

**MUAR BAN LEE GROUP BERHAD**  
**[Company No: 200601033829 (753588-P)]**  
**(Incorporated in Malaysia)**

**REPORTS AND FINANCIAL STATEMENTS**

**31 DECEMBER 2021**

**Registered office:**  
**85, Muntri Street**  
**10200 Penang**

**Principal place of business:**  
**JR52, Lot 1818, Jalan Raja**  
**Kawasan Perindustrian Bukit Pasir**  
**84300 Muar, Johor**

**MUAR BAN LEE GROUP BERHAD**  
(Incorporated in Malaysia)

**REPORTS AND FINANCIAL STATEMENTS**

**31 DECEMBER 2021**

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**MUAR BAN LEE GROUP BERHAD**

(Incorporated in Malaysia)

**DIRECTORS' REPORT**

The Directors have pleasure in submitting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2021.

**Principal Activities**

The principal activity of the Company is investment holding company. The principal activities of its subsidiary companies are disclosed in Note 8 to the financial statements.

**Financial Results**

	<b>Group RM</b>	<b>Company RM</b>
Profit/(Loss) for the financial year		
- Continuing operations	19,240,933	(76,033)
- Discontinued operation	(1,085,503)	-
	<u>18,155,430</u>	<u>(76,033)</u>
Attributable to:		
- Owners of the parent	17,143,622	(76,033)
- Non-controlling interests	1,011,808	-
	<u>18,155,430</u>	<u>(76,033)</u>

**Reserves and Provisions**

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

**Dividends**

There were no dividends proposed, declared or paid by the Company since the end of the previous financial year. The Board of Directors does not recommend any dividend in respect of the current financial year.

### **Issue of Shares and Debentures**

During the financial year, the Company increased its issued and paid up share capital through the issuance of 23,729,000 new ordinary shares pursuant to the private placement exercise at issue price RM0.3271 per ordinary shares.

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

There was no issuance of debentures during the financial year.

### **Treasury Shares**

During the financial year, the Company repurchased 175,500 ordinary shares of RM0.34 each of its issued share capital from the open market. The total consideration paid for the repurchase, excluding transaction costs was RM59,670. The repurchased transactions were financed by internal generated funds. The shares repurchased are being held as treasury shares in accordance with Section 127 of the Companies Act, 2016 in Malaysia.

As of 31 December 2021, Company held 16,191,100 shares out of the total 248,309,400 issued ordinary shares. Further relevant details are disclosed in Note 20 to the financial statements.

### **Options Granted Over Unissued Shares**

No options were granted to any person to take up unissued shares of the Company during the financial year.

### **Warrants**

The Company had issued 46,000,000 warrants which were listed on Bursa Malaysia Securities Berhad on 3 December 2012 in conjunction with the right issue on the basis of one (1) warrant for every two (2) existing shares.

The warrants are constituted by a Deed Poll dated 12 December 2012 executed by the Company. Each warrant entitled the registered holder during the exercise period to subscribe for one new ordinary share at the exercise price of RM0.80 per share, subject to adjustment in accordance with the provision of the Deed Poll.

The salient features of the warrants are as disclosed in Note 22 to the financial statements.

As at 31 December 2021, the outstanding number of warrants was 69,673,560.

## **Directors**

The Directors in office during the financial year until the date of this report are:

Dato' Chua Ah Ba @ Chua Eng Ka \*  
Chua En Hom \*  
Dato' Chua Heok Wee \*  
Tan Sri Dato' Seri Tan King Tai @ Tan Khoon Hai \*  
Khairilnuar Bin Tun Abdul Rahman \*  
Datuk Rajendran A/L P Narayanasamy  
Tan Soo Mooi  
Chua Kang Sing  
Ng Mei Wan (Appointed on 4 October 2021)

The Directors who held office in the subsidiary companies (excluding Directors who are also Directors of the Company) during the financial year up to the date of this report:

Abdullah Bin Mohd Omar  
Kong Kwai Ching  
Sian  
Zairaz Bin Ismail

\* Director of the Company and its subsidiary companies

The information required to be disclosed pursuant to Section 253 of the Companies Act, 2016 in Malaysia is deemed incorporated herein by such reference to the financial statements of the respective subsidiary companies and made a part hereof.

**Directors' Interests in Shares**

The interests and deemed interests in the shares of the Company and of its related corporations (other than wholly owned subsidiary companies) of those who were Directors at financial year end (including their spouses or children) according to Register of Directors' Shareholdings are as follows:

	<b>Number of ordinary shares</b>			<b>At 31.12.2021</b>
	<b>At 01.01.2021</b>	<b>Addition</b>	<b>Disposed</b>	
<b>Interest in the holding company (MBL Realty Sdn. Bhd.)</b>				
<b>Direct Interests</b>				
Dato' Chua Ah Ba @ Chua Eng Ka	40,000	-	-	40,000
Chua En Hom	20,000	-	-	20,000
Dato' Chua Heok Wee	20,000	-	-	20,000
Chua Kang Sing	20,000	-	-	20,000
<b>Indirect Interests</b>				
Dato' Chua Ah Ba @ Chua Eng Ka #	20,000	-	-	20,000
<b>Interests in the Company</b>				
<b>Direct Interests</b>				
Dato' Chua Ah Ba @ Chua Eng Ka	1,732,000	-	-	1,732,000
Chua En Hom	300,000	-	-	300,000
Dato' Chua Heok Wee	300,000	-	-	300,000
Tan Sri Dato' Seri Tan King Tai @ Tan Khoon Hai	12,894,200	-	-	12,894,200
Khairilnunar Bin Tun Abdul Rahman	100,000	-	-	100,000
<b>Indirect Interests</b>				
Dato' Chua Ah Ba @ Chua Eng Ka #*	84,202,960	-	-	84,202,960
Chua En Hom #*	83,902,960	-	-	83,902,960
Dato' Chua Heok Wee *	83,902,960	-	-	83,902,960
Chua Kang Sing ^*	83,902,960	-	-	83,902,960
Tan Sri Dato' Seri Tan King Tai @ Tan Khoon Hai #	6,702,400	-	-	6,702,400

# deemed interest by virtue of shares held by spouse/children.

\* deemed interest by virtue of the shareholdings in the holding company.

By virtue of their interests in the shares of the Company, Dato' Chua Ah Ba @ Chua Eng Ka, Chua En Hom and Chua Heok Wee are also deemed interested in the shares of all the subsidiary companies during the financial year to the extent that the Company has an interest under Section 8 of the Companies Act, 2016 in Malaysia.

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

### **Directors' Benefits**

Since the end of the previous financial year, no Director of the Company has received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of remuneration received or due and receivable by Directors as shown in Note 39(c) to the financial statements) by reason of a contract made by the Company or a related corporations 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, other than certain Directors who have significant financial interests in companies which traded with certain companies in the Group in the ordinary course of business and secretary fee paid to a firm in which a Director is a member as disclosed in Note 39(b) to the financial statements.

Neither during nor at the end of the financial year, was the Company a party to any arrangement whose object was to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

### **Indemnity and Insurance Costs**

During the financial year, the total amount of indemnity coverage paid for the Directors and officers of the Company were RM5,000,000. No indemnity was given to or insurance effected for auditors of the Company.

### **Other Statutory Information**

- (a) Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps:
  - (i) to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that adequate allowance had been made for doubtful debts and there were no bad debts to be written off; and
  - (ii) 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 have been written down to an amount which the current asset might be expected so to realise.
- (b) At the date of this report, the Directors are not aware of any circumstances:
  - (i) which would render it necessary to write off any bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or
  - (ii) which would render the values attributed to the current assets in the financial statements of the Group and of the Company misleading; or
  - (iii) not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading; or

### **Other Statutory Information (Cont'd)**

- (b) At the date of this report, the Directors are not aware of any circumstances (Cont'd):
- (iv) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.
- (c) At the date of this report, there does not exist:
- (i) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
  - (ii) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.
- (d) In the opinion of the Directors:
- (i) no contingent liability or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group and of the Company to meet its obligations as and when they fall due;
  - (ii) the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and
  - (iii) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

### **Holding Company**

The Directors regard MBL Realty Sdn. Bhd., company incorporated in Malaysia, as the holding company.

### **Subsidiary Companies**

The details of the subsidiary companies are disclosed in Note 8 to the financial statements.

### **Significant Events**

The significant events are disclosed in Note 43 to the financial statements.

### **Subsequent Events**

The subsequent events are disclosed in Note 44 to the financial statements.

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**Auditors**

The Auditors, Messrs. UHY, have expressed their willingness to continue in office.

The details of auditors' remuneration are set out in Note 33 to the financial statements.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 25 April 2022.

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DATO' CHUA AH BA @ CHUA ENG KA

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CHUA EN HOM

KUALA LUMPUR

Company No. 200601033829 (753588-P)

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**MUAR BAN LEE GROUP BERHAD**

(Incorporated in Malaysia)

**STATEMENT BY DIRECTORS**

**Pursuant to Section 251(2) of the Companies Act, 2016**

We, the undersigned, being two of the Directors of the Company, do hereby state that, in the opinion of the Directors, the accompanying financial statements of the Group and of the Company are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2021 and of their financial performance and the cash flows for the financial year then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 25 April 2022.

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DATO' CHUA AH BA @ CHUA ENG KA

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CHUA EN HOM

KUALA LUMPUR

Company No. 200601033829 (753588-P)

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**MUAR BAN LEE GROUP BERHAD**

(Incorporated in Malaysia)

**STATUTORY DECLARATION**

**Pursuant to Section 251(1) of the Companies Act, 2016**

I, DATO' CHUA AH BA @ CHUA ENG KA, being the Director primarily responsible for the financial management of Muar Ban Lee Group Berhad, do solemnly and sincerely declare that to the best of my knowledge and belief, the accompanying financial statements of the Group and of the Company 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.

Subscribed and solemnly declared by the )  
abovenamed at Kuala Lumpur in the )  
Federal Territory on 25 April 2022. )

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DATO' CHUA AH BA @ CHUA ENG KA

Before me,

No. W790  
ZAINUL ABIDIN BIN AHMAD

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Commissioner for Oaths

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
MUAR BAN LEE GROUP BERHAD**

[Company No.: 200601033829 (753588-P)]  
(Incorporated in Malaysia)

**Report on the Audit of the Financial Statements**

**Opinion**

We have audited the financial statements of Muar Ban Lee Group Berhad, which comprise the statements of financial position as at 31 December 2021 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 16 to 129.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2021, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

**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 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 Standard)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and IESBA Code.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
MUAR BAN LEE GROUP BERHAD (CONT'D)**

[Company No.: 200601033829 (753588-P)]

(Incorporated in Malaysia)

**Key Audit Matter**

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matter.

<b>Key Audit Matter</b>	<b>How we addressed the key audit matters</b>
<p><b>Impairment of trade receivables</b></p> <p>The carrying amount of the Group's trade receivables was amounted to RM29,820,251. During the financial year, the Group assessed the impairment of trade receivables and the assessment of impairment involves significant estimation uncertainty subjective assumptions and the application of significant judgement.</p>	<p>We obtained an understanding and evaluated the appropriateness of the Group's policy on management of credit risk and its credit exposures.</p> <p>We enquired with management regarding the recoverability of trade receivables that are past due but not impaired and reviewed customers' correspondence.</p> <p>We assessed the reasonableness of the methods and assumptions used by management in estimating the recoverable amount and impairment loss.</p> <p>We tested the accuracy and completeness of the data used by the management.</p> <p>We evaluated subsequent year end receipts and recoverability of outstanding trade receivables.</p>

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
MUAR BAN LEE GROUP BERHAD (CONT'D)**

[Company No.: 200601033829 (753588-P)]  
(Incorporated in Malaysia)

**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 annual report but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

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

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

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

**Responsibilities of Directors for the Financial Statements**

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

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

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MUAR BAN LEE GROUP BERHAD (CONT'D)**

[Company No.: 200601033829 (753588-P)]  
(Incorporated in Malaysia)

### **Auditors' Responsibilities for the Audit of the Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
MUAR BAN LEE GROUP BERHAD (CONT'D)**

[Company No.: 200601033829 (753588-P)]  
(Incorporated in Malaysia)

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

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

**Report on Other Legal and Regulatory Requirements**

In accordance with the requirements of the Companies Act, 2016 in Malaysia, we report that the subsidiary company of which we have not acted as auditors, are disclosed in Note 8 to the financial statements.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
MUAR BAN LEE GROUP BERHAD (CONT'D)**

[Company No.: 200601033829 (753588-P)]  
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**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.

UHY

Firm Number: AF 1411

Chartered Accountants

ANG KAI SING

Approved Number: 03605/10/2023 J

Chartered Accountant

KUALA LUMPUR

25 April 2022

**MUAR BAN LEE GROUP BERHAD**

(Incorporated in Malaysia)

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2021**

	Note	2021 RM	2020 RM
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4	69,725,623	58,011,441
Investment properties	5	625,000	630,000
Intangible assets	6	409,242	23,280,350
Right-of-use assets	7	3,332,903	9,438,027
Other investment	9	875	14,705,590
Investment in associate	10	76,066,113	-
Deferred tax assets	11	522,671	395,525
		<u>150,682,427</u>	<u>106,460,933</u>
<b>Current assets</b>			
Inventories	12	38,370,866	29,175,891
Biological assets	13	-	66,266
Trade receivables	14	29,820,251	23,252,775
Other receivables	15	43,354,523	52,997,073
Tax recoverable		6,334,951	4,243,232
Deposits, bank and cash balances	17	35,644,889	24,865,647
		<u>153,525,480</u>	<u>134,600,884</u>
Assets classified as held for sales	18	29,447,635	-
		<u>182,973,115</u>	<u>134,600,884</u>
<b>TOTAL ASSETS</b>		<u><u>333,655,542</u></u>	<u><u>241,061,817</u></u>

**MUAR BAN LEE GROUP BERHAD**

(Incorporated in Malaysia)

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2021 (CONT'D)**

	Note	2021 RM	2020 RM
<b>EQUITY</b>			
Share capital	19	75,394,738	67,632,982
Treasury shares	20	(9,113,542)	(9,053,872)
Revaluation reserve	21	6,198,829	6,270,907
Discount on shares	22	(10,102,666)	(10,102,666)
Warrant reserves	22	13,586,344	13,586,344
Fair value adjustment reserve	23	(40)	5,475,007
Foreign currency translation reserve	24	(685,219)	(896,568)
Retained earnings	25	70,180,258	82,875,688
<b>Equity attributable to owners of the parent</b>		<u>145,458,702</u>	<u>155,787,822</u>
Non-controlling interests		9,064,449	7,849,580
<b>TOTAL EQUITY</b>		<u>154,523,151</u>	<u>163,637,402</u>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Finance lease liabilities	26	5,043,205	4,718,731
Right-of-use lease liabilities	27	2,508,297	8,978,173
Bank borrowings	28	49,687,771	3,456,975
Deferred tax liabilities	11	2,186,179	2,661,350
		<u>59,425,452</u>	<u>19,815,229</u>
<b>Current liabilities</b>			
Finance lease liabilities	26	1,071,261	812,202
Right-of-use lease liabilities	27	979,290	624,400
Bank borrowings	28	15,261,034	4,338,711
Trade payables	29	23,243,704	12,888,403
Other payables	30	70,840,642	38,945,470
Provision for taxation		2,319,232	-
		<u>113,715,163</u>	<u>57,609,186</u>
Liabilities classified as held for sale	18	5,991,776	-
		<u>119,706,939</u>	<u>57,609,186</u>
<b>TOTAL LIABILITIES</b>		<u>179,132,391</u>	<u>77,424,415</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>333,655,542</u>	<u>241,061,817</u>

The accompanying notes form an integral part of the financial statements.

**MUAR BAN LEE GROUP BERHAD**

(Incorporated in Malaysia)

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND  
OTHER COMPREHENSIVE INCOME  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021**

	Note	2021 RM	2020 RM (Restated)
Revenue	31	340,625,721	215,898,294
Cost of sales		(293,035,490)	(172,311,094)
Gross profit		47,590,231	43,587,200
Other income		4,251,269	2,175,868
Distribution and administrative expenses		(34,297,849)	(29,151,974)
Net (loss)/gain on impairment of financial instruments		(43,049)	731,765
<b>Profit from operations</b>		17,500,602	17,342,859
Finance costs	32	(1,619,897)	(378,327)
Share of results of associate		9,998,819	-
<b>Profit before tax</b>	33	25,879,524	16,964,532
Taxation	35	(6,638,591)	(4,737,177)
<b>Profit from continuing operations</b>		19,240,933	12,227,355
<b>Discontinued operation</b>			
Loss from discontinued operation, net of tax		(1,085,503)	(1,495,848)
<b>Profit for the year</b>		18,155,430	10,731,507
<b>Profit for the financial year attributable to:</b>			
Owners of the parent		17,143,622	9,770,235
Non-Controlling interests		1,011,808	961,272
		18,155,430	10,731,507
<b>Earnings per share (cent)</b>			
Basic	36(a)		
- from continuing operations		8.73	5.46
- from discontinued operation		(0.52)	(0.73)
		8.21	4.73
Diluted	36(b)		
- from continuing operations		8.00	4.88
- from discontinued operation		(0.47)	(0.65)
		7.53	4.23

**MUAR BAN LEE GROUP BERHAD**

(Incorporated in Malaysia)

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND  
OTHER COMPREHENSIVE INCOME  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)**

	Note	2021 RM	2020 RM (Restated)
<b>Profit for the financial year</b>		18,155,430	10,731,507
<b>Other comprehensive (loss)/income</b>			
<b>Items that will not be reclassified</b>			
<b>subsequently to profit or loss, net of tax</b>			
- Realisation of revaluation surplus upon depreciation		72,078	72,078
- Transfer of revaluation reserve to retained earnings		(72,078)	(72,078)
- Net change in fair value of equity instrument designated at fair value through other comprehensive income ("FVOCI")		(35,386,177)	4,724,446
		(35,386,177)	4,724,446
<b>Items that is or may be reclassified</b>			
<b>subsequently to profit or loss</b>			
Exchange translation differences for foreign operations		414,410	(523,428)
<b>Other comprehensive (loss)/income for the financial year</b>		(34,971,767)	4,201,018
<b>Total comprehensive (loss)/income for the financial year</b>		(16,816,337)	14,932,525
<b>Total comprehensive (loss)/income attributable to:</b>			
Owners of the parent		(18,031,206)	14,227,733
Non-controlling interests		1,214,869	704,792
		(16,816,337)	14,932,525

The accompanying notes form an integral part of the financial statements.

