution of breakfast or lunch packs and door gifts for members, proxies, corporate representatives or attorneys who attend or participate at the virtual AGM.

RECORDING OR PHOTOGRAPHY

23. Strictly **NO** unauthorised recording or photography of the proceedings of the 29th AGM is allowed.

ENQUIRY

24. If you have any general queries prior to the 29th AGM, please contact our Share Registrar at any numbers below during office hours on Mondays to Fridays from 9.00 a.m. to 5.30 p.m. (except on public holidays):-

    Tricor Investor & Issuing House Services Sdn. Bhd.
    Registration No. 197101000970 (11324-H)
    Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South,
    No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia

General Line	: +603-2783 9299
Fax Number	: +603-2783 9222
Email	: is.enquiry@my.tricorglobal.com
Contact persons	: Cik Nur Qaisara Naaila +603-2783 9272 (Nur.Qaisara.Naaila@my.tricorglobal.com) Puan Nor Faeayzah +603-2783 9274 (Nor.Faeayzah@my.tricorglobal.com)

MahSing
Reinvent Spaces. Enhance Life.

MAH SING GROUP BERHAD
Registration No. 199101019838 (230149-P)

CDS Account No.	No. of ordinary shares held

FORM OF PROXY
(Before completing the form please refer to the notes below)

I/We_____ Tel:_____
[Full name in block and as per NRIC/Passport/Company No.]

of _____
[Full address]
being member(s) of Mah Sing Group Berhad, hereby appoint:

Full Name (in Block and as per NRIC/Passport)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

and

Full Name (in Block and as per NRIC/Passport)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

or failing him/her, the Chairperson of the Meeting as my/our proxy, to attend and to vote for me/us on my/our behalf, at the Twenty-Ninth Annual General Meeting of the Company ("**29th AGM**") which will be conducted fully virtual through live streaming from the broadcast venue at Penthouse Suite 1, Wisma Mah Sing, No. 163, Jalan Sungai Besi, 57100 Kuala Lumpur ("**Broadcast Venue**") on Wednesday, 30 June 2021 at 10.00 a.m. or any adjournment thereof, on the following resolutions referred to in the notice of the 29th AGM.

My/our proxy is to vote as indicated below:

NO.	ORDINARY RESOLUTIONS	FOR	AGAINST
1	Declaration of first and final single-tier dividend		
2	Payment of Directors' fees		
3	Re-election of Tan Sri Dato' Sri Leong Hoy Kum as Director		
4	Re-election of Abd Malik Bin A Rahman as Director		
5	Re-appointment of Deloitte PLT as Auditors and to authorise the Directors to fix their remuneration		
6	Authority to allot shares pursuant to Sections 75 and 76 of the Companies Act 2016		
7	Proposed renewal of Shareholders' Mandate as specified in Section 2.3.1 of the Circular to Shareholders dated 30 April 2021		
8	Proposed renewal of share buy-back authority		

(Please indicate with an "X" in the space provided whether you wish your votes to be cast for or against the resolutions. In the absence of specific direction, your proxy will vote or abstain as he/she thinks fit).

Dated this _____day of_____ 2021

_____
Signature: Member or Common Seal of the Appointor

Notes:

1. **IMPORTANT NOTICE**
   In light of the Coronavirus Disease 2019 (COVID-19) outbreak and as part of the safety measures, the Twenty-Ninth Annual General Meeting of the Company ("**29th AGM**") will be conducted virtually through live streaming from the Broadcast Venue and online remote participation via Remote Participation and Voting ("**RPV**") facilities provided by Tricor Investor & Issuing House Services Sdn Bhd ("**Tricor**") via its TIIH Online website at https://tiih.online.

   The Broadcast Venue is strictly a main venue of the 29th AGM where the Chairperson will be present in compliance with Section 327(2) of the Companies Act, 2016. Thus, members, proxies, authorised representatives and attorneys ("**Members**") **WILL NOT BE ALLOWED** to be physically present at the Broadcast Venue on the day of the 29th AGM. Instead, Members who are eligible can attend, participate, speak (including posing questions to the Board of Directors via real time submission of typed texts) and vote (collectively, "**Participate**") remotely at the 29th AGM via the RPV provided by Tricor.

   Please read these Notes carefully and follow the procedures in the Administrative Guide for the 29th AGM in order to Participate via RPV.

2. Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in the Notice of the 29th AGM of the Company shall be put to vote by way of a poll.

3. In respect of deposited securities, only members whose names appear in the **Record of Depositors** as at **23 June 2021** shall be entitled to Participate remotely via RPV at the 29th AGM or appoint proxy(ies) to Participate on his/her behalf.

4. A member who is entitled to Participate at the 29th AGM via RPV may appoint not more than two (2) proxies (or in case of a corporation, to appoint authorised representatives) to attend and vote in his/her stead. There shall be no restriction as to the qualification of the proxy.

5. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 ("**SICD**"), it may appoint not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.

6. Where a member of the Company is an exempt authorised nominee as defined under SICD which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account (omnibus account), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

7. Where a member or the authorised nominee appoints more than one (1) proxy (subject always to a maximum of two (2) proxies of each meeting), or where an exempt authorised nominee appoints two (2) or more proxies, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.

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8. The instrument appointing a proxy shall be in writing signed by the appointor or his/her attorney duly authorised in writing or, if the appointor is a corporation, either under its common seal or under the hand of its officer or of its attorney duly authorised.

9. A member who has appointed a proxy or attorney or authorised representative to Participate at this 29th AGM via RPV must request his/her proxy or attorney or authorised representative to register himself/herself for RPV via TIIH Online website at https://tiih.online. Please follow the **Procedures for RPV** in the Administrative Guide for the 29th AGM.

10. The Form of Proxy shall be deposited at the office of the Company's Share Registrar, Tricor Investor & Issuing House Services Sdn. Bhd. at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia, or its Customer Service Centre, Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia OR submit the Form of Proxy electronically via TIIH Online website at https://tiih.online, not less than forty-eight (48) hours before the time for holding this 29th AGM or any adjournment thereof. Please refer to the **Procedure for Electronic Lodgement of Form of Proxy** in the Administrative Guide for the 29th AGM.

11. A corporate representative duly appointed by a corporate member must deposit the **original** certificate of appointment of corporate representative or in case of an attorney duly appointed pursuant to a power of attorney, must deposit a **notarially certified copy** of that power of attorney, at the office of the Company's Share Registrar stated in item 10 above, not less than forty-eight (48) hours before the time for holding this 29th AGM or any adjournment thereof. Please refer to the **Appointment of Proxy, Corporate Representative or Attorney** in the Administrative Guide for the 29th AGM for further details.

12. Due to the constant evolving COVID-19 situation in Malaysia, we may be required to change the arrangements of the 29th AGM at short notice. Kindly check the Company's website or announcements for the latest updates on the status of the 29th AGM. The Company will continue to observe the guidelines issued by the Ministry of Health and will take all relevant precautionary measures as advised.

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Postage
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The Share Registrar of Mah Sing Group Berhad [199101019838 (230149-P)]
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