**MUAR BAN LEE GROUP BERHAD**  
(Incorporated in Malaysia)

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021**

Note	Attributable to owners of the parent										
	Non-Distributable					Distributable					
	Share Capital	Treasury Shares	Revaluation Reserve	Discount on Shares	Warrant Reserve	Fair Value Adjustment Reserve	Foreign Currency Translation Reserve	Retained Earnings	Total	Non Controlling Interests	Total Equity
RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM
<b>At 1 January 2021</b>	67,632,982	(9,053,872)	6,270,907	(10,102,666)	13,586,344	5,475,007	(896,568)	82,875,688	155,787,822	7,849,580	163,637,402
Profit for the financial year	-	-	-	-	-	-	-	17,143,622	17,143,622	1,011,808	18,155,430
Realisation of revaluation surplus upon depreciation	-	-	(72,078)	-	-	-	-	72,078	-	-	-
Net change in fair value of equity instruments designated as fair value through other comprehensive income	-	-	-	-	-	(35,386,177)	-	-	(35,386,177)	-	(35,386,177)
Foreign exchange translation reserve	-	-	-	-	-	-	211,349	-	211,349	203,061	414,410
Transfer of loss on disposal of equity - investment at FVOCI	-	-	-	-	-	29,911,130	-	(29,911,130)	-	-	-
<b>Total comprehensive (loss)/income for the year</b>	-	-	(72,078)	-	-	(5,475,047)	211,349	(12,695,430)	(18,031,206)	1,214,869	(16,816,337)

**MUAR BAN LEE GROUP BERHAD**

(Incorporated in Malaysia)

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)**

		Attributable to owners of the parent											
		Non-Distributable					Distributable						
							Fair	Foreign			Non	Total	
Note		Share	Treasury	Revaluation	Discount on	Warrant	Value	Currency	Retained	Total	Controlling	Equity	
		Capital	Shares	Reserve	Shares	Reserve	Adjustment	Translation	Earnings	RM	Interests	RM	
		RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	
<b>Transactions with owner:</b>													
	Shares repurchased	20	-	(59,670)	-	-	-	-	-	(59,670)	-	(59,670)	
	Private placement	19	7,761,756	-	-	-	-	-	-	7,761,756	-	7,761,756	
	Total transactions with owners		7,761,756	(59,670)	-	-	-	-	-	7,702,086	-	7,702,086	
	<b>At 31 December 2021</b>		75,394,738	(9,113,542)	6,198,829	(10,102,666)	13,586,344	(40)	(685,219)	70,180,258	145,458,702	9,064,449	154,523,151

**MUAR BAN LEE GROUP BERHAD**

(Incorporated in Malaysia)

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)**

	Attributable to owners of the parent										
	Non-Distributable						Distributable				
	Share Capital RM	Treasury Shares RM	Revaluation Reserve RM	Discount on Shares RM	Warrant Reserve RM	Fair Value Adjustment Reserve RM	Foreign Currency Translation Reserve RM	Retained Earnings RM	Total RM	Non Controlling Interests RM	Total Equity RM
<b>At 1 January 2020</b>	63,063,772	(7,157,924)	6,342,985	(11,574,967)	15,566,335	750,561	(629,620)	73,033,375	139,394,517	6,919,788	146,314,305
Profit for the financial year	-	-	-	-	-	-	-	9,770,235	9,770,235	961,272	10,731,507
Realisation of revaluation surplus upon depreciation	-	-	(72,078)	-	-	-	-	72,078	-	-	-
Net change in fair value of equity instruments designated as fair value through other comprehensive income	-	-	-	-	-	4,724,446	-	-	4,724,446	-	4,724,446
Foreign exchange translation reserve	-	-	-	-	-	-	(266,948)	-	(266,948)	(256,480)	(523,428)
<b>Total comprehensive income for the year</b>	-	-	(72,078)	-	-	4,724,446	(266,948)	9,842,313	14,227,733	704,792	14,932,525

**MUAR BAN LEE GROUP BERHAD**  
(Incorporated in Malaysia)

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)**

		Attributable to owners of the parent										
		Non-Distributable					Distributable					
							Fair Value Adjustment	Foreign Currency Translation	Retained Earnings	Non Controlling Interests		Total Equity
Note	Share Capital RM	Treasury Shares RM	Revaluation Reserve RM	Discount on Shares RM	Warrant Reserve RM	RM	RM	RM	RM	RM	RM	RM
<b>Transactions with owner:</b>												
Acquisition of shares from non-controlling interests	8(c)	-	-	-	-	-	-	-	-	-	225,000	225,000
Shares repurchased	20	-	(1,895,948)	-	-	-	-	-	-	(1,895,948)	-	(1,895,948)
Warrants conversion	19, 22	4,569,210	-	-	1,472,301	(1,979,991)	-	-	-	4,061,520	-	4,061,520
Total transactions with owners		4,569,210	(1,895,948)	-	1,472,301	(1,979,991)				2,165,572	225,000	2,390,572
<b>At 31 December 2020</b>		<b>67,632,982</b>	<b>(9,053,872)</b>	<b>6,270,907</b>	<b>(10,102,666)</b>	<b>13,586,344</b>	<b>5,475,007</b>	<b>(896,568)</b>	<b>82,875,688</b>	<b>155,787,822</b>	<b>7,849,580</b>	<b>163,637,402</b>

The accompanying notes from an integral part of the financial statements.

**MUAR BAN LEE GROUP BERHAD**

(Incorporated in Malaysia)

**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021**

	Note	2021 RM	2020 RM (Restated)
<b>Cash flows from operating activities</b>			
Profit/(Loss) before tax from:			
Continuing operations		25,879,524	16,964,532
Discontinued operations		(1,085,503)	(1,495,848)
		<u>24,794,021</u>	<u>15,468,684</u>
Adjustments for:			
Depreciation of investment properties		5,000	5,000
Depreciation of property, plant and equipment		4,395,894	4,004,097
Continuing operations		4,248,018	3,854,283
Discontinued operations		147,876	149,814
Amortisation of intangible assets		275,556	275,556
Continuing operations		-	-
Discontinued operations		275,556	275,556
Amortisation of right-of-use assets		1,090,007	261,461
Continuing operations		1,021,812	193,266
Discontinued operations		68,195	68,195
Finance costs		1,941,620	700,243
Continuing operations		1,619,897	378,327
Discontinued operations		321,723	321,916
Gain on disposal of property, plant and equipment		(187,673)	(79,046)
Loss on disposal of other investment		-	306,360
Net gain arising from changes in fair value of biological assets		(44,915)	(15,168)
Continuing operations		-	-
Discontinued operations		(44,915)	(15,168)
Impairment loss on trade receivables		67,948	93,235
Reversal of impairment loss on trade receivables		(24,899)	(825,000)
Interest income		(228,125)	(841,420)
Dividend income		(1,432,126)	-
Share of result of associate		(9,998,819)	-
Unrealised loss on foreign exchange		(59,430)	108,507
Operating profit before working capital changes		<u>20,594,059</u>	<u>19,462,509</u>
Changes in working capital:			
Inventories		(9,194,975)	6,056,243
Receivables		3,085,467	(12,180,890)
Payables		42,559,235	(262,877)
		<u>36,449,727</u>	<u>(6,387,524)</u>
Cash generated from operations		57,043,786	13,074,985
Tax paid		(7,013,395)	(8,603,797)
Net cash from operating activities		<u>50,030,391</u>	<u>4,471,188</u>

**MUAR BAN LEE GROUP BERHAD**

(Incorporated in Malaysia)

**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)**

	Note	2021 RM	2020 RM (Restated)
<b>Cash flows used in investing activities</b>			
Acquisition of other investment		(89,536,321)	(15,574,010)
Acquisition of property, plant and equipment	4(f)	(10,519,766)	(14,893,891)
Interest received		228,125	841,420
Dividend received		1,432,126	-
Proceeds from disposal of other investment		2,787,565	11,134,696
Proceeds from disposal of property, plant and equipment		211,000	174,591
Net cash used in investing activities		<u>(95,397,271)</u>	<u>(18,317,194)</u>
<b>Cash flows from financing activities</b>			
Interest paid		(1,941,620)	(700,243)
Purchase of treasury shares	20	(59,670)	(1,895,948)
Proceeds from warrants conversion		-	4,061,520
Proceed of private placement	19	7,761,756	-
Withdrawal/(Placement) of pledged fixed deposit		1,954,390	(1,657,297)
Drawdown of bankers acceptance	37	2,739,997	3,908,000
(Settlement)/Drawdown of floor stock	37	(74,755)	74,755
Drawdown of term loan	37	50,923,200	-
Repayment of term loans	37	(1,335,323)	(463,081)
Repayment of finance lease liabilities	37	(905,686)	(633,577)
Repayment of right-of-use lease liabilities	37	(856,467)	(161,829)
Net cash generated from financing activities		<u>58,205,822</u>	<u>2,532,300</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>		12,838,942	(11,313,706)
<b>Effect of exchange translation differences on cash and cash equivalents</b>		(60,525)	(382,340)
<b>Cash and cash equivalents at the beginning of the financial year</b>		<u>20,804,135</u>	<u>32,500,181</u>
<b>Cash and cash equivalents at the end of the financial year</b>		<u>33,582,552</u>	<u>20,804,135</u>

**MUAR BAN LEE GROUP BERHAD**

(Incorporated in Malaysia)

**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)**

	Note	2021 RM	2020 RM (Restated)
<b>Cash and cash equivalents at the end of the financial year comprises:</b>			
Fixed deposits with licensed banks	17	2,107,122	4,061,512
Cash and bank balances		33,582,552	20,804,135
Continuing operations	17	33,537,767	20,804,135
Discontinued operations	18	44,785	-
		35,689,674	24,865,647
Less: Fixed deposits pledged with licensed banks	17	(2,107,122)	(4,061,512)
		<u>33,582,552</u>	<u>20,804,135</u>

The accompanying notes form an integral part of the financial statements.

**MUAR BAN LEE GROUP BERHAD**

(Incorporated in Malaysia)

**STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2021**

	Note	2021 RM	2020 RM
<b>ASSETS</b>			
<b>Non-current asset</b>			
Investments in subsidiary companies	8	39,185,001	39,184,999
Other investment	9	875	14,705,590
Investment in associate	10	13,259,634	-
		<u>52,445,510</u>	<u>53,890,589</u>
<b>Current assets</b>			
Other receivables	15	5,630	11,005,630
Amounts owing by subsidiary companies	16	66,546,258	42,146,013
Tax recoverable		30,190	33,108
Cash and bank balances	17	7,677,056	586,932
		<u>74,259,134</u>	<u>53,771,683</u>
<b>Total assets</b>		<u>126,704,644</u>	<u>107,662,272</u>
<b>EQUITY</b>			
Share capital	19	75,394,738	67,632,982
Treasury shares	20	(9,113,542)	(9,053,872)
Discount on shares	22	(10,102,666)	(10,102,666)
Warrant reserves	22	13,586,344	13,586,344
Fair value adjustment reserve	23	(40)	5,475,007
Retained earnings	25	15,395,061	9,544,885
<b>Total equity</b>		<u>85,159,895</u>	<u>77,082,680</u>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Other payables	30	402,825	322,950
Amounts owing to subsidiary companies	16	41,141,924	30,256,642
<b>Total liabilities</b>		<u>41,544,749</u>	<u>30,579,592</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>126,704,644</u>	<u>107,662,272</u>

The accompanying notes form an integral part of the financial statements.

**MUAR BAN LEE GROUP BERHAD**

(Incorporated in Malaysia)

**STATEMENT OF PROFIT OR LOSS AND  
OTHER COMPREHENSIVE INCOME  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021**

	Note	2021 RM	2020 RM
Revenue	31	1,892,126	3,500,000
Other income		84,774	683,744
General and administrative expense		(1,869,503)	(2,030,419)
<b>Profit before tax</b>	33	<u>107,397</u>	<u>2,153,325</u>
Taxation	35	(183,430)	(6,000)
<b>(Loss)/Profit for the financial year</b>		<u>(76,033)</u>	<u>2,147,325</u>
<b>Other comprehensive (loss)/income; Items that will not be reclassified subsequently to profit or loss</b>			
Net change in fair value of equity instrument designated at fair value through other comprehensive income		<u>(451,162)</u>	<u>4,724,446</u>
<b>Total comprehensive (loss)/income for the financial year</b>		<u>(527,195)</u>	<u>6,871,771</u>

The accompanying notes form an integral part of the financial statements.

**MUAR BAN LEE GROUP BERHAD**  
(Incorporated in Malaysia)

**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021**

Note	Non-Distributable				Distributable		Total equity RM
	Share capital RM	Treasury shares RM	Discount on shares RM	Warrant reserve RM	Fair value adjustment reserve RM	Retained earnings RM	
<b>At 1 January 2021</b>	67,632,982	(9,053,872)	(10,102,666)	13,586,344	5,475,007	9,544,885	77,082,680
Loss for the financial year	-	-	-	-	-	(76,033)	(76,033)
Net change in fair value of equity investments designated as fair value through other comprehensive income	-	-	-	-	451,162	-	451,162
Transfer of gain on disposal of equity - investment at FVOCI	-	-	-	-	(5,926,209)	5,926,209	-
<b>Total comprehensive income for the financial year</b>	-	-	-	-	(5,475,047)	5,850,176	375,129
<b>Transactions with owners:</b>							
Share repurchased	20	-	(59,670)	-	-	-	(59,670)
Private placement	22	7,761,756	-	-	-	-	7,761,756
		7,761,756	(59,670)	-	-	-	7,702,086
<b>At 31 December 2021</b>	<b>75,394,738</b>	<b>(9,113,542)</b>	<b>(10,102,666)</b>	<b>13,586,344</b>	<b>(40)</b>	<b>15,395,061</b>	<b>85,159,895</b>

**MUAR BAN LEE GROUP BERHAD**  
(Incorporated in Malaysia)

**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)**

Note	Non-Distributable				Distributable		Total equity RM
	Share capital RM	Treasury shares RM	Discount on shares RM	Warrant reserve RM	Fair value adjustment reserve RM	Retained earnings RM	
<b>At 1 January 2020</b>	63,063,772	(7,157,924)	(11,574,967)	15,566,335	750,561	7,397,560	68,045,337
Profit for the financial year	-	-	-	-	-	2,147,325	2,147,325
Net change in fair value of equity investments designated as fair value through other comprehensive income	-	-	-	-	4,724,446	-	4,724,446
<b>Total comprehensive income for the financial year</b>	-	-	-	-	4,724,446	2,147,325	6,871,771
<b>Transactions with owners:</b>							
Share repurchased	20	(1,895,948)	-	-	-	-	(1,895,948)
Warrants conversion	22	4,569,210	-	(1,979,991)	-	-	4,061,520
		4,569,210	(1,895,948)	1,472,301	(1,979,991)	-	2,165,572
<b>At 31 December 2020</b>	67,632,982	(9,053,872)	(10,102,666)	13,586,344	5,475,007	9,544,885	77,082,680

The accompanying notes form an integral part of the financial statements.

**MUAR BAN LEE GROUP BERHAD**

(Incorporated in Malaysia)

**STATEMENT OF CASH FLOWS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021**

	Note	2021 RM	2020 RM
<b>Cash flows from/(used in) operating activities</b>			
Profit before tax		107,397	2,153,325
Adjustments for:			
Dividend income		(1,892,126)	(3,500,000)
Loss on disposal of other investment		-	306,360
Interest income		(84,774)	(69,329)
Operating loss before working capital changes		<u>(1,869,503)</u>	<u>(1,109,644)</u>
Changes in working capital:			
Receivables		11,000,000	(10,500,930)
Payables		79,875	(187,446)
Cash used in operations		<u>9,210,372</u>	<u>(11,798,020)</u>
Tax paid		<u>(180,513)</u>	<u>(20,400)</u>
Net cash from/(used in) operating activities		<u>9,029,859</u>	<u>(11,818,420)</u>
<b>Cash flows from/(used in) investing activities</b>			
Dividends received		1,892,126	3,500,000
Acquisition of subsidiary company, net of cash acquired	8(b),8(c)	(2)	(1,175,000)
Acquisition of other investment		(891,321)	(15,574,010)
Interest received		34,186	29,330
Proceeds from disposal of other investment		<u>2,787,564</u>	<u>11,134,696</u>
Net cash from/(used in) investing activities		<u>3,822,553</u>	<u>(2,084,984)</u>
<b>Cash flows (used in)/from financing activities</b>			
(Advances to)/Advances from subsidiary companies	37	(13,464,374)	10,583,659
Proceeds from issuance of private placement	19	7,761,756	
Purchase of treasury shares	20	(59,670)	(1,895,948)
Proceeds from warrants conversion		-	4,061,520
Net cash (used in)/from financing activities		<u>(5,762,288)</u>	<u>12,749,231</u>

**MUAR BAN LEE GROUP BERHAD**

(Incorporated in Malaysia)

**STATEMENT OF CASH FLOWS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)**

	<b>2021</b>	<b>2020</b>
	<b>RM</b>	<b>RM</b>
<b>Net increase/(decrease) in cash and cash equivalent</b>	7,090,124	(1,154,173)
<b>Cash and cash equivalents at the beginning of the financial year</b>	<u>586,932</u>	<u>1,741,105</u>
<b>Cash and cash equivalents at the end of the financial year</b>	<u>7,677,056</u>	<u>586,932</u>
<b>Cash and cash equivalents at the end of the financial year comprises:</b>		
Cash and bank balances	<u>7,677,056</u>	<u>586,932</u>

The accompanying notes form an integral part of the financial statements.

**MUAR BAN LEE GROUP BERHAD**

(Incorporated in Malaysia)

**NOTES TO THE FINANCIAL STATEMENTS  
31 DECEMBER 2021**

**1. Corporate Information**

The Company is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad.

The principal place of business of the Company is at JR52, Lot 1818, Jalan Raja, Kawasan Perindustrian Bukit Pasir, 84300 Muar, Johor.

The registered office of the Company is located at 85, Muntri Street, 10200 Penang.

The principal activity of the Company is investment holding company. The principal activities of its subsidiary companies are disclosed in Note 8 to the financial statements. There have been no significant changes in the nature of these activities of the Company and its subsidiary companies during the financial year.

The holding company is MBL Realty Sdn. Bhd., a private limited liability company, incorporated and domiciled in Malaysia.

**2. Basis of Preparation**

(a) Statement of compliance

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 and the requirements of the Companies Act, 2016 in Malaysia.

The financial statements of the Group and of the Company have been prepared under the historical cost convention, unless otherwise indicated in the significant accounting policies below.

**2. Basis of Preparation (Cont'd)**

## (a) Statement of compliance (Cont'd)

**Adoption of new and amended standards**

During the financial year, the Company has adopted the following amendments to MFRSs and interpretation issued by the Malaysian Accounting Standards Board (“MASB”) that are mandatory for current financial year:

Amendments to MFRS 16	Covid-19-Related Rent Concessions
Amendments to MFRS 4	Extension of the Temporary Exemption from Applying MFRS 9
Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16	Interest Rate Benchmark Reform - Phase 2
IFRIC Agenda Decision on MFRS 123	Borrowing Costs

The adoption of the amendments to MFRSs and interpretation did not have any significant impact on the financial statements of the Group and the Company.

**Standards issued but not yet effective**

The Group and the Company have not applied the following new and amendments to MFRSs that have been issued by the MASB but are not yet effective for the Group and for the Company:

		Effective dates for financial periods beginning on or after
Amendments to MFRS 16	Covid-19-Related Rent Concessions Beyond 30 June 2021	1 April 2021
Amendments to MFRS 3	Reference to the Conceptual Framework	1 January 2022
Amendments to MFRS 116	Property, Plant and Equipment- Proceeds before Intended Use	1 January 2022
Amendments to MFRS 137	Onerous Contracts-Cost of Fulfilling a Contract	1 January 2022
Amendments to MFRSs	Annual Improvements to MFRS Standards 2018 - 2020	1 January 2022
MFRS 17	Insurance Contracts	1 January 2023
Amendments to MFRS 17	Insurance Contracts	1 January 2023
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current	1 January 2023

**2. Basis of Preparation (Cont'd)**

## (a) Statement of compliance (Cont'd)

**Standards issued but not yet effective (Cont'd)**

The Group and the Company have not applied the following new and amendments to MFRSs that have been issued by the MASB but are not yet effective for the Group and for the Company (Cont'd):

		Effective dates for financial periods beginning on or after
Amendments to MFRS 101	Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108	Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112	Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to MFRS 17	Initial Application of MFRS 17 and MFRS 9- Comparative Information	1 January 2023
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred until further noticed

The Group and the Company intend to adopt the above new and amendments to MFRSs when they become effective.

The initial application of the above-mentioned new and amendments to MFRSs are not expected to have any significant impacts on the financial statements of the Group and the Company.

## (b) Functional and presentation currency

These financial statements are presented in Ringgit Malaysia (“RM”), which is the Company’s functional currency. All financial information is presented in RM and has been rounded to the nearest RM except when otherwise stated.

## (c) Significant accounting judgements, estimates and assumptions

The preparation of the Group’s financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

## 2. Basis of Preparation (Cont'd)

### (c) Significant accounting judgements, estimates and assumptions (Cont'd)

#### **Judgements**

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

#### Classification between investment properties and property, plant and equipment

The Group has developed certain criteria based on MFRS 140 *Investment Property* in making judgement whether a property qualifies as an investment property. Investment property is a property held to earn rentals or for capital appreciation or both.

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes.

If these portions could be sold separately (or leased out separately), the Group would account for the portions separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes.

Judgement is made on an individual property basis to determine whether ancillary services are significant that a property does not qualify as investment property.

#### Control over MBL Biotech Sdn. Bhd.

Note 8 describes that MBL Biotech Sdn. Bhd. is subsidiary company of the Group even though the Group owns less than half of the ownership interest in the entity and less than half of their voting power. The Group control MBL Biotech Sdn. Bhd. by virtue of an agreement with its other shareholders.

#### Significant influence over Symphony Life Berhad ("Symlife")

Note 10 describes that Symlife is an associate of the Group although the Group only owns a 16.63% ownership interest in Symlife. The Group has significant influence over Symlife by virtue of its contractual right to appoint two out of eight directors to the board of directors of that entity.

#### Determining the lease term of contracts with renewal and termination options - Group as lessee

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

## 2. Basis of Preparation (Cont'd)

- (c) Significant accounting judgements, estimates and assumptions (Cont'd)

### **Judgements (Cont'd)**

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

#### Determining the lease term of contracts with renewal and termination options – Group as lessee (Cont'd)

The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate.

The Group includes the renewal period as part of the lease term for leases of land and buildings with non-cancellable period included as part of the lease term as these are reasonably certain to be exercised because there will be a significant negative effect on operation if a replacement asset is not readily available. Furthermore, the periods covered by termination options are included as part of the lease term only when they are reasonably certain not to be exercised.

### **Key sources of estimation uncertainty**

The key assumptions concerning the future and other key sources of estimation or 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 are set out below:

#### Useful lives of property, plant and equipment, investment property and amortisation of right-of-use ("ROU") assets

The Group regularly reviews the estimated useful lives of property, plant and equipment, investment property and ROU assets based on factors such as business plan and strategies, expected level of usage and future technological developments. Future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned above. A reduction in the estimated useful lives of property, plant and equipment, investment property and ROU assets would increase the recorded depreciation and decrease the value of property, plant and equipment, investment property and ROU assets. The carrying amount at the reporting date for property, plant and equipment, investment property and ROU assets are disclosed in Notes 4, 5 and 7 respectively.

## 2. Basis of Preparation (Cont'd)

- (c) Significant accounting judgements, estimates and assumptions (Cont'd)

### **Key sources of estimation uncertainty**

The key assumptions concerning the future and other key sources of estimation or 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 are set out below:

#### Impairment of goodwill on consolidation

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value-in-use of the cash-generating units to which the goodwill is allocated. Estimating the value-in-use amount requires the Group to make an estimate of the expected future cash flows from the cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The key assumptions used to determine the value-in-use is disclosed in Note 6.

#### Deferred tax assets

Deferred tax assets are recognised for all unused tax losses, unabsorbed capital allowances and other deductible temporary differences to the extent that it is probable that taxable profit will be available against which the unused tax losses, unabsorbed capital allowances and other deductible temporary differences can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future profits together with future tax planning strategies. The carrying value of recognised and unrecognised deferred tax assets are disclosed in Note 11.

#### Determination of transaction prices

The Group is required to determine the transaction price in respect of each of its contracts with customers. In making such judgment the Group assesses the impact of any variable consideration in the contract, due to discounts or penalties, the existence of any significant financing component and any non-cash consideration in the contract.

There is no estimation required in determining the transaction price, as revenue from sale of goods are based on invoiced values or retail price. Discounts are not considered as they are not only given in rare circumstances.

## 2. Basis of Preparation (Cont'd)

### (c) Significant accounting judgements, estimates and assumptions (Cont'd)

#### **Key sources of estimation uncertainty**

The key assumptions concerning the future and other key sources of estimation or 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 are set out below:

#### Provision for expected credit loss of financial assets at amortised cost

The Group uses a provision matrix to calculate expected credit loss for trade receivables.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and expected credit loss is a significant estimate. Information about the expected credit loss is disclosed in Note 14.

#### Income taxes

Judgement is involved in determining the provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business.

The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these tax matters is different from the amounts that were initially recognised, such differences will impact the income tax and/or deferred tax provisions in the period in which such determination is made.

#### Discount rate used in leases

Where the interest rate implicit in the lease cannot be readily determined, the Group uses the incremental borrowing rate to measure the lease liabilities. The incremental borrowing rate is the interest rate that the Group would have to pay to borrow over a similar term, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. Therefore, the incremental borrowing rate requires estimation, particularly when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the incremental borrowing rate using observable inputs when available and is required to make certain entity-specific estimates.

### 3. Significant Accounting Policies

The Group and the Company apply the significant policies set put below, consistently throughout all periods presented in the financial statements unless otherwise stated.

(a) Basis of consolidation

(i) Subsidiary companies

Subsidiary companies are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiary companies are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary company is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree, and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Acquisition-related costs are expensed in profit or loss as incurred.

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

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (which cannot exceed one year from the acquisition date), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date, if known, would have affected the amounts recognised at that date.

### 3. Significant Accounting Policies (Cont'd)

(a) Basis of consolidation (Cont'd)

(i) Subsidiary companies (Cont'd)

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

Inter-company transactions, balances and unrealised gains or losses on transactions between Group companies are eliminated. Unrealised losses are eliminated only if there is no indication of impairment. Where necessary, accounting policies of subsidiary companies have been changed to ensure consistency with the policies adopted by the Group.

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 are recognised in profit or loss. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. See accounting policy Note 3(n)(i) to the financial statements on impairment of non-financial assets.

(ii) Changes in ownership interests in subsidiary companies without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary company is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

(iii) Disposal of subsidiary companies

If the Group loses control of a subsidiary company, the assets and liabilities of the subsidiary company, including any goodwill, and non-controlling interests are derecognised at their carrying value on the date that control is lost. Any remaining investment in the entity is recognised at fair value. The difference between the fair value of consideration received and the amounts derecognised and the remaining fair value of the investment is recognised as a gain or loss on disposal in profit or loss. Any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities.

### 3. Significant Accounting Policies (Cont'd)

(a) Basis of consolidation (Cont'd)

(iv) Goodwill on consolidation

The excess of the aggregate of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total consideration transferred, non-controlling interest recognised and previously held interest measured at fair value is less than the fair value of the net assets of the subsidiary company acquired (ie. a bargain purchase), the gain is recognised in profit or loss.

Following the initial recognition, goodwill is measured at cost less accumulated impairment losses. Goodwill is not amortised but instead, it is reviewed for impairment annually or more frequent when there is objective evidence that the carrying value may be impaired. See accounting policy Note 3(n)(i) to the financial statements on impairment of non-financial assets.

(b) Investment in associates

An associate 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.

On acquisition of an investment in an associate, any excess of the cost of investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill and included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities of the investee over the cost of investment is excluded from the carrying amount of the investment and is instead included as income in the determination of the Group's share of associate's profit or loss for the period in which the investment is acquired.

An associate is accounted for either at cost or equity method as described in MFRS 128 Investment in Associates from the date on which the investee becomes an associate. Under the equity method, on initial recognition the investment in an associate is recognised at cost, and the carrying amount is increased or decreased to recognise the Group's share of profit or loss and other comprehensive income of the associate after the date of acquisition. When the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

### **3. Significant Accounting Policies (Cont'd)**

#### **(b) Investment in associates (Cont'd)**

Profits or losses resulting from upstream and downstream transactions between the Group and its associate are recognised in the Group's consolidated financial statements only to the extent of unrelated investors' interests in the associate. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the assets transferred.

The requirements of MFRS 136 Impairment of Assets are applied to determine whether it is necessary to recognise any additional impairment loss with respect to its net investment in the associate. When necessary, the entire carrying amount of the investment is tested for impairment in accordance with MFRS 136 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 is recognised in profit or loss. Reversal of an impairment loss is recognised to the extent that the recoverable amount of the investment subsequently increases.

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

In the Company's separate financial statements, investments in associates are stated at cost less accumulated impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts are recognised in profit or loss. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. See accounting policy Note 3(n)(i) on impairment of non-financial assets.

#### **(c) Foreign currency translation**

##### **(i) Foreign currency transactions and balances**

Transactions in foreign currency are recorded in the functional currency of the respective Group entities using the exchange rates prevailing at the dates of the transactions. At each reporting date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

### 3. Significant Accounting Policies (Cont'd)

#### (c) Foreign currency translation (Cont'd)

##### (i) Foreign currency transactions and balances (Cont'd)

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting date are included in profit or loss except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operation. These are initially taken directly to the foreign currency translation reserve within equity until the disposal of the foreign operations, at which time they are recognised in profit or loss. Exchange differences arising on monetary items that form part of the Company's net investment in foreign operation are recognised in profit or loss in the Company's financial statements or the individual financial statements of the foreign operation, as appropriate.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the reporting period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised in other comprehensive income. Exchange differences arising from such non-monetary items are also recognised in other comprehensive income.

##### (ii) Foreign operations

The assets and liabilities of foreign operations denominated in functional currencies other than RM, are translated to RM at the rate of exchange prevailing at the reporting date. The income and expenses of foreign operations, excluding foreign operations in hyperinflationary economies, are translated to RM at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income and accumulated in the foreign currency translation reserve ("FCTR") in equity. However, if the operation is a non-wholly owned subsidiary company, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests. When a foreign operation is disposed off such that control, significant influence or joint control is lost, the cumulative amount in the FCTR related that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal.

When the Group disposes of only part of its interest in a subsidiary company that includes a foreign operation, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in an associate that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

### 3. Significant Accounting Policies (Cont'd)

#### (d) Property, plant and equipment

Property, plant and equipment are stated at cost or valuation less accumulated depreciation and accumulated impairment losses. The policy of recognition and measurement of impairment losses is in accordance with Note 3(n)(i) to the financial statements.

#### (i) Recognition and measurement

Cost includes expenditures that are directly attributable to the acquisition of the assets and any other costs directly attributable to bringing the asset to working condition for its intended use, cost of replacing component parts of the assets, and the present value of the expected cost for the decommissioning of the assets after their use. The cost of self-constructed assets also includes the cost of materials and direct labour. For qualifying assets, borrowing costs are capitalised in accordance with the accounting policy on borrowing costs. All other repair and maintenance costs are recognised in profit or loss as incurred.

The cost of property, plant and equipment recognised as a result of a business combination is based on fair value at acquisition date. The fair value of property is the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. The fair value of other items of plant and equipment is based on the quoted market prices for similar items.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Property, plant and equipment are derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in profit or loss.

Land and buildings are measured at fair value less accumulated depreciation on buildings and impairment losses recognised after the date of the revaluation. Valuations are performed with sufficient regularity, usually every five years, to ensure that the carrying amount does not differ materially from the fair value of the land and buildings at the end of the reporting period.

### 3. Significant Accounting Policies (Cont'd)

(d) Property, plant and equipment (Cont'd)

(i) Recognition and measurement (Cont'd)

As at the date of revaluation, accumulated depreciation, if any, is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Any revaluation surplus arising upon appraisal of property is recognised in other comprehensive income and credited to the revaluation reserve in equity. To the extent that any revaluation decrease or impairment loss has previously been recognised in profit or loss, a revaluation increase is credited to profit or loss with the remaining part of the increase recognised in other comprehensive income. Downward revaluations of property are recognised upon appraisal or impairment testing, with the decrease being charged to other comprehensive income to the extent of any revaluation surplus in equity relating to this asset and any remaining decrease recognised in profit or loss. Any revaluation surplus remaining in equity on disposal of the asset is transferred to other comprehensive income.

(ii) Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in the profit or loss as incurred.

(iii) Depreciation

Depreciation is recognised in the profit or loss on straight line basis to write off the cost or valuation of each asset to its residual value over its estimated useful life. Freehold land is not depreciated. Leased assets are depreciated over the shorter of the lease term and their useful lives.

**3. Significant Accounting Policies (Cont'd)**

## (d) Property, plant and equipment (Cont'd)

## (iii) Depreciation (Cont'd)

Property, plant and equipment are depreciated based on the estimated useful lives of the assets as follows:

Leasehold land and buildings	Over the remaining lease period
Buildings	2% - 5%
Plant and machinery	6% - 12%
Furniture, fittings and office equipment	5% - 25%
Motor vehicles	12% - 25%
Renovation	10%
Bearer plant	4%
Signboard	10%

The residual values, useful lives and depreciation method are reviewed at each reporting period end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the property, plant and equipment.

## (e) Leases

As lessee

The Group and the Company recognise a ROU asset and a lease liability at the lease commencement date. The ROU asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or site on which it is located, less any lease incentives received.

The Group and the Company recognise a ROU asset and a lease liability at the lease commencement date. The ROU asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or site on which it is located, less any lease incentives received.

The ROU asset under cost model is depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the ROU asset or the end of the lease term. The estimated useful lives of the ROU assets are determined on the same basis as those of property, plant and equipment.

The Group's ROU assets consist of motor vehicles (included in property, plant and equipment) and leased land (included in ROU assets) as disclosed in Note 4 and Note 7, respectively.

The ROU assets are subject to impairment.

### 3. Significant Accounting Policies (Cont'd)

#### (e) Leases (Cont'd)

##### As lessee (Cont'd)

The lease liability is initially measured at the present value of future lease payments at the commencement date, discounted using the respective Group entities' incremental borrowing rates. Lease payments included in the measurement of the lease liability include fixed payments, any variable lease payments, amount expected to be payable under a residual value guarantee, and exercise price under an extension option that the Group and the Company are reasonably certain to exercise.

Variable lease payments that do not depend on an index or a rate and are dependent on a future activity are recognised as expenses in profit or loss in the period in which the event or condition that triggers the payment occurs.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in rate, or if the Group or the Company changes its assessment of whether it will exercise an extension or termination option.

Lease payments associated with short term leases and leases of low value assets are recognised on a straight-line basis as an expense in profit or loss. Short term leases are leases with a lease term of 12 months or less and do not contain a purchase option. Low value assets are those assets valued at less than RM20,000 each when purchased new.

##### As lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. Leases in which the Group or the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases.

The Group recognises lease payments under operating leases as income on a straight-line basis over the lease term unless another systematic basis is more representative of the pattern in which benefit from the use of the underlying asset is diminished. The lease payment recognised is included as part of "Other income". Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

### 3. Significant Accounting Policies (Cont'd)

(f) Investment properties

Investment properties are properties held either to earn rental income or for capital appreciation or for both. Investment properties are measured at cost, including transaction costs, less any accumulated depreciation and impairment losses.

The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day servicing of an investment property.

Freehold land is not depreciated. Freehold building is depreciated on a straight-line basis to write down the cost of each asset to their residual values over their estimated useful lives. The principal annual depreciation rates are 2%.

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Where an indication of impairment exists, the carrying amount of the asset is assessed and written down immediately to its recoverable amount. See accounting policy Note 3(n)(i) to the financial statements on impairment of non-financial assets.

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

(g) Intangible assets

(i) Internally-generated intangible assets - research and development costs

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Group can demonstrate:

- the technical feasibility of completing the intangible asset so that the asset will be available for use or sale;
- its intention to complete and its ability and intention to use or sell the asset;
- how the asset will generate future economic benefits;
- the availability of resources to complete; and
- the ability to measure reliably the expenditure during development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

### 3. Significant Accounting Policies (Cont'd)

(g) Intangible assets (Cont'd)

(i) Internally-generated intangible assets - research and development costs (Cont'd)

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful lives and amortisation methods are reviewed at the end of each reporting date, with the effect of any changes in estimate being accounted for on a prospective basis.

(ii) Licensing fee

Licensing fee with finite useful lives is carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives of 50 years. The estimated useful lives and amortisation methods are reviewed at the end of each reporting date, with the effect of any changes in estimate being accounted for on a prospective basis.

(iii) Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair values at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

(iv) Land use right

Land use right with finite useful lives is carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives of 90 years. The estimated useful lives and amortisation methods are reviewed at the end of each reporting date, with the effect of any changes in estimate being accounted for on a prospective basis.

### 3. Significant Accounting Policies (Cont'd)

(g) Intangible assets (Cont'd)

(v) Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

See accounting policy Note 3(n)(i) to the financial statements on impairment of non-financial assets for intangible assets.

(h) Biological assets

Biological assets comprised produce growing on bearer plants. Biological assets are measured at fair value less costs to sell. Any gains or losses arising from changes in the fair value less costs to sell are recognised in profit or loss.

(i) Financial assets

Financial assets are recognised in the statements of financial position when, and only when, the Group or the Company becomes a party to the contractual provisions of the financial instrument.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss ("FVTPL"), directly attributable transaction costs.

The Group and the Company determine the classification of financial assets at initial recognition and are not reclassified subsequent to their initial recognition unless the Group and the Company change its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

(a) Financial assets at amortised cost

The Group and the Company measure financial assets at amortised cost if both of the following conditions are met:

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

### 3. Significant Accounting Policies (Cont'd)

(i) Financial assets (Cont'd)

(a) Financial assets at amortised cost (Cont'd)

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

(b) Fair value through other comprehensive income

Equity instruments

On initial recognition of an equity investment that is not held for trading, the Group and the Company may irrevocably elect to present subsequent changes in fair value in other comprehensive income ("OCI") on an investment-by-investment basis.

Financial assets categorised as fair value through other comprehensive income ("FVOCI") are subsequently measured at fair value, with unrealised gains and losses recognised directly in OCI and accumulated under fair value adjustment reserve in equity. For equity instruments, the gains or losses are never reclassified to profit or loss.

(c) Financial assets at fair value through profit or loss

All financial assets not classified as measured at amortised cost or FVOCI, as described above, are measured at FVTPL. This includes derivative financial assets (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument). On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets categorised as FVTPL are subsequently measured at their fair value with gains or losses recognised in the profit or loss.

All financial assets, except for those measured at FVTPL and equity investments measured at FVOCI, are subject to impairment.

The Group and the Company have not designated any financial assets at FVTPL.

### 3. Significant Accounting Policies (Cont'd)

(i) Financial assets (Cont'd)

Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned. All regular way purchases and sales of financial assets are recognised or derecognised on the trade date i.e., the date that the Group and the Company commit to purchase or sell the asset.

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received for financial instrument is recognised in profit or loss.

(j) Financial liabilities

Financial liabilities are recognised when, and only when, the Group and the Company become a party to the contractual provisions of the financial instruments. All financial liabilities are recognised initially at fair value plus, in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

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

(k) Offsetting of financial instruments

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

### 3. Significant Accounting Policies (Cont'd)

(l) Inventories

Inventories are stated at the lower of cost and net realisable value.

Cost of raw material comprise cost of purchase and other costs incurred in bringing it to their present location and condition are determined on a weighted average basis. Cost of finished goods and work-in-progress consists of direct material, direct labour and an appropriate proportion of production overheads are stated on a weighted average basis (which approximates average actual cost).

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

(m) Cash and cash equivalents

Cash and cash equivalents consist of cash in hand, bank balances, demand deposits, bank overdrafts that are readily convertible to known amount of cash and which are subject to an 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 pledged deposits.

(n) Impairment of assets

(i) Non-financial assets

The carrying amounts of non-financial assets (except for inventories, deferred tax assets and non-current asset (or disposal group) held for sale and discontinued operation) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. For goodwill, the recoverable amount is estimated each period at the same time.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units. Subject to operating segment ceiling test, for the purpose of goodwill impairment testing, cash-generating units to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to a cash-generating unit or a group of cash-generating units that are expected to benefit from the synergies of the combination.

### 3. Significant Accounting Policies (Cont'd)

(n) Impairment of assets (Cont'd)

(i) Non-financial assets (Cont'd)

The recoverable amount of an asset or cash-generating unit is the greater of its value-in-use and its fair value less costs of disposal. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit.

An impairment loss is recognised if the carrying amount of an asset or cash-generating unit exceeds its estimated recoverable amount. Impairment loss is recognised in profit or loss, unless the asset is carried at a revalued amount, in which such impairment loss is recognised directly against any revaluation surplus for the asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same asset. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (group of cash-generating units) and then to reduce the carrying amounts of the other assets in the cash-generating unit (group of cash-generating units) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation or amortisation, had no impairment loss been recognised for asset in prior years. Such reversal is recognised in the profit or loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

(ii) Financial assets

The Group and the Company recognise an allowance for expected credit losses ("ECLs") for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group and the Company expect to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

### 3. Significant Accounting Policies (Cont'd)

(n) Impairment of assets (Cont'd)

(ii) Financial assets (Cont'd)

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

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

(o) Share capital

(i) Ordinary shares

An equity instrument is any contract that evidences a residual interest in the assets of the Group and of the Company after deducting all of its liabilities. Ordinary shares are equity instruments. Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Ordinary shares are classified as equity.

Dividend distribution to the Company’s shareholders is recognised as a liability in the period they are approved by the Board of Directors except for the final dividend which is subject to approval by the Company’s shareholders.

(ii) Treasury shares

When issued share of the Company are repurchased, the amount of the consideration paid, including directly attributable costs, net of any tax effects, is recognised as a deduction from equity as treasury shares until the shares are cancelled, reissued or disposed of. No gain or loss is recognised in profit or loss on the sale, re-issuance or cancellation of the treasury shares.

When treasury shares are distributed as share dividends, the cost of the treasury shares is deducted against the retained earnings of the Company.

When treasury shares are sold or reissued subsequently, the difference between the sales consideration net of directly attributable costs and the carrying amount of the treasury shares is recognised in equity.

### 3. Significant Accounting Policies (Cont'd)

(p) Employee benefits

(i) Short term employee benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the reporting period in which the associated services are rendered by employees of the Group and of the Company. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick and medical leave are recognised when the absences occur.

The expected cost of accumulating compensated absences is measured as additional amount expected to be paid as a result of the unused entitlement that has accumulated at the end of the reporting period.

(ii) Defined contribution plans

As required by law, companies in Malaysia contribute to the state pension scheme, the Employee Provident Fund (“EPF”). Some of the Group’s foreign subsidiary companies also make contributions to their respective countries’ statutory pension schemes. Such contributions are recognised as an expense in the profit or loss as incurred. Once the contributions have been paid, the Group and the Company have no further payment obligations.

(q) Revenue recognition

(i) Revenue from contracts with customers

Revenue is recognised when the Group satisfied a performance obligation (“PO”) by transferring a promised goods or services to the customer, which is when the customer obtains control of the good or service. A PO may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied PO.

The Group recognises revenue from the following major sources:

(a) Sale of goods

The Group manufactures and sells in the market. Revenue from sale of goods is recognised when control of the products has transferred, being the products are delivered to the customer.

Following delivery of the goods to the customers specific location, the customers have full discretion over the manner of distribution and price to sell the goods, and bears the risks of obsolescence and loss in relation to the goods.

### 3. Significant Accounting Policies (Cont'd)

(q) Revenue recognition (Cont'd)

(i) Revenue from contracts with customers (Cont'd)

(a) Sale of goods (Cont'd)

Revenue is recognised based on the price specified in the contract, net of the rebates, discounts and taxes.

A receivable is recognised by the Group when the goods are delivered as this represents the point in time at which the right to consideration is unconditional, because only the passage of time is required before payment is due. No element of financing is deemed present as the revenue recognised with a credit term of 30 to 120 days, which is consistent with market practice.

(ii) Rental income

Rental income is accounted for on a straight-line basis over the lease terms. The aggregate costs of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis.

(iii) Dividend income

Dividend income is recognised when the Group's right to receive payment is established.

(iv) Interest income

Interest income is recognised on accruals basis using the effective interest method.

(r) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of the assets, which are assets that necessarily take a substantial period of time to get 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. All other borrowing costs are recognised in profit or loss in the period in which they are incurred. Borrowing costs consist of interest and other costs that the Group incurred in connection with the borrowing of funds.

### 3. Significant Accounting Policies (Cont'd)

#### (r) Borrowing costs (Cont'd)

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or completed.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

#### (s) Income taxes

Tax expense in profit or loss comprises current and deferred tax. Current tax and deferred tax is recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the financial year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous financial years.

Deferred tax is recognised using the liability method for all temporary differences between the carrying amounts of assets and liabilities in the statements of financial position and their tax bases. Deferred tax is not recognised for the temporary differences arising from the initial recognition of goodwill, the initial recognition of assets and liabilities in a transaction which is not a business combination and that affects neither accounting nor taxable profit or loss. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax is based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, at the end of the reporting period. Deferred tax assets and liabilities are not discounted.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

### 3. Significant Accounting Policies (Cont'd)

(s) Income taxes (Cont'd)

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at the end of each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(t) Segments reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-makers are responsible for allocating resources and assessing performance of the operating segments and make overall strategic decisions. The Group's operating segments are organised and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

(u) Non-current assets (or disposal group) held for sale and discontinued operation

Non-current assets (or disposal group) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. Such non-current assets (or disposal groups) classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

The criteria for held for sale classification is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset (or disposal group). Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification, except the delay is caused by events or circumstances beyond the entity's control and there is sufficient evidence that the entity remains committed to its plan to sell the asset (or disposal group).

Property, plant and equipment and intangible assets are not depreciated or amortised once classified as held for sale.

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group and which:

- represents a separate major line of business or geographical area of operations,
- is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations or
- is a subsidiary company acquired exclusively with a view to resale.

Classification as a discontinued operation occurs at the earlier of disposal or when the operation meets the criteria to be classified as held for sale.

When an operation is classified as a discontinued operation, the comparative statement of profit or loss is re-represented as if the operation had been discontinued from the start of the comparative period.

**4. Property, Plant and Equipment**

<b>Group</b>	<b>Freehold land RM</b>	<b>Long term leasehold land RM</b>	<b>Buildings RM</b>	<b>Plant and machinery RM</b>	<b>Furniture, fittings and office equipment RM</b>	<b>Motor vehicles RM</b>	<b>Renovation RM</b>	<b>Bearer plant (Note 4(g)) RM</b>	<b>Signboard RM</b>	<b>Total RM</b>
<b>2021</b>										
<b>Cost/Valuation</b>										
At 1 January										
2021	25,296,218	1,200,000	14,615,863	27,219,397	3,362,133	9,587,185	1,054,677	1,814,924	-	84,150,397
Additions	8,643,735	-	161,123	4,378,454	352,094	2,937,024	-	360,348	26,988	16,859,766
Disposal	-	-	-	-	-	(642,472)	-	-	-	(642,472)
Foreign currency translation differences	65,294	-	60,109	359,913	5,270	15,962	-	-	-	506,548
Transfer to assets classified as held for sale (Note 18)	-	-	(617,799)	(252,000)	(43,618)	(691,574)	-	(1,382,592)	-	(2,987,583)
At 31 December 2021	34,005,247	1,200,000	14,219,296	31,705,764	3,675,879	11,206,125	1,054,677	792,680	26,988	97,886,656
<b>Representing:</b>										
At cost	-	-	-	31,705,764	3,675,879	11,206,125	1,054,677	792,680	26,988	48,462,113
At valuation	34,005,247	1,200,000	14,219,296	-	-	-	-	-	-	49,424,543
At 31 December 2021	34,005,247	1,200,000	14,219,296	31,705,764	3,675,879	11,206,125	1,054,677	792,680	26,988	97,886,656

**4. Property, Plant and Equipment (Cont'd)**

<b>Group 2021</b>	<b>Freehold land RM</b>	<b>Long term leasehold land RM</b>	<b>Buildings RM</b>	<b>Plant and Machinery RM</b>	<b>Furniture, fittings and office equipment RM</b>	<b>Motor vehicles RM</b>	<b>Renovation RM</b>	<b>Bearer plant (Note 4(g)) RM</b>	<b>Signboard RM</b>	<b>Total RM</b>
<b>Accumulated depreciation</b>										
At 1 January 2021	-	121,774	1,957,018	13,927,364	2,391,506	7,162,190	105,468	333,054	-	25,998,374
Charge for the financial year	-	30,444	407,365	2,423,552	337,987	1,021,723	105,468	69,130	225	4,395,894
Disposals	-	-	-	-	-	(619,145)	-	-	-	(619,145)
Foreign currency translation differences	-	-	13,144	143,385	5,712	9,401	-	-	-	171,642
Transfer to assets classified as held for sale (Note 18)	-	-	(535,280)	(208,379)	(14,957)	(658,076)	-	(402,184)	-	(1,818,876)
At 31 December 2021	-	152,218	1,842,247	16,285,922	2,720,248	6,916,093	210,936	-	225	28,127,889

**4. Property, Plant and Equipment (Cont'd)**

	<b>Freehold land RM</b>	<b>Long term leasehold land RM</b>	<b>Buildings RM</b>	<b>Plant and Machinery RM</b>	<b>Furniture, fittings and office equipment RM</b>	<b>Motor vehicles RM</b>	<b>Renovation RM</b>	<b>Bearer plant (Note 4(g)) RM</b>	<b>Signboard RM</b>	<b>Total RM</b>
<b>Group 2021 Accumulated impairment loss</b>										
At 1 January 2021	33,144	-	25,150	43,618	17,930	20,740	-	-	-	140,582
Transfer to assets classified as held for sale (Note 18)	-	-	(25,150)	(43,618)	(17,930)	(20,740)	-	-	-	(107,438)
At 31 December 2021	33,144	-	-	-	-	-	-	-	-	33,144
<b>Total accumulated depreciation and impairment loss</b>	33,144	152,218	1,842,247	16,285,922	2,720,248	6,916,093	210,936	-	225	28,161,033

**4. Property, Plant and Equipment (Cont'd)**

<b>Group 2021</b>	<b>Freehold land RM</b>	<b>Long term leasehold land RM</b>	<b>Buildings RM</b>	<b>Plant and Machinery RM</b>	<b>Furniture, fittings and office equipment RM</b>	<b>Motor vehicles RM</b>	<b>Renovation RM</b>	<b>Bearer plant (Note 4(g)) RM</b>	<b>Signboard RM</b>	<b>Total RM</b>
<b>Carrying amount</b>										
At cost	-	-	-	15,419,842	955,631	4,290,032	843,741	792,680	26,763	22,328,689
At valuation	33,972,103	1,047,782	12,377,049	-	-	-	-	-	-	47,396,934
At 31 December 2021	33,972,103	1,047,782	12,377,049	15,419,842	955,631	4,290,032	843,741	792,680	26,763	69,725,623

**4. Property, Plant and Equipment (Cont'd)**

<b>Group</b>	<b>Freehold land RM</b>	<b>Long term leasehold land RM</b>	<b>Buildings RM</b>	<b>Plant and machinery RM</b>	<b>Furniture, fittings and office equipment RM</b>	<b>Motor vehicles RM</b>	<b>Renovation RM</b>	<b>Bearer plant (Note 4(g)) RM</b>	<b>Total RM</b>
<b>2020</b>									
<b>Cost/Valuation</b>									
At 1 January 2020	14,674,685	1,200,000	13,721,067	23,820,542	2,917,224	9,582,062	-	1,382,592	67,298,172
Additions	10,650,653	-	952,370	3,973,677	451,709	528,473	1,054,677	432,332	18,043,891
Disposal	-	-	-	(182,124)	-	(499,407)	-	-	(681,531)
Foreign currency translation differences	(29,120)	-	(57,574)	(392,698)	(6,800)	(23,943)	-	-	(510,135)
At 31 December 2020	<u>25,296,218</u>	<u>1,200,000</u>	<u>14,615,863</u>	<u>27,219,397</u>	<u>3,362,133</u>	<u>9,587,185</u>	<u>1,054,677</u>	<u>1,814,924</u>	<u>84,150,397</u>
<b>Representing:</b>									
At cost	-	-	-	27,219,397	3,362,133	9,587,185	1,054,677	1,814,924	43,038,316
At valuation	25,296,218	1,200,000	14,615,863	-	-	-	-	-	41,112,081
At 31 December 2020	<u>25,296,218</u>	<u>1,200,000</u>	<u>14,615,863</u>	<u>27,219,397</u>	<u>3,362,133</u>	<u>9,587,185</u>	<u>1,054,677</u>	<u>1,814,924</u>	<u>84,150,397</u>

**4. Property, Plant and Equipment (Cont'd)**

<b>Group</b>	<b>Freehold land RM</b>	<b>Long term leasehold land RM</b>	<b>Buildings RM</b>	<b>Plant and Machinery RM</b>	<b>Furniture, fittings and office equipment RM</b>	<b>Motor vehicles RM</b>	<b>Renovation RM</b>	<b>Bearer plant (Note 4(g)) RM</b>	<b>Total RM</b>
<b>2020</b>									
<b>Accumulated depreciation</b>									
At 1 January 2020	-	91,332	1,617,837	11,953,468	2,085,398	6,745,425	-	263,924	22,757,384
Charge for the financial year	-	30,442	354,146	2,202,583	312,057	930,271	105,468	69,130	4,004,097
Disposals	-	-	-	(86,582)	-	(499,404)	-	-	(585,986)
Foreign currency translation differences	-	-	(14,965)	(142,105)	(5,949)	(14,102)	-	-	(177,121)
At 31 December 2020	-	121,774	1,957,018	13,927,364	2,391,506	7,162,190	105,468	333,054	25,998,374
<b>Accumulated impairment loss</b>									
At 1 January/31 December 2020	33,144	-	25,150	43,618	17,930	20,740	-	-	140,582
<b>Total accumulated depreciation and impairment loss</b>	33,144	121,774	1,982,168	13,970,982	2,409,436	7,182,930	105,468	333,054	26,138,956

**4. Property, Plant and Equipment (Cont'd)**

<b>Group 2020</b>	<b>Freehold land RM</b>	<b>Long term leasehold land RM</b>	<b>Buildings RM</b>	<b>Plant and Machinery RM</b>	<b>Furniture, fittings and office equipment RM</b>	<b>Motor vehicles RM</b>	<b>Renovation RM</b>	<b>Bearer plant (Note 4(g)) RM</b>	<b>Total RM</b>
<b>Carrying amount</b>									
At cost	-	-	-	13,248,415	952,697	2,404,255	949,209	1,481,870	19,036,446
At valuation	25,263,074	1,078,226	12,633,695	-	-	-	-	-	38,974,995
At 31 December 2020	25,263,074	1,078,226	12,633,695	13,248,415	952,697	2,404,255	949,209	1,481,870	58,011,441

**4. Property, Plant and Equipment (Cont'd)**

## (a) Assets pledged as securities to financial institutions

The carrying amount of property, plant and equipment of the Group pledged as securities for bank borrowings as disclosed in Note 28 are:

	<b>2021</b>	<b>2020</b>
	<b>RM</b>	<b>RM</b>
<b>Group</b>		
Freehold land	8,293,826	2,034,045
Leasehold land	-	1,078,226
Buildings	<u>1,373,706</u>	<u>3,615,196</u>
	<u>9,667,532</u>	<u>6,727,467</u>

## (b) Right-of-use assets

Included in the net carrying amount of motor vehicles of the Group are right-of-use assets amounted to RM3,275,245 (2020: RM1,122,322) respectively.

## (c) Assets held under finance leases

At 31 December 2021, the carrying amount of leased motor vehicles of the Group was RM3,275,245 (2020: RM1,122,322), respectively.

Leased assets are pledged as security for the related finance lease liabilities.

## (d) Revaluation of land and buildings

In the previous financial years, land and buildings of a subsidiary company were revalued by Messrs. Kuljeet Singh, an independent professional valuer.

The fair value of land is within level 2 of the fair value hierarchy. The fair value was determined by based on market comparable approach that reflects recent transaction price for similar properties.

The fair value of buildings is within level 3 of the fair value hierarchy. The fair value was determined using the cost approach that reflects the cost to a market participant to construct assets of comparable utility and age, adjusted for obsolescence. A slight increase in the estimated construction costs would result in a significant increase in the fair value of the buildings, and vice versa.

**4. Property, Plant and Equipment (Cont'd)****(d) Revaluation of land and buildings (Cont'd)**

Had the land and buildings been carried at historical cost less accumulated depreciation and impairment loss, their carrying amount would have been as follows:

	<b>Freehold Land RM</b>	<b>Leasehold Land RM</b>	<b>Buildings RM</b>
<b>Group</b>			
<b>31 December 2021</b>			
Carrying amount	<u>8,483,136</u>	<u>196,812</u>	<u>6,897,978</u>
<b>31 December 2020</b>			
Carrying amount	<u>8,483,136</u>	<u>204,685</u>	<u>7,086,447</u>

**(e) Leasehold land**

The remaining lease term of the leasehold land is 35 years (2020: 36 years).

**(f) Acquisition of property, plant and equipment**

The aggregate cost for the property, plant and equipment of the Group during the financial year under finance lease and cash payment are as follows:

	<b>Group</b>	
	<b>2021 RM</b>	<b>2020 RM</b>
Aggregate costs	16,859,766	18,043,891
Less: Finance lease financing	(1,440,000)	(150,000)
Less: Term loan financing	<u>(4,900,000)</u>	<u>(3,000,000)</u>
Cash payments	<u>10,519,766</u>	<u>14,893,891</u>

**4. Property, Plant and Equipment (Cont'd)**

(g) Analysis of mature and immature bearer plants are as follows:

	<b>Mature RM</b>	<b>Immature RM</b>	<b>Total RM</b>
<b>Group</b>			
<b>2021</b>			
<b><u>Net Book Value</u></b>			
At 1 January 2021	1,049,538	432,332	1,481,870
Addition	-	360,348	360,348
Depreciation charge	(69,130)	-	(69,130)
Transfer to assets classified as held for sale	(980,408)	-	(980,408)
At 31 December 2021	<u>-</u>	<u>792,680</u>	<u>792,680</u>
<b>2020</b>			
<b><u>Net Book Value</u></b>			
At 1 January 2020	1,118,668	-	1,118,668
Addition	-	432,332	432,332
Depreciation charge	(69,130)	-	(69,130)
At 31 December 2020	<u>1,049,538</u>	<u>432,332</u>	<u>1,481,870</u>

**5. Investment Properties**

	<b>Freehold Land RM</b>	<b>Buildings RM</b>	<b>Total RM</b>
<b>Group</b>			
<b>2021</b>			
<b>Cost</b>			
At 1 January/31 December 2021	<u>400,000</u>	<u>250,000</u>	<u>650,000</u>
<b>Accumulated depreciation</b>			
At 1 January 2021	-	20,000	20,000
Charge for the financial year	-	5,000	5,000
At 31 December 2021	<u>-</u>	<u>25,000</u>	<u>25,000</u>
<b>Carrying amount</b>			
At 31 December 2021	<u>400,000</u>	<u>225,000</u>	<u>625,000</u>
<b>Fair value of investment properties</b>	<u>558,000</u>	<u>342,000</u>	<u>900,000</u>

**5. Investment Properties (Cont'd)**

	<b>Freehold Land RM</b>	<b>Buildings RM</b>	<b>Total RM</b>
<b>2020</b>			
<b>Cost</b>			
At 1 January/31 December 2020	<u>400,000</u>	<u>250,000</u>	<u>650,000</u>
<b>Accumulated depreciation</b>			
At 1 January 2020	-	15,000	15,000
Charge for the financial year	-	5,000	5,000
At 31 December 2020	<u>-</u>	<u>20,000</u>	<u>20,000</u>
<b>Carrying amount</b>			
At 31 December 2020	<u>400,000</u>	<u>230,000</u>	<u>630,000</u>
<b>Fair value of investment properties</b>	<u>566,310</u>	<u>368,690</u>	<u>935,000</u>

Investment properties comprise of freehold land and building that are leased to third party. Leases contains a cancellable period ranging from 1 to 3 years. Subsequent renewals are negotiated with the lessee on an average renewal period of 1 to 3 years. No contingent rents are charged.

The following are recognised in profit or loss in respect of investment properties:

	<b>Group</b>	
	<b>2021 RM</b>	<b>2020 RM</b>
Rental income	28,258	30,888
Direct operating expenses	<u>1,158</u>	<u>1,158</u>

**6. Intangible Assets**

<b>Group</b>	<b>Goodwill</b>	<b>Licensing</b>	<b>Development</b>	<b>Land use</b>	<b>Total</b>
<b>2021</b>	<b>RM</b>	<b>fees</b>	<b>costs</b>	<b>rights</b>	<b>RM</b>
<b>Cost</b>		<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
At 1 January 2021	2,427,995	872,104	819,036	24,800,000	28,919,135
Transfer to assets classified as held for sale (Note 18)	-	-	-	(24,800,000)	(24,800,000)
31 December 2021	<u>2,427,995</u>	<u>872,104</u>	<u>819,036</u>	<u>-</u>	<u>4,119,135</u>
<b>Accumulated amortisation</b>					
At 1 January 2021	-	-	-	1,928,892	1,928,892
Charge for the financial year	-	-	-	275,556	275,556
Transfer to assets classified as held for sale (Note 18)	-	-	-	(2,204,448)	(2,204,448)
At 31 December 2021	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Accumulated impairment loss</b>					
At 1 January/31 December 2021	<u>2,018,753</u>	<u>872,104</u>	<u>819,036</u>	<u>-</u>	<u>3,709,893</u>
<b>Carrying amount</b>					
At 31 December 2021	<u>409,242</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>409,242</u>

**6. Intangible Assets (Cont'd)**

<b>Group</b>	<b>Goodwill</b>	<b>Licensing</b>	<b>Development</b>	<b>Land use</b>	<b>Total</b>
<b>2020</b>	<b>RM</b>	<b>fees</b>	<b>costs</b>	<b>rights</b>	<b>RM</b>
<b>Cost</b>		<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
At 1 January/31					
December 2020	2,427,995	872,104	819,036	24,800,000	28,919,135
<b>Accumulated amortisation</b>					
At 1 January 2020	-	-	-	1,653,336	1,653,336
Charge for the financial year	-	-	-	275,556	275,556
At 31 December 2020	-	-	-	1,928,892	1,928,892
<b>Accumulated impairment loss</b>					
At 1 January/31					
December 2020	2,018,753	872,104	819,036	-	3,709,893
<b>Carrying amount</b>					
At 31 December 2020	409,242	-	-	22,871,108	23,280,350

## (a) Description of material intangible assets

Licensing fees are related to wood logging at Kelantan, Malaysia. The rights of wood logging are covered approximately 404 hectare and the estimated useful life is 50 years.

The development costs related to the development of tree pulverizer machine project.

Land use right refer to the right granted by Perbadanan Pembangunan Ladang Rakyat Negeri Kelantan to use and develop the plantation land.

**6. Intangible Assets (Cont'd)****(b) Impairment testing for cash-generating units (“CGU”) containing goodwill**

For the purpose of impairment testing, goodwill is allocated to the Group’s operating divisions which represent the lowest CGU level within the Group at which the goodwill is monitored for internal management purposes.

	<b>Group</b>	
	<b>2021</b>	<b>2020</b>
	<b>RM</b>	<b>RM</b>
Muar Ban Lee Machinery Sdn. Bhd.	195,432	195,432
Allin Water Technology Sdn. Bhd.	213,810	213,810
	409,242	409,242

The recoverable amount for the above was based on its value in use and was determined by discounting the future cash flows generated from the continuing use of this units and was based on the following key assumptions:

- (i) Cash flows were projected based on actual operating results and a two-year (2020: two-year) business plan.
- (ii) The anticipated annual revenue growth rate used in the cash flow budgets and plans of CGU is 3% (2020:3%).
- (iii) A pre-tax discount rate of 8.2% (2020:8.2%) was applied in determining the recoverable amount of the unit. The discount rate was estimated based on the weighted average cost of capital of the Group plus a reasonable risk premium.

The values assigned to the key assumptions represent management’s assessment of future trends in the industry and are based on both external sources and internal sources.

With regards to the assessments of value-in-use of these CGUs, management believes that no reasonably possible changes in any of the key assumptions would cause the carrying values of these units to differ materially from their recoverable amounts except for the changes in prevailing operating environment which is not ascertainable.

**7. Right-of-Use Assets**

	<b>Land (a) RM</b>	<b>Premise RM</b>	<b>Total RM</b>
<b>Group</b>			
<b>2021</b>			
<b>Cost</b>			
At 1 January 2021	5,796,608	3,971,075	9,767,683
Addition	-	576,906	576,906
Transfer to assets classified as held for sale (Note 18)	<u>(5,796,608)</u>	<u>-</u>	<u>(5,796,608)</u>
At 31 December 2021	<u>-</u>	<u>4,547,981</u>	<u>4,547,981</u>
<b>Accumulated Amortisation</b>			
At 1 January 2021	136,390	193,266	329,656
Charge for the financial year	68,195	1,021,812	1,090,007
Transfer to assets classified as held for sale (Note 18)	<u>(204,585)</u>	<u>-</u>	<u>(204,585)</u>
At 31 December 2021	<u>-</u>	<u>1,215,078</u>	<u>1,215,078</u>
<b>Carrying Amount</b>			
At 31 December 2021	<u>-</u>	<u>3,332,903</u>	<u>3,332,903</u>
<b>2020</b>			
<b>Cost</b>			
At 1 January 2020	5,796,608	-	5,796,608
Addition	<u>-</u>	<u>3,971,075</u>	<u>3,971,075</u>
At 31 December 2020	<u>5,796,608</u>	<u>3,971,075</u>	<u>9,767,683</u>
<b>Accumulated Amortisation</b>			
At 1 January 2020	68,195	-	68,195
Charge for the financial year	<u>68,195</u>	<u>193,266</u>	<u>261,461</u>
At 31 December 2020	<u>136,390</u>	<u>193,266</u>	<u>329,656</u>
<b>Carrying Amount</b>			
At 31 December 2020	<u>5,660,218</u>	<u>3,777,809</u>	<u>9,438,027</u>

(a) The Group leases a land from Perbadanan Pembangunan Ladang Rakyat Negeri Kelantan to use and develop the plantation land.

**8. Investments in Subsidiary Companies**

	<b>Company</b>	
	<b>2021 RM</b>	<b>2020 RM</b>
<b>In Malaysia</b>		
Unquoted shares, at cost	<u>39,185,001</u>	<u>39,184,999</u>

**8. Investments in Subsidiary Companies (Cont'd)**

Details of the subsidiary companies are as follows:

Name of company	Place of Business/ Country of Incorporation	Effective interest (%)		Principal activities
		2021	2020	
Muar Ban Lee Engineering Sdn. Bhd.	Malaysia	100	100	Manufacturer of oil seed expeller and related parts and engage in construction of biogas plant
Muar Ban Lee Technology Sdn. Bhd.	Malaysia	100	100	Manufacturer of automated kernel crushing plants and related parts
MBL Auto Sdn. Bhd. (Formerly known as Palm Ocean Engineering Sdn. Bhd.)	Malaysia	100	100	To carry on the business of a distributor, dealer, importer, broker, trade, investor, financier, equity partner, bidder, offeror, auctioneer of cars/automobiles and provide storage, logistic, warehousing, servicing, maintenance and support. To own, lease, operate, maintain, administer all aspects of an auto racing circuit.
MBL Biotech Sdn. Bhd. *	Malaysia	30	30	Dormant
MBL Waste Processing Technology Sdn. Bhd.	Malaysia	95	95	Investment holding company
MBL Plantation Sdn. Bhd.	Malaysia	100	100	Investment holding company involving in agricultural industry
Muar Ban Lee Machinery Sdn. Bhd.	Malaysia	95	95	Manufacturer of automated processing machinery and equipment and related parts and components for palm oil industry and engage in construction of biogas plant

**8. Investments in Subsidiary Companies (Cont'd)**

Details of the subsidiary companies are as follows: (Cont'd)

Name of company	Place of Business/ Country of Incorporation	Effective interest (%)		Principal activities
		2021	2020	
Allin Water Technology Sdn. Bhd.	Malaysia	65	65	Design, fabricate, supply and installation of machinery and ancillary equipment for wastewater treatment and engery generation from palm oil mill and other industry
MBL Proauto Sdn. Bhd. (Formerly known as Open Road MBL Sdn. Bhd.)	Malaysia	85	85	Carry on the business of a distributor, dealer, importer, broker, trade, investor, financier, equity partner, bidder, offeror, auctioner of cars/automobiles and to provide storage, logistic, warehousing, servicing, maintenance, and support. To own, lease, operate, maintain, administer all aspects of an auto racing circuit.
Theron Holdings Sdn. Bhd.	Malaysia	100	-	Investment holding company
<b>Held through MBL Plantation Sdn. Bhd.</b>				
SPA Hidayah Enterprise Sdn. Bhd.	Malaysia	100	100	Dormant
Sokor Gemilang Ladang Sdn. Bhd.	Malaysia	100	100	Cultivation of palm oil plantation

**8. Investments in Subsidiary Companies (Cont'd)**

Details of the subsidiary companies are as follows: (Cont'd)

Name of company	Place of Business/ Country of Incorporation	Effective interest (%)		Principal activities
		2021	2020	
<b>Held through MBL Waste Processing Technology Sdn. Bhd.</b>				
POME Treatment Technology Sdn. Bhd. **	Malaysia	52.25	52.25	Design, fabricate, supply and installation of machinery and ancillary equipment for waste management and energy generation for palm oil mill and other industries
<b>Held through Muar Ban Lee Engineering Sdn. Bhd.</b>				
PT. Serdang Jaya Perdana ^	Indonesia	51	51	Engaged in the business of palm kernel crushing plant where crude palm kernel oil is extracted from palm kernel

^ Subsidiary company not audited by UHY.

\* Currently the Company exercise full control over MBL Biotech Sdn. Bhd. ("MBLB"). As such, MBLB are recognised as the subsidiary company of the Company even though the Company's equity interest in this subsidiary company is less than 50%.

\*\* The total effective equity interest held by the Group is 52.25%, of which 55% is held through MBL Waste Processing Technology Sdn. Bhd..

**8. Investments in Subsidiary Companies (Cont'd)**

Details of the subsidiary companies are as follows: (Cont'd)

## (a) Material partly owned subsidiary company

Set out below are the Group's subsidiary company that has material non-controlling interests:

Name of Company	Proportion of ownership interests and voting rights held by non-controlling interest		Profit allocated to non-controlling interests		Accumulated non-controlling interests	
	2021	2020	2021	2020	2021	2020
	%	%	RM	RM	RM	RM
PT. Serdang Jaya Perdana	49	49	1,314,746	1,042,430	9,138,941	7,824,195
Individually immaterial subsidiaries with non-controlling interests					(74,492)	25,385
Total non-controlling interests					9,064,449	7,849,580

Summarised financial information for subsidiary company that has non-controlling interests that is material to the Group is set out below. The summarised financial information below represents amounts before inter-company eliminations.

## (i) Summarised statement of financial position

	2021 RM	2020 RM
Non-current assets	16,567,978	15,699,913
Current assets	14,799,054	11,932,043
Current liabilities	(10,052,969)	(9,001,047)
Net assets	21,314,063	18,630,909

## (ii) Summarised statement of profit or loss and other comprehensive income

	2021 RM	2020 RM
Revenue	154,882,315	113,418,309
Net profit for the financial year	2,268,744	2,650,836
Other comprehensive (loss)/income for the financial year	414,410	(523,428)
Total comprehensive income for the financial year	2,683,154	2,127,408

**8. Investments in Subsidiary Companies (Cont'd)**

Details of the subsidiary companies are as follows: (Cont'd)

**(a) Material partly owned subsidiary company (Cont'd)****(iii) Summarised statement of cash flows**

	<b>2021</b>	<b>2020</b>
	<b>RM</b>	<b>RM</b>
Net cash from operating activities	102,114	10,333,256
Net cash used in investing activities	(2,496,393)	(6,854,185)
Net cash from/(used in) financing activities	<u>1,653,159</u>	<u>(1,084,984)</u>
Net (decrease)/increase in cash and cash equivalents	<u>(741,120)</u>	<u>2,394,087</u>

**(b) Incorporation of subsidiary company**

During the financial year, the Company incorporated a 100% owned subsidiary namely Theron Holdings Sdn. Bhd. ("THERON") under the Companies Act, 2016 as a private company limited by shares with 2 ordinary shares for total consideration of RM2.

The effect of incorporation of subsidiary company did not have any material effect on the financial results and position of the Group.

**(c) Increase in share capital of a subsidiary company**

On 2 March 2020, issued and paid up capital of Open Road MBL Sdn. Bhd. ("ORMBL") was increased from RM100,000, comprising of 100,000 ordinary shares to RM1,000,000, comprising of 1,000,000 ordinary shares by the issuance of 900,000 new ordinary shares. The Company had acquired 750,000, representing 85% of these new ordinary shares for total consideration of RM750,000.

On 10 March 2020, issued and paid up capital of ORMBL was increased from RM1,000,000, comprising of 1,000,000 ordinary shares to RM1,500,000, comprising of 1,500,000 ordinary shares by the issuance of 500,000 new ordinary shares. The Company had acquired 425,000, representing 85% of these new ordinary shares for total consideration of RM425,000.

Total consideration paid to acquire these new ordinary shares are RM1,175,000.

According to the Company's equity interest in ORMBL of 85% and its subsidiary status remains unchanged.

There are no significant restrictions on the ability of the subsidiary companies to transfer funds to the Group in the form of cash dividends or repayment of loans and advances. Generally, for all subsidiary companies which are not wholly owned by the Company, non-controlling shareholders hold protective rights restricting the Company's ability to use the assets of the subsidiary companies and settle the liabilities of the Group, unless approval is obtained from non-controlling shareholders.

**9. Other Investment**

	<b>Group/Company</b>	
	<b>2021</b>	<b>2020</b>
	<b>RM</b>	<b>RM</b>
<b>Quoted shares in Malaysia</b>		
Equity instruments at fair value through other comprehensive income	875	14,705,590

During the financial year, the Group and the Company had the following transactions:

- (a) Disposed entire shares of Federal International Holdings Berhad with proceeds of RM2,787,564, and RM686,694 had been recognised as fair value gain in other comprehensive income.
- (b) Acquired Symphony Life Berhad (“Symlife”)’s 5,000,000 units of share with RM4,690,000.
- (c) Acquired Symphony Life Berhad (“Symlife”)’s 89,000,000 units of share with RM88,105,000 as in Note 43(c).
- (d) Received dividend from Symlife of 2,124,088 unit of shares, amounted to RM1,431,320 and reinvested into other investment.

In accordance to Accounting Policies in Note 3(b), the Group has significant influence over Symlife, Accordingly, other investment amounted to RM66,067,294 had been reclassified to investment in associate as disclosed in Note 10, and RM36,072,871 had been recognised as fair value loss in other comprehensive income.

**10. Investment in Associate**

	<b>Group</b>		<b>Company</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
<b>At cost :</b>				
Quoted shares in Malaysia (Note 9) #	66,067,294	-	13,259,634	-
Share of post-acquisition reserve	9,998,819	-	-	-
Quoted shares, at cost	76,066,113	-	13,259,634	-

- # 67,000,000 units of Symlife’s shares are pledged as securities for bank borrowings as disclosed in Note 28.

**10. Investment in Associate (Cont'd)**

Details of the associates are as follows:

Name of company	Place of business/Country of incorporation	Effective interest		Principal activities
		2021 %	2020 %	
<b>Direct Holding:</b>				
Symphony Life Berhad ("Symlife") *^	Malaysia	3.34	-	Property development, property investment and investment holding
<b>Held through Theron Holding Sdn. Bhd.</b>				
Symphony Life Berhad ("Symlife") *^	Malaysia	13.29	-	Property development, property investment and investment holding

\* The Group has significant influence over Symlife by virtue of its contractual right to appoint two out of eight directors to the board of directors of Symphony Life Berhad, even though the Group's equity interest in this associate is less than 20%.

^ Associate company not audited by UHY.

- (a) The associate has a different financial year end from the Group. In applying the equity method of accounting, the audited financial statements of the associate for the financial year ended 31 March 2021 have been used and appropriate adjustments have been made for the effects of significant transaction between 31 March 2021 and 31 December 2021.
- (b) The summarised financial information of the Group's associate are set out below:
- (i) Summarised statement of financial position

	<b>2021 RM</b>
Non-current assets	562,291,036
Current assets	914,445,880
Non-current liabilities	(204,292,349)
Current liabilities	(261,265,439)
Net assets	<u>1,011,179,128</u>
Interest in associate	16.63%
Group's share of net asset	168,159,089
Bargain purchase	(92,092,927)
Carrying value of Group's interest in associate	<u>76,066,113</u>
Market value:	
Quoted shares in Malaysia	<u>56,544,080</u>

**10. Investment in Associate (Cont'd)**

(b) The summarised financial information of the Group's associate are set out below:

(ii) Summarised statement profit or loss and other comprehensive income

	<b>2021 RM</b>
Revenue	<u>333,763,745</u>
Total comprehensive income for the reporting period	<u>48,281,926</u>

**11. Deferred Tax (Assets)/Liabilities**

	<b>Group</b>	
	<b>2021 RM</b>	<b>2020 RM</b>
At 1 January	2,265,825	2,553,639
Recognised in profit or loss		
- Relating to origination and reversal of temporary differences	(521,611)	(331,622)
- Relating to crystallisation of deferred tax liability on revaluation reserve	(22,761)	(22,761)
(Over)/Under provision in prior years	<u>(57,945)</u>	<u>66,569</u>
At 31 December	<u>1,663,508</u>	<u>2,265,825</u>

The net deferred tax liabilities and assets shown on the consolidated statement of financial position after appropriate offsetting are as follows:

	<b>Group</b>	
	<b>2021 RM</b>	<b>2020 RM</b>
Deferred tax liabilities	2,186,179	2,661,350
Deferred tax assets	<u>(522,671)</u>	<u>(395,525)</u>
	<u>1,663,508</u>	<u>2,265,825</u>

**11. Deferred Tax (Assets)/Liabilities (Cont'd)**

The components and movements of deferred tax liabilities and assets are as follows:

<b>Group</b>	<b>Accelerated Capital Allowances RM</b>	<b>Revaluation of Assets RM</b>	<b>Total RM</b>
<b>Deferred tax liabilities</b>			
At 1 January 2021	1,573,595	1,122,281	2,695,876
Recognised in profit or loss	(312,672)	(22,761)	(335,433)
Over provision in prior years	(164,466)	-	(164,466)
At 31 December 2021	<u>1,096,457</u>	<u>1,099,520</u>	<u>2,195,977</u>
Set-off against tax assets			<u>(9,798)</u>
			<u>2,186,179</u>
At 1 January 2020	1,423,420	1,145,042	2,568,462
Recognised in profit or loss	83,606	(22,761)	60,845
Under provision in prior years	66,569	-	66,569
At 31 December 2020	<u>1,573,595</u>	<u>1,122,281</u>	<u>2,695,876</u>
Set-off against tax assets			<u>(34,526)</u>
			<u>2,661,350</u>
	<b>Unutilised Capital Allowances RM</b>	<b>Unutilised Tax Losses RM</b>	<b>Total RM</b>
<b>Deferred tax assets</b>			
At 1 January 2021	(6,959)	(423,092)	(430,051)
Recognised in profit or loss	(6,784)	(202,155)	(208,939)
Over provision in prior years	-	106,521	106,521
At 31 December 2021	<u>(13,743)</u>	<u>(518,726)</u>	<u>(532,469)</u>
Set-off against deferred tax liabilities			<u>9,798</u>
			<u>(522,671)</u>
At 1 January 2020	-	(14,823)	(14,823)
Recognised in profit or loss	(6,959)	(408,269)	(415,228)
At 31 December 2020	<u>(6,959)</u>	<u>(423,092)</u>	<u>(430,051)</u>
Set-off against deferred tax liabilities			<u>34,526</u>
			<u>(395,525)</u>

**11. Deferred Tax (Assets)/Liabilities (Cont'd)**

The amounts of temporary differences for which no deferred tax assets have been recognised are as follows:

	<b>Group</b>	
	<b>2021</b>	<b>2020</b>
	<b>RM</b>	<b>RM</b>
Unutilised capital allowances	480,421	410,045
Unutilised tax losses	1,797,024	1,271,096
Others	149,217	34,901
	<u>2,426,662</u>	<u>1,716,042</u>

Deferred tax asset has not been recognised in respect of this item as they may not have sufficient taxable profits to be used to offset or they have arisen in subsidiary companies that have a recent history of losses.

**12. Inventories**

	<b>Group</b>	
	<b>2021</b>	<b>2020</b>
	<b>RM</b>	<b>RM</b>
<b>At cost:</b>		
Raw materials	12,914,695	7,633,765
Work-in progress	16,099,733	21,542,126
Finished goods	9,356,438	-
	<u>38,370,866</u>	<u>29,175,891</u>
Recognised in profit or loss:		
Inventories recognised as cost of sales	<u>280,893,402</u>	<u>165,116,781</u>

**13. Biological Assets**

	<b>Group</b>	
	<b>2021</b>	<b>2020</b>
	<b>RM</b>	<b>RM</b>
At 1 January	66,266	51,098
Fair value changes	44,915	15,168
Transfer to assets classified as held for sale (Note 18)	(111,181)	-
31 December	<u>-</u>	<u>66,266</u>
Fresh Fruit Bunches (“FFB”) production (Tonnes)	<u>1,401</u>	<u>835</u>

The biological assets of the Group comprise of oil palm FFB prior to harvest. The valuation model to be adopted by the Company considers the present value of the net cash flows expected to be generated from the sale of FFB.

**13. Biological Assets (Cont'd)**

To arrive at the fair value of FFB, the management considered the oil content of the unripe FFB and derived the assumption that the net cash flow to be generated from FFB prior to more than three months to harvest to be negligible, therefore quantity of unripe FFB on bearer plants of up to three months prior to harvest was used for valuation purpose. The value of the unripe FFB was estimated to be yield of FFBs per hectare per year by yearly age attribute over the useful life of the oil palm crop. The yield per hectare by age attribute may be determined by reference to past experience of harvested FFBs over a reasonable period of time. Costs to sell, which include harvesting and transport cost, are deducted in arriving at the net cash flow to be generated.

The change in fair value of the biological assets in each accounting period is recognised in profit or loss.

The Company's biological assets were fair valued within Level 3 of the fair value hierarchy. Fair value assessments have been completed consistently using the same valuation techniques.

If the FFB selling price changes by 10%, profit or loss for the Company would have equally increased or decreased by approximately RM10,819 (2020: RM10,266).

**14. Trade Receivables**

	<b>Group</b>	
	<b>2021</b>	<b>2020</b>
	<b>RM</b>	<b>RM</b>
Trade receivables	29,956,535	23,346,010
Less: Accumulated impairment losses	(136,284)	(93,235)
	29,820,251	23,252,775

Trade receivables are non-interest bearing and are generally on 30 to 120 days (2020: 30 to 120 days). Other credit terms are assessed and approved on a case-by-case basis. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Movements in the allowance for impairment losses are as follows:

	<b>Group</b>	
	<b>2021</b>	<b>2020</b>
	<b>RM</b>	<b>RM</b>
At 1 January	93,235	825,000
Impairment losses recognised	67,948	93,235
Reversal of impairment loss	(24,899)	(825,000)
At 31 December	136,284	93,235

**14. Trade Receivables (Cont'd)**

The loss allowance account in respect of trade receivables is used to record loss allowance. Unless the Group is satisfied that recovery of the amount is possible, the amount considered irrecoverable is written off against the receivable directly.

The aged analysis of trade receivables as at the end of the reporting period:

	<b>Gross Amount RM</b>	<b>Loss Allowance RM</b>	<b>Net Amount RM</b>
<b>Group</b>			
<b>2021</b>			
Neither past due nor impaired	13,462,825	-	13,462,825
Past due but not impaired:			
Less than 90 days	10,028,604	(39,177)	9,989,427
More than 90 days	6,465,106	(97,107)	6,367,999
	<u>29,956,535</u>	<u>(136,284)</u>	<u>29,820,251</u>
<b>2020</b>			
Neither past due nor impaired	17,652,131	-	17,652,131
Past due but not impaired:			
Less than 90 days	2,621,848	(19,211)	2,602,637
More than 90 days	3,072,031	(74,024)	2,998,007
	<u>23,346,010</u>	<u>(93,235)</u>	<u>23,252,775</u>

Trade receivables that are neither past due nor impaired are creditworthy receivables with good payment records with the Group.

In managing credit risk of trade receivables, the Group manages its debtors and takes appropriate actions to recover long overdue balances. Generally, trade receivables will pay within 120 days. The Group uses an provision matrix to measure ECLs of trade receivables for all segments. Loss rates are based on actual credit loss experience over the past three years. The Group also considers differences between economic conditions during the period over which the historic data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

As at 31 December 2021, trade receivables of RM16,357,426 (2020: RM5,600,644) were past due but not impaired. These relate to a number of independent customers for whom there is no history of default.

**15. Other Receivables**

	<b>Group</b>		<b>Company</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
Other receivables	7,339,366	1,725,887	930	930
Sundry deposits	807,130	13,953,056	3,000	11,003,000
Prepayments	<u>35,208,027</u>	<u>37,318,130</u>	<u>1,700</u>	<u>1,700</u>
	<u>43,354,523</u>	<u>52,997,073</u>	<u>5,630</u>	<u>11,005,630</u>

Included in prepayments of the Group is an amount of RM29,327,625 (2020: RM28,093,441) being amount paid to suppliers for purchase of raw materials for certain secured sales contracts.

**16. Amounts Owning by/(to) Subsidiary Companies**

	<b>Company</b>	
	<b>2021</b>	<b>2020</b>
	<b>RM</b>	<b>RM</b>
<b>Amounts owing by subsidiary companies</b>		
<u>Non-trade related</u>		
Non-interest bearing	66,931,339	42,531,094
Less: Accumulated impairment losses	<u>(385,081)</u>	<u>(385,081)</u>
	<u>66,546,258</u>	<u>42,146,013</u>
<b>Amounts owing to subsidiary companies</b>		
<u>Non-trade related</u>		
Non-interest bearing	<u>41,141,924</u>	<u>30,256,642</u>

Movements in the allowance for impairment loss are as follows:

	<b>Company</b>	
	<b>2021</b>	<b>2020</b>
	<b>RM</b>	<b>RM</b>
At 1 January/31 December	<u>385,081</u>	<u>385,081</u>

Amount owing by/(to) subsidiary companies with non-interest bearing are unsecured and repayable on demand.

**17. Deposits, Bank and Cash Balances**

	<b>Group</b>		<b>Company</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
Cash and bank balances	33,537,767	20,804,135	7,677,056	586,932
Deposits with licensed banks				
- Conventional	<u>2,107,122</u>	<u>4,061,512</u>	<u>-</u>	<u>-</u>
Total cash and bank balances	<u>35,644,889</u>	<u>24,865,647</u>	<u>7,677,056</u>	<u>586,932</u>

Fixed deposits with licensed banks of the Group amounting to RM2,107,122 (2020: RM4,061,512) are pledged as securities for finance lease liabilities as disclosed in Note 26.

The fixed deposits with licensed banks of the Group earn effective interest at rates ranging from 1.80% to 3.35% (2020: 2.95% to 3.35%) per annum.

Deposits of the Group have a maturity period of 12 months (2020: 12 months).

**18. Assets and Liabilities Classified As Held for Sale and Discontinued Operations**

On 1 April 2021, MBL Plantation Sdn. Bhd. (“MBLP”), a wholly-owned subsidiary entered into a Sale and Purchase Agreement (“SPA”) with Doa Huat Holdings Sdn. Bhd. (“DHHSB”) for the sale and transfer of the entire equity interest in Sokor Gemilang Ladang Sdn Bhd (“SGLSB”) for a total consideration of RM25,000,000. SGLSB was principally involved in cultivation of palm oil plantation.

As of 31 December 2021, the conditions precedent of the SPA is not completed. As a result, the assets and liabilities of SGLSB have be completed presented on the statements of financial position as held for sale and results from this subsidiary company is presented separately on the statements of profit or loss as discontinued operation.

**18. Assets and Liabilities Classified As Held for Sale and Discontinued Operations (Cont'd)****Statement of Financial Position**

The major classes of assets and liabilities of Sokor Gemilang Ladang Sdn Bhd classified as held for sale as of 31 December 2021 are as follows:

	<b>2021</b>
	<b>RM</b>
<b>Assets</b>	
Property, plant and equipment (Note 4)	1,061,269
Intangible asset (Note 6)	22,595,552
Right of use asset (Note 7)	5,592,023
Biological asset (Note 13)	111,181
Trade receivables	27,173
Other receivables	15,652
Cash and bank balances	44,785
Assets classified as held for sale	<u>29,447,635</u>
<b>Liabilities</b>	
Right-of-use lease liabilities (Note 27)	5,786,206
Trade payables	171,275
Other payables	34,295
Liabilities classified as held for sale	<u>5,991,776</u>
Net assets classified as held for sale	<u>23,455,859</u>

**Statement of Profit or Loss**

The results of Sokor Gemilang Ladang Sdn Bhd of disposal group are as follows:

	<b>2021</b>	<b>2020</b>
	<b>RM</b>	<b>RM</b>
Revenue	238,279	297,393
Cost of sales	<u>(259,737)</u>	<u>(757,616)</u>
Gross loss	(21,458)	(460,223)
Other income	51,284	95,307
Distribution and administration expenses	<u>(793,606)</u>	<u>(809,016)</u>
Profit from operations	(763,780)	(1,173,932)
Finance costs	<u>(321,723)</u>	<u>(321,916)</u>
Loss from discontinued operation	<u>(1,085,503)</u>	<u>(1,495,848)</u>

The loss from discontinued operation is attributable entirely to the owners of the Company.

**18. Assets and Liabilities Classified As Held for Sale and Discontinued Operations (Cont'd)****Statement of Cash Flows**

Cash flows attributable to Sokor Gemilang Ladang Sdn Bhd are as follows:

	<b>2021</b>	<b>2020</b>
	<b>RM</b>	<b>RM</b>
Net cash used in operating activities	(631,293)	(575,727)
Net cash from financing activities	642,123	430,314
Effect on cash flows	<u>10,830</u>	<u>(145,413)</u>

**19. Share Capital**

	<b>Group and Company</b>			
	<b>Number of ordinary shares</b>		<b>Amount</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>Units</b>	<b>Units</b>	<b>RM</b>	<b>RM</b>
<b>Issued and fully paid:</b>				
At 1 January	224,580,400	107,213,300	67,632,982	63,063,772
Private placement	23,729,000	-	7,761,756	-
Warrants conversion	-	5,169,800	-	4,569,210
Bonus issue	-	112,197,300	-	-
At 31 December	<u>248,309,400</u>	<u>224,580,400</u>	<u>75,394,738</u>	<u>67,632,982</u>

During the financial year, the Company increased its issued and paid up share capital through the issuance of 23,729,000 new ordinary shares pursuant to the private placement exercise at issue price RM0.3271 per ordinary shares.

During the prior financial year, the Company:

- (a) Prior to the bonus issue, the Company issued 4,984,000 new ordinary shares of RM0.80 each arising from exercise of warranty.
- (b) The shareholders of the Company, by an ordinary resolution passed at the Extraordinary General Meeting held on 17 August 2020, approved the bonus issue of 112,197,300 new ordinary shares on the basis of one (1) bonus share for everyone (1) existing ordinary shares held. The issued and fully paid-up ordinary share capital of the Company was increased from 112,197,300 to 224,394,600. The bonus shares were issued as fully paid, at nil consideration and without capitalisation of the Company's reserves.
- (c) Subsequent to the bonus issue, the Company issued 185,800 new ordinary shares of RM0.40 each arising from exercise of warrants.

**19. Share Capital (Cont'd)**

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions and rank equally with regard to the Company residual assets. In respect of the Company's treasury shares that are held by the Group, all rights are suspended until those shares are reissued.

**20. Treasury Shares**

The shareholders of the Company, by a resolution passed in the last Annual General Meeting held on 28 July 2021, renewed their approval for the Company's plan to repurchase its own shares. The Directors of the Company are committed to enhancing the value of the Company to its shareholders and believe that the repurchase plan can be applied in the best interest of the Company and its shareholders.

	<b>Group and Company</b>			
	<b>Number of ordinary shares</b>		<b>Amount</b>	
	<b>2021 Units</b>	<b>2020 Units</b>	<b>2021 RM</b>	<b>2020 RM</b>
At 1 January	16,015,600	6,242,800	9,053,872	7,157,924
Own shares acquired	175,500	1,765,000	59,670	1,895,948
Bonus issue	-	8,007,800	-	-
At 31 December	16,191,100	16,015,600	9,113,542	9,053,872

During the financial year, the Company repurchased 175,500 units of its issued share capital from the open market at an average price of RM0.34 (2020: RM1.0742) per share including transaction costs. The purchase transactions were financed by internally generated funds. The shares repurchased are held as treasury shares.

**21. Revaluation Reserve**

The revaluation reserve represents increase in the fair value of land and buildings, net of tax, and decrease to the extent that such decrease relates to an increase on the same asset previously recognised in other comprehensive income.

**22. Warrant Reserves**

	<b>Group and company</b>	
	<b>2021 RM</b>	<b>2020 RM</b>
At 1 January	13,586,344	15,566,335
Conversion of warrants	-	(1,979,991)
At 31 December	13,586,344	13,586,344

## **22. Warrant Reserves (Cont'd)**

On 3 December 2012, the Group and the Company issued a Renounceable Rights Issue of 46,000,000 warrants in the Group and the Company on the basis of 1 warrant for every 2 existing shares of the Group and of the Company at an issue price of RM0.10 per warrant.

The warrant reserves represent the fair value of the warrants on the issue date of RM0.39 based on the Black-Scholes Model. The discount on shares represents the fair value of the warrants less the proceeds received from the issuance of the said warrants.

Each warrant entitles the registered holder of warrant to subscribe for one new ordinary share in the Company at any time on or after 3 December 2012 up to the date of expiry on 28 November 2022, at an exercise price of RM0.80 per share. Subsequent to the bonus issue on 17 August 2020, the exercise price change to RM0.40.

During the prior financial year, the Company:

- (a) Prior to the bonus issue, 4,984,000 units of warrants were exercised.
- (b) Pursuant to the bonus issue, the warrants of share were analysed from 34,929,680 to 69,859,360.
- (c) Subsequent to the bonus issue, 185,800 units of warrants were exercise.

As at 31 December 2021, the outstanding number of warrants was 69,673,560.

### **Discount on Shares**

This represents fair value allocated to the detachable warrants issued in conjunction with right issue.

## **23. Fair Value Adjustment Reserve**

The fair value reserve comprises the cumulative net change in the fair value of equity securities designated at fair value through other comprehensive income until the assets are derecognised or impaired.

## **24. Foreign Currency Translation Reserve**

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

## **25. Retained Earnings**

The entire retained earnings of the Group and of the Company are available for distribution as single-tier dividends.

**26. Finance Lease Liabilities**

	<b>Group</b>	
	<b>2021</b>	<b>2020</b>
	<b>RM</b>	<b>RM</b>
<b>Minimum lease payments:</b>		
Repayable within one year	1,356,673	1,103,125
Repayable within one to two years	1,132,038	1,006,525
Repayable within two to five years	2,942,656	2,193,018
Repayable in five years and more	1,781,316	2,469,399
	<u>7,212,683</u>	<u>6,772,067</u>
Less: Future finance charges	<u>(1,098,217)</u>	<u>(1,241,134)</u>
Present value of minimum lease payments	<u>6,114,466</u>	<u>5,530,933</u>
<b>Present value of minimum lease payments:</b>		
Repayable within one year	1,071,261	812,202
Repayable within one to two years	895,382	764,156
Repayable within two to five years	2,484,945	1,692,287
Repayable in five years and more	1,662,878	2,262,288
	<u>6,114,466</u>	<u>5,530,933</u>
<b>Representing minimum lease payments:</b>		
Current portion	1,071,261	812,202
Non-current portion	<u>5,043,205</u>	<u>4,718,731</u>
	<u>6,114,466</u>	<u>5,530,933</u>

The finance lease liabilities bear interest at effective rates ranging from 2.40% to 5.44% (2020: 2.40% to 5.44%) per annum.

The Group leases motor vehicles under finance lease (Note 4). At the end of the lease term, the Group has the option to acquire the assets at a nominal price deemed to be a bargain purchase option. There are no restrictive covenants imposed by the lease agreement and no arrangements have been entered into for contingent rental payments.

**27. Right-of-Use Lease Liabilities**

	<b>Group</b>	
	<b>2021</b>	<b>2020</b>
	<b>RM</b>	<b>RM</b>
<b>Cost</b>		
At 1 January	9,602,573	5,793,327
Addition	576,906	3,971,075
Interest expenses:	532,614	377,231
Continuing operations	210,891	55,315
Discontinued operations	321,723	321,916
Payment of interest expenses	(532,614)	(377,231)
Payment of principal	(905,686)	(161,829)
Transfer to assets classified as held for sale (Note 18)	(5,786,206)	-
At 31 December	<u>3,487,587</u>	<u>9,602,573</u>
<b>Presented as:</b>		
Current portion	979,290	624,400
Non-current portion	2,508,297	8,978,173
	<u>3,487,587</u>	<u>9,602,573</u>
The maturity analysis of right-of-use lease liabilities as of the end of financial year:		
Repayable within one year	1,143,720	1,140,000
Repayable within one to two years	805,240	1,169,100
Repayable within two to five years	1,968,296	3,209,290
Repayable in five years and more	-	25,918,325
	<u>3,917,256</u>	<u>31,436,715</u>
Less: Future finance charges	(429,669)	(21,834,142)
Present value of right-of-use lease liabilities	<u>3,487,587</u>	<u>9,602,573</u>

The Group leases land and premises. Lease terms are on an individual basis and contain a wide range of different terms and conditions.

The weighted average incremental borrowing rates applied to right-of-use lease liabilities at the reporting date was ranging from 3.8% to 5.56% (2020: 5.49% to 5.56%) per annum.

**28. Bank Borrowings**

	<b>Group</b>	
	<b>2021</b>	<b>2020</b>
	<b>RM</b>	<b>RM</b>
<b>Secured</b>		
Term loans	58,300,808	3,812,931
Banker acceptance	6,647,997	3,908,000
Floor stock	-	74,755
	<u>64,948,805</u>	<u>7,795,686</u>
<b>Non-current</b>		
Term loans	<u>49,687,771</u>	<u>3,456,975</u>
<b>Current</b>		
Term loans	8,613,037	355,956
Banker acceptance	6,647,997	3,908,000
Floor stock	-	74,755
	<u>15,261,034</u>	<u>4,338,711</u>
	<u>64,948,805</u>	<u>7,795,686</u>

The effective interest rates per annum at the end of the reporting period for the bank borrowings were as follows:

	<b>Group</b>	
	<b>2021</b>	<b>2020</b>
	<b>%</b>	<b>%</b>
Term loans	4.08-4.71	4.08-5.95
Banker acceptance	3.02	3.02
Floor stock	-	<u>4.77-4.87</u>

The term loans, bank overdraft, bankers acceptance, revolving credits and floor stock are secured by the following:

- (i) Legal charge over the land and buildings of the Group as disclosed in Note 4 to the financial statements.
- (ii) Corporate guarantee by the Company and a subsidiary company.
- (iii) Pledge of Symlife shares as disclosed in Note 10.

**29. Trade Payables**

Credit terms of trade payables of the Group ranged from 30 to 90 days (2020: 30 to 90 days) depending on the terms of the contracts.

**30. Other Payables**

	<b>Group</b>		<b>Company</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
Other payables	8,042,677	10,898,039	-	-
Deposits received	58,967,867	24,406,006	-	-
Accruals	3,830,098	3,641,425	402,825	322,950
	<u>70,840,642</u>	<u>38,945,470</u>	<u>402,825</u>	<u>322,950</u>

Included in the deposits received of the Group are:

- (a) an amount of RM23,900,000 received from Doa Huat Holdings Sdn Bhd for the sales and transfer of the entire equity interest in Sokor Gemilang, as disclosed in Note 18.
- (b) an amount of RM25,252,624 (2020: RM23,621,732) being deposits received from the customer to purchase raw materials for certain secured sales contract.

**31. Revenue**

	<b>Group</b>		<b>Company</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
Revenue from contracts with customers		<b>(Restated)</b>		
- Sale of goods	339,193,595	215,898,294	-	-
Revenue with other sources:				
- Dividend income from subsidiary companies	-	-	1,000,000	3,500,000
- Dividend income from other investment	1,432,126	-	892,126	-
	<u>340,625,721</u>	<u>215,898,294</u>	<u>1,892,126</u>	<u>3,500,000</u>

**31. Revenue (Cont'd)**

Breakdown of the Group's revenue from contract with customers:

	<b>Manufacturing RM</b>	<b>Automotive RM</b>	<b>Oil Milling RM</b>	<b>Plantation RM</b>	<b>Total RM</b>
<b>2021</b>					
<b>Major goods and services</b>					
Sales of goods, regard at point in time	<u>96,190,761</u>	<u>88,120,519</u>	<u>154,882,315</u>	<u>-</u>	<u>339,193,595</u>
<b>Geographical market:</b>					
Malaysia	12,546,331	88,120,519	-	-	100,666,850
Indonesia	50,405,407	-	154,882,315	-	205,287,722
Thailand	1,461,677	-	-	-	1,461,677
Others	<u>31,777,346</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>31,777,346</u>
	<u>96,190,761</u>	<u>88,120,519</u>	<u>154,882,315</u>	<u>-</u>	<u>339,193,595</u>
<b>2020 - Restated</b>					
<b>Major goods and services</b>					
Sales of goods, regard at point in time	<u>72,694,265</u>	<u>29,785,720</u>	<u>113,418,309</u>	<u>-</u>	<u>215,898,294</u>
<b>Geographical market:</b>					
Malaysia	8,892,891	29,785,720	-	-	38,678,611
Indonesia	40,097,273	-	113,418,309	-	153,515,582
Thailand	2,700,158	-	-	-	2,700,158
Others	<u>21,003,943</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>21,003,943</u>
	<u>72,694,265</u>	<u>29,785,720</u>	<u>113,418,309</u>	<u>-</u>	<u>215,898,294</u>

**32. Finance Costs**

	<b>Group</b>	
	<b>2021</b>	<b>2020</b>
	<b>RM</b>	<b>RM</b>
Interest expenses on:		
- Bankers acceptance	146,768	39,842
- Finance lease liabilities	300,136	182,664
- Right-of-use lease liabilities	210,891	55,315
- Term loans	962,102	100,430
- Floor stock	-	76
	<u>1,619,897</u>	<u>378,327</u>

**33. Profit Before Tax**

Profit before tax is determined after charging/(crediting) amongst other, the following items:

	<b>Group</b>		<b>Company</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
Auditors' remuneration				
- Statutory audits				
- Current year	167,000	117,200	70,000	32,000
- Non-audit services	5,000	5,000	5,000	5,000
Amortisation of intangible assets	275,556	275,556	-	-
Amortisation of right-of-use assets	1,090,007	261,461	-	-
Depreciation of investment properties	5,000	5,000	-	-
Depreciation of property, plant and equipment	4,395,894	4,004,097	-	-
Foreign exchange loss/(gain)				
- Realised	(177,940)	(199,266)	-	-
- Unrealised	(59,430)	108,507	-	-
Gain on disposal of property, plant and equipment	(187,673)	(79,046)	-	-
Impairment loss on trade receivables	67,948	93,235	-	-
Interest income	(228,125)	(841,420)	(84,774)	(69,329)
Lease expenses relating to short-term leases	89,587	128,135	-	-
Loss on disposal of other investment	-	306,360	-	306,360
Net gain arising from changes in fair value of biological assets	(44,915)	(15,168)	-	-

(Forward)

**33. Profit Before Tax (Cont'd)**

Profit before tax is determined after charging/(crediting) amongst other, the following items: (Cont'd)

	<b>Group</b>		<b>Company</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
Non-executive directors' remunerations				
- Fees	120,000	120,000	120,000	120,000
- Other emoluments	-	2,000	-	2,000
Rental income	(78,257)	(30,888)	-	-
Reversal of impairment loss on trade receivables	(24,899)	(825,000)	-	-
	<u>(24,899)</u>	<u>(825,000)</u>	<u>-</u>	<u>-</u>

**34. Staff Costs**

	<b>Group</b>		<b>Company</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
Salaries, wages and other emoluments	18,768,731	16,443,288	456,774	288,077
Social security contributions	140,436	110,455	-	-
Defined contribution plans	1,939,743	1,615,019	22,824	23,058
	<u>20,848,910</u>	<u>18,168,762</u>	<u>479,598</u>	<u>311,135</u>

Included in staff costs is aggregate amount of remuneration received and receivable by the Executive Directors of the Company and of the subsidiary companies during the financial year as below:

	<b>Group</b>		<b>Company</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
<b>Executive Directors</b>				
Fees	1,937,000	2,020,000	330,000	160,000
Salaries and other emoluments	2,311,403	2,187,616	126,774	128,077
Social security contributions	3,625	2,701	-	-
Bonus	1,524,672	1,734,504	-	-
Defined contribution plans	675,358	705,898	22,824	23,058
	<u>6,452,058</u>	<u>6,650,719</u>	<u>479,598</u>	<u>311,135</u>

**35. Taxation**

	<b>Group</b>		<b>Company</b>	
	<b>2021 RM</b>	<b>2020 RM</b>	<b>2021 RM</b>	<b>2020 RM</b>
<b>Tax expenses recognised in profit or loss</b>				
Current tax:				
Current year provision	6,598,697	5,453,263	8,055	-
Under/(Over) provision in prior years	642,211	(428,272)	175,375	6,000
	<u>7,240,908</u>	<u>5,024,991</u>	<u>183,430</u>	<u>6,000</u>
Deferred tax (Note 11):				
Relating to origination and reversal of temporary differences	(521,611)	(331,622)	-	-
Relating to crystallisation of deferred tax liability on revaluation reserve	(22,761)	(22,761)	-	-
(Over)/Under provision in prior years	(57,945)	66,569	-	-
	<u>(602,317)</u>	<u>(287,814)</u>	<u>-</u>	<u>-</u>
	<u>6,638,591</u>	<u>4,737,177</u>	<u>183,430</u>	<u>6,000</u>

Malaysian income tax is calculated at the statutory tax rate of 24% (2020: 24%) of the estimated assessable profits for the financial year. Taxation for other jurisdiction is calculated at the rates prevailing in the respective jurisdictions.

**35. Taxation (Cont'd)**

A reconciliation of income tax expenses applicable to profit before tax at the statutory tax rate to income tax expenses at the effective income tax rate of the Group and of the Company are as follows:

	<b>Group</b>		<b>Company</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
Profit before tax	<u>25,879,524</u>	<u>16,964,532</u>	<u>107,397</u>	<u>2,153,325</u>
At Malaysian statutory tax rate of 24%	6,211,086	4,071,488	25,775	516,798
Expenses not deductible for tax purposes	2,671,814	864,989	196,197	323,202
Income not subject to tax	(2,890,920)	(73,693)	(213,917)	(840,000)
Changes in tax rate	(85,443)	(68,020)	-	-
Relating to crystallisation of deferred tax liability on revaluation reserve	(22,761)	(22,761)	-	-
Deferred tax assets not recognised	170,549	326,877	-	-
Under/(Over) provision of income tax in prior years	642,211	(428,272)	175,375	6,000
(Over)/Under provision of deferred tax in prior years	(57,945)	66,569	-	-
	<u>6,638,591</u>	<u>4,737,177</u>	<u>183,430</u>	<u>6,000</u>

The Group has estimated unutilised capital allowances and unutilised tax losses carried forward, available to off-set against future taxable profits as follows:

	<b>Group</b>	
	<b>2021</b>	<b>2020</b>
	<b>RM</b>	<b>RM</b>
Unutilised capital allowances	537,684	439,041
Unutilised tax losses	3,958,382	2,972,213
Others	149,217	34,901
	<u>4,645,283</u>	<u>3,446,155</u>

The unutilised capital allowances of the Group and of the Company are available indefinitely for offsetting against future taxable profits of the Group and of the Company, subjects to no substantial changes in shareholdings of the Group entities under the Income Tax Act 1967 and guidelines issued by the tax authority.

**35. Taxation (Cont'd)**

Pursuant to Section 8 of the Finance Act 2021 (Act 833), the amendments to Section 44(5F) of Income Tax Act 1967, the time limit of the carried forward unutilised tax losses has been extended to maximum of 10 consecutive years of assessment. This amendment is deemed to have effect from the year of assessment 2019 and subsequent years of assessment.

Any unutilised business losses brought forward from year of assessment 2018 can be carried forward for another 10 consecutive years of assessment (i.e. from year of assessments 2019 to 2028).

The unused tax losses are available for offset against future taxable profits of the Group and of the Company up to the following financial years.

	<b>Group</b>	
	<b>2021</b>	<b>2020</b>
	<b>RM</b>	<b>RM</b>
<b>Expiring on year of assessment:</b>		
2029	224,205	224,205
2030	2,748,008	2,748,008
2031	986,169	-
	<u>3,958,382</u>	<u>2,972,213</u>

**36. Earnings per Share**

## (a) Basic earnings per share

The basic earnings per share are calculated based on the consolidated profit for the financial year attributable to the owners of the parent and the weighted average number of ordinary shares in issue during the financial year as follows:

	<b>Group</b>	
	<b>2021</b>	<b>2020</b>
	<b>RM</b>	<b>RM</b>
Profit attributable to owners of the parent		
- from continuing operations	18,229,125	11,266,083
- from discontinued operation	(1,085,503)	(1,495,848)
	<u>17,143,622</u>	<u>9,770,235</u>
 Weighted average number of ordinary shares in issues		
Issued ordinary shares at 1 January *	208,564,800	100,970,500
Effect of private placement	195,033	-
Effect of treasury shares	(1,918)	(9,283,799)
Effect of bonus issue	-	112,197,300
Effect of warrants conversion	-	2,501,057
Weighted average number of ordinary shares as at 31 December	<u>208,757,915</u>	<u>206,385,058</u>
 Basic earnings per ordinary shares (in cent)		
- from continuing operations	8.73	5.46
- from discontinued operation	(0.52)	(0.73)
	<u>8.21</u>	<u>4.73</u>

\* Management takes into consideration of treasury shares when calculating the weighted average number of ordinary shares.

**36. Earnings per Share (Cont'd)**

## (b) Diluted earnings per share

Diluted earnings per share are calculated based on the adjusted consolidated profit for the financial year attributable to the owners of the parent and the weighted average number of ordinary shares in issue during the financial year have been adjusted for the dilutive effects of all potential shares as follows:

	<b>Group</b>	
	<b>2021</b>	<b>2020</b>
	<b>RM</b>	<b>RM</b>
Profit attributable to owners of the parent		
- from continuing operations	18,229,125	11,266,083
- from discontinued operation	<u>(1,085,503)</u>	<u>(1,495,848)</u>
	<u>17,143,622</u>	<u>9,770,235</u>
Weighted average number of ordinary shares used in calculation of basic earnings per share	208,757,915	206,385,058
Effect of dilution of the warrants	<u>19,048,434</u>	<u>24,371,407</u>
Weighted average number of ordinary shares at 31 December (diluted)	<u>227,806,349</u>	<u>230,756,465</u>
Diluted earnings per share (in cent)		
- from continuing operations	8.00	4.88
- from discontinued operation	<u>(0.47)</u>	<u>(0.65)</u>
	<u>7.53</u>	<u>4.23</u>

**37. Reconciliation of Liabilities Arising from Financial Activities**

The table below details changes in the liabilities of the Group and of the Company arising from financing activities, including both cash and non-cash changes:

<b>Group</b>	<b>At 1 January RM</b>	<b>Financing cash flows RM</b>	<b>Non-cash changes New finance lease RM</b>	<b>Other Changes RM</b>	<b>Liabilities classified as held for sale RM</b>	<b>At 31 December RM</b>
<b>2021</b>						
Finance lease liabilities (Note 26)	5,530,933	(856,467)	1,440,000	-	-	6,114,466
Right-of-use lease liabilities (Note 27)	9,602,573	(905,686)	576,906	-	(5,786,206)	3,487,587
Term loans (Note 28)	3,812,931	49,587,877	-	4,900,000	-	58,300,808
Bankers acceptance (Note 28)	3,908,000	2,739,997	-	-	-	6,647,997
Floor stock (Note 28)	74,755	(74,755)	-	-	-	-
<b>2020</b>						
Finance lease liabilities (Note 26)	5,714,510	(633,577)	450,000	-	-	5,530,933
Right-of-use lease liabilities (Note 27)	5,793,327	(161,829)	3,971,075	-	-	9,602,573
Term loans (Note 28)	1,276,012	(463,081)	-	3,000,000	-	3,812,931
Bankers acceptance (Note 28)	-	3,908,000	-	-	-	3,908,000
Floor stock (Note 28)	-	74,755	-	-	-	74,755

**37. Reconciliation of Liabilities Arising from Financial Activities (Cont'd)**

The table below details changes in the liabilities of the Group and of the Company arising from financing activities, including both cash and non-cash changes: (Cont'd)

	<b>At 1 January RM</b>	<b>Financing cash flows (i) RM</b>	<b>At 31 December RM</b>
<b>Company</b>			
<b>2021</b>			
Amount owing to subsidiary companies (Note 16)	<u>30,256,642</u>	<u>10,885,282</u>	<u>41,141,924</u>
<b>2020</b>			
Amount owing to subsidiary companies (Note 16)	<u>22,005,593</u>	<u>8,251,049</u>	<u>30,256,642</u>

(i) The cash flows from finance lease liabilities, right-of-use lease liabilities, bank borrowings and amount owing to subsidiary companies make up the net amount of proceeds from or repayments of borrowings in the statements of cash flows.

(ii) Other changes include acquisition of property, plant and equipment.

**38. Financial Guarantee**

	<b>Group</b>		<b>Company</b>	
	<b>2021 RM</b>	<b>2020 RM</b>	<b>2021 RM</b>	<b>2020 RM</b>
<b>Unsecured</b>				
Corporate guarantee given to financial institutions for credit facilities companies	-	-	63,883,490	6,768,255
Bank guarantee given to financial institutions for customs duties and supply of electricity	<u>38,000</u>	<u>38,000</u>	<u>-</u>	<u>-</u>

**39. Related Party Disclosures****(a) Identifying related parties**

For the purposes of these financial statements, parties are considered to be related to the Group if the Group or the Company has the ability, directly or indirectly, to control or joint control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the party are subject to common control. Related parties may be individuals or other entities.

**39. Related Party Disclosures (Cont'd)**

## (a) Identifying related parties (Cont'd)

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel comprise the Directors and management personnel of the Group, having authority and responsibility for planning, directing and controlling the activities of the Group entities directly or indirectly.

## (b) Significant related party transactions

Related party transactions have been entered into in the normal course of business under negotiated terms. In addition to the related party balances disclosed elsewhere in the financial statements, the significant related party transactions of the Group and of the Company are as follows:

	<b>Group</b>		<b>Company</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
Transaction with subsidiaries:				
Dividend income receivable/received from subsidiary companies	-	-	1,000,000	3,500,000
Transaction with a company in which Directors of the company have substantial financial interests				
Secretarial fees paid	28,320	24,640	-	-
Rental	24,000	24,000	-	-
Transaction with Directors:				
Rental paid	<u>30,000</u>	<u>30,000</u>	<u>-</u>	<u>-</u>

## (c) Compensation of key management personnel

There are no other transactions with the key management personnel of the Group and of the Company other than the remuneration package accordance with the terms and conditions of their appointment as disclosed in Notes 33 and 34 to the financial statements.

**40. Segment Information**

For management purposes, the Group is organised into business units based on their products and services, and has five reportable segments as follows:

Investment holding	Investment holding
Manufacturing	Manufacture of oil seed expeller, automated kernel crushing plants and related parts.
Bio-engineering	Involved in renewable energy, Palm Oil Mill Effluent waste treatment, Empty Fruit Branch composting and biogas plant project.
Oil milling	Engaged in the business of palm kernel crushing plant where crude palm kernel oil is extracted from palm kernel.
Plantation	Involved in oil palm plantation.
Automotive	To carry on the business of a distributor and dealer of cars/automobiles.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statements.

Transactions between segments are carried out on agreed terms between both parties. The effects of such inter-segment transactions are eliminated on consolidation. The measurement basis and classification are consistent with those adopted in the previous financial year.

One of the major subsidiary under plantation was discontinued in the current year. The segment information reported does not include any amount for these discontinued operation, which are described in more detail in Note 18.

**40. Segment Information (Cont'd)**

## (a) Business segments

Information regarding the Group's reportable segments as provided to the Group's chief operating decision makers is set out below:

	<b>Investment holding RM</b>	<b>Manufacturing RM</b>	<b>Automotive RM</b>	<b>Oil milling RM</b>	<b>Plantation RM</b>	<b>Adjustments and eliminations RM</b>	<b>Consolidated RM</b>
<b>Group</b>							
<b>2021</b>							
External revenue	-	96,190,761	88,120,519	154,882,315	-	-	339,193,595
Inter-segment revenue	1,000,000	-	-	-	-	(1,000,000)	-
Dividend income	1,432,126	-	-	-	-	-	1,432,126
Total revenue	<u>2,432,126</u>	<u>96,190,761</u>	<u>88,120,519</u>	<u>154,882,315</u>	<u>-</u>	<u>(1,000,000)</u>	<u>340,625,721</u>
<b>Results</b>							
Interest income	84,774	671,423	173,563	-	-	(701,635)	228,125
Finance costs	(714,757)	(330,356)	(881,743)	(279,365)	(115,311)	701,635	(1,619,897)
Depreciation of:							
- Property, plant and equipment	-	(2,092,126)	(162,584)	(1,963,232)	(30,076)	-	(4,248,018)
- Investment properties	-	(5,000)	-	-	-	-	(5,000)
Amortisation of:							
- Right-of-use assets	-	(288,453)	(733,359)	-	-	-	(1,021,812)
Other non-cash items	(183,430)	(4,053,227)	(11,947)	(2,003,422)	-	-	(6,252,026)
Share of results of an associate	9,998,819	-	-	-	-	-	9,998,819
Segment (loss)/profit	<u>(1,132,130)</u>	<u>10,407,756</u>	<u>(812,012)</u>	<u>2,268,744</u>	<u>(488,726)</u>	<u>7,911,798</u>	<u>18,155,430</u>
Taxation	(183,430)	(4,451,739)	-	(2,003,422)	-	-	(6,638,591)
Loss from discontinued operation	-	-	-	-	(1,085,503)	-	(1,085,503)
<b>Segment assets</b>	<u>181,855,404</u>	<u>233,019,127</u>	<u>29,674,474</u>	<u>31,367,033</u>	<u>49,014,219</u>	<u>(191,274,715)</u>	<u>333,655,542</u>
<b>Segment liabilities</b>	<u>133,968,906</u>	<u>103,098,584</u>	<u>31,168,148</u>	<u>10,052,969</u>	<u>54,747,124</u>	<u>(153,903,340)</u>	<u>179,132,391</u>

**40. Segment Information (Cont'd)**

## (a) Business segments (Cont'd)

<b>Group</b>	<b>Investment holding RM</b>	<b>Manufacturing RM</b>	<b>Automotive RM</b>	<b>Oil milling RM</b>	<b>Plantation RM</b>	<b>Adjustments and eliminations RM</b>	<b>Consolidated RM</b>
<b>2020</b>							
External revenue	-	72,694,265	29,785,720	113,418,309	-	-	215,898,294
Inter-segment revenue	3,500,000	1,165,627	-	-	-	(4,665,627)	-
Total revenue	<u>3,500,000</u>	<u>73,859,892</u>	<u>29,785,720</u>	<u>113,418,309</u>	<u>-</u>	<u>(4,665,627)</u>	<u>215,898,294</u>
<b>Results</b>							
Interest income	29,329	1,097,747	-	-	-	(285,656)	841,420
Finance costs	-	(177,753)	(486,230)	-	-	285,656	(378,327)
Depreciation of:							
- Property, plant and equipment	-	(2,050,225)	(157,372)	(1,646,686)	-	-	(3,854,283)
- Investment properties	-	(5,000)	-	-	-	-	(5,000)
Amortisation of:							
- Intangible assets	-	-	-	-	-	-	-
- Right-of-use assets	-	-	(193,266)	-	-	-	(261,461)
Other non-cash items	(314,717)	(3,062,836)	-	(764,414)	-	-	(4,141,967)
Segment profit/(loss)	<u>2,115,264</u>	<u>13,100,724</u>	<u>(1,963,255)</u>	<u>2,650,836</u>	<u>(167,117)</u>	<u>(5,004,945)</u>	<u>10,731,507</u>
Taxation	(6,000)	(3,981,037)	-	(750,140)	-	-	(4,737,177)
Loss from discontinued operation	-	-	-	-	(1,495,848)	-	(1,495,848)
<b>Segment assets</b>	<u>108,212,035</u>	<u>193,290,053</u>	<u>29,385,085</u>	<u>27,631,956</u>	<u>37,027,598</u>	<u>(154,484,910)</u>	<u>241,061,817</u>
<b>Segment liabilities</b>	<u>31,024,597</u>	<u>72,777,265</u>	<u>30,066,746</u>	<u>9,001,047</u>	<u>41,461,831</u>	<u>(106,907,071)</u>	<u>77,424,415</u>

**40. Segment Information (Cont'd)**

## (a) Business segments (Cont'd)

Adjustments and eliminations

Inter-segment revenues and balances are eliminated on consolidation.

Other material non-cash items consist of the following items as presented in the respective notes to the financial statements:

	<b>2021</b>	<b>Group</b>
	<b>RM</b>	<b>2020</b>
		<b>RM</b>
		<b>(Restated)</b>
Gain on disposal of property, plant and equipment	187,673	79,046
(Loss)/Gain on disposal of other investment	-	(306,360)
Impairment loss on trade receivables	(67,948)	(93,235)
Reversal of impairment loss on trade receivables	24,899	825,000
Unrealised exchange gain	64,002	(108,507)
Realised exchange gain	177,939	199,266
Taxation	(6,638,591)	(4,737,177)
	<u>(6,252,026)</u>	<u>(4,141,967)</u>

## (b) Geographical segments

The revenue information based on the geographical location of customers are presented as below:

	<b>2021</b>	<b>Group</b>
	<b>RM</b>	<b>2020</b>
		<b>RM</b>
		<b>(Restated)</b>
<b>Continuing operations</b>		
Malaysia	102,098,976	38,678,611
Indonesia	205,287,722	153,515,582
Thailand	1,461,677	2,700,158
Guatemala	-	5,025,714
Papua New Guinea	5,502,014	471,861
Colombia	896,986	1,172,380
Nigeria	7,534,851	4,027,398
Douala	121,126	44,750
Others outside Malaysia	17,722,369	10,261,840
	<u>340,625,721</u>	<u>215,898,294</u>

**40. Segment Information (Cont'd)**

## (c) Major customers

No disclosure on major customer information as no customer represents equal or more than ten percent of the Group's revenue.

**41. Financial Instruments**

## (a) Classification of financial instruments

Financial assets and financial liabilities are measured on an ongoing basis either at fair value or at amortised cost. The principal accounting policies in Note 3 describe how the classes of the financial instruments are measured and how income and expense including fair values gains or losses are recognised.

The following table analyses the financial assets and liabilities in the statements of financial position by the class of financial instruments to which they are assigned, and therefore by the measurement basis:

<b>Group</b>	<b>Amortised</b>	<b>Fair value</b>	<b>Total</b>
<b>2021</b>	<b>cost</b>	<b>through</b>	<b>RM</b>
<b>Financial assets</b>	<b>RM</b>	<b>other</b>	<b>RM</b>
<b>Financial assets</b>	<b>RM</b>	<b>comprehensive</b>	<b>RM</b>
<b>Other investment</b>	<b>RM</b>	<b>income</b>	<b>RM</b>
<b>Trade receivables</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
<b>Other receivables (excluded</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
<b>prepayments)</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
<b>Deposits, bank and cash balances</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
	<u>73,611,636</u>	<u>875</u>	<u>73,612,511</u>
<b>Financial liabilities</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
<b>Finance lease liabilities</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
<b>Right-of-use lease liabilities</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
<b>Bank borrowings</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
<b>Trade payables</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
<b>Other payables (excluded</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
<b>deposits received)</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
	<u>11,872,775</u>	<u>-</u>	<u>11,872,775</u>
	<u>109,667,337</u>	<u>-</u>	<u>109,667,337</u>

**41. Financial Instruments (Cont'd)**

## (a) Classification of financial instruments (Cont'd)

The following table analyses the financial assets and liabilities in the statements of financial position by the class of financial instruments to which they are assigned, and therefore by the measurement basis: (Cont'd)

<b>Group</b>	<b>Amortised</b>	<b>Fair value</b>	<b>Total</b>
<b>2020</b>	<b>cost</b>	<b>through</b>	<b>RM</b>
<b>Financial assets</b>	<b>RM</b>	<b>other</b>	<b>RM</b>
<b>Financial assets</b>	<b>RM</b>	<b>comprehensive</b>	<b>RM</b>
<b>Other investment</b>	<b>RM</b>	<b>income</b>	<b>RM</b>
Other investment	-	14,705,590	14,705,590
Trade receivables	23,252,775	-	23,252,775
Other receivables (excluded prepayments)	15,678,943	-	15,678,943
Deposits, bank and cash balances	24,865,647	-	24,865,647
	<u>63,797,365</u>	<u>14,705,590</u>	<u>78,502,955</u>
<b>Financial liabilities</b>			
Finance lease liabilities	5,530,933	-	5,530,933
Right-of-use lease liabilities	9,602,573	-	9,602,573
Bank borrowings	7,795,686	-	7,795,686
Trade payables	12,888,403	-	12,888,403
Other payables (excluded deposits received)	14,539,464	-	14,539,464
	<u>50,357,059</u>	<u>-</u>	<u>50,357,059</u>

**41. Financial Instruments (Cont'd)**

## (a) Classification of financial instruments (Cont'd)

The following table analyses the financial assets and liabilities in the statements of financial position by the class of financial instruments to which they are assigned, and therefore by the measurement basis: (Cont'd)

<b>Company</b>	<b>Amortised cost RM</b>	<b>Fair value through other comprehensive income RM</b>	<b>Total RM</b>
<b>2021</b>			
<b>Financial assets</b>			
Other investments	-	875	875
Other receivables (excluded prepayments)	3,930	-	3,930
Amounts owing by subsidiary companies	66,546,258	-	66,546,258
Cash and bank balances	7,677,056	-	7,677,056
	<u>74,227,244</u>	<u>875</u>	<u>74,228,119</u>
<b>Financial liabilities</b>			
Other payables	402,825	-	402,825
Amount owing to subsidiary companies	41,141,924	-	41,141,924
	<u>41,544,749</u>	<u>-</u>	<u>41,544,749</u>
<b>2020</b>			
<b>Financial assets</b>			
Other investments	-	14,705,590	14,705,590
Other receivables (excluded prepayments)	11,003,930	-	11,003,930
Amounts owing by subsidiary companies	42,146,013	-	42,146,013
Cash and bank balances	586,932	-	586,932
	<u>53,736,875</u>	<u>14,705,590</u>	<u>68,442,465</u>
<b>Financial liabilities</b>			
Other payables	322,950	-	322,950
Amount owing to subsidiary companies	30,256,642	-	30,256,642
	<u>30,579,592</u>	<u>-</u>	<u>30,579,592</u>

**41. Financial Instruments (Cont'd)**

## (b) Net gains/(losses) arising from financial instruments

	<b>Group</b>		<b>Company</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
Equity instruments at fair value through other comprehensive income				
- Recognised in other comprehensive income	(35,386,177)	4,724,446	(451,162)	4,724,446
Net (loss)/gain on impairment of financial instruments				
- Financial assets at amortised cost	(43,049)	731,765	-	-
	<u>(35,429,226)</u>	<u>5,456,211</u>	<u>(451,162)</u>	<u>4,724,446</u>

## (c) Financial risk management objectives and policies

The Group's financial risk management policy is to ensure that adequate financial resources are available for the development of the Group's operations whilst managing its credit, liquidity, foreign currency, and interest rate risks. The Group operates within clearly defined guidelines that are approved by the Board and the Group's policy is not to engage in speculative transactions.

The following sections provide details regarding the Group's exposure to the abovementioned financial risks and the objectives, policies, and processes for the management of these risks.

## (i) Credit risk

Credit risk is the risk of a financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises principally from its receivables from customers and deposits with banks and financial institutions. The Company's exposure to credit risk arises principally from advances to subsidiary companies and financial guarantees given to banks for credit facilities granted to subsidiary companies. There are no significant changes as compared to prior periods.

#### 41. Financial Instruments (Cont'd)

(c) Financial risk management objectives and policies (Cont'd)

(i) Credit risk (Cont'd)

The Group has adopted a policy of only dealing with creditworthy counterparties. Management has a credit policy in place to control credit risk by dealing with creditworthy counterparties and deposit with banks and financial institutions with good credit rating. The exposure to credit risk is monitored on an ongoing basis and action will be taken for long outstanding debts.

The Company provides unsecured advances to subsidiary companies. It also provides unsecured financial guarantees to banks for banking facilities granted to certain subsidiary companies. The Company monitors on an ongoing basis the results of the subsidiary companies and repayments made by the subsidiary companies.

At each reporting date, the Group and the Company assess whether any of the receivables are credit impaired.

The gross carrying amounts of credit impaired trade receivables are written off (either partial or full) when there is no realistic prospect of recovery. This is generally the case when the Group or the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. Nevertheless, trade receivables that are written off could still be subject to enforcement activities.

The carrying amounts of the financial assets recorded on the statements of financial position at the end of the financial year represents the Group's and the Company's maximum exposure to credit risk except for financial guarantees provided to banks for banking facilities granted to certain subsidiary companies. The Company's maximum exposure in this respect are RM63,883,490 (2020: RM6,768,255), representing the outstanding banking facilities of the subsidiary companies as at the end of the reporting period. There was no indication that any subsidiary companies would default on repayment as at the end of the reporting period.

There are no significant changes as compared to previous financial year.

##### Credit risk concentration profile

The Group's has no significant concentration of credit risk as its exposure spread over a large number of its trade receivables as at the end of the reporting period.

**41. Financial Instruments (Cont'd)**

## (c) Financial risk management objectives and policies (Cont'd)

## (i) Credit risk (Cont'd)

Exposure to credit risk

As the Group does not hold any collateral, the maximum exposure to credit risk is represented by the carrying amount of the financial assets as at the end of the reporting period.

The exposure of credit risk for trade receivables by geographical region is as follows:

	<b>Group</b>	
	<b>2021</b>	<b>2020</b>
	<b>RM</b>	<b>RM</b>
Belgium	-	107,106
Gabon	697,843	1,276,427
Columbia	233,275	255,311
Guatemala	-	304,117
Sri Lanka	44,426	-
Indonesia	17,778,121	15,474,812
Malaysia	8,915,841	5,347,791
Papua New Guinea	13,482	23,649
Thailand	228,019	354,251
United States	517,421	-
Nigeria	613,460	72,785
China	778,363	36,526
	29,820,251	23,252,775

## (ii) Liquidity risk

Liquidity risk refers to the risk that the Group or the Company will encounter difficulty in meeting its financial obligations as they fall due. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

The Group's and the Company's funding requirements and liquidity risk are managed with the objective of meeting business obligations on a timely basis. The Group finances its liquidity through internally generated cash flows and minimises liquidity risk by keeping committed credit lines available.

The following table analyses the remaining contractual maturity for financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and the Company can be required to pay.

**41. Financial Instruments (Cont'd)**

(c) Financial risk management objectives and policies (Cont'd)

(ii) Liquidity risk (Cont'd)

<b>Group</b>	<b>On demand or within 1 year RM</b>	<b>1-2 years RM</b>	<b>2-5 years RM</b>	<b>After 5 years RM</b>	<b>Total contractual cash flows RM</b>	<b>Total carrying amount RM</b>
<b>2021</b>						
<b>Non-derivative financial instruments</b>						
Finance lease liabilities	1,356,673	1,132,038	2,942,656	1,781,316	7,212,683	6,114,466
Right-of-use lease liabilities	1,143,720	805,240	1,968,296	-	3,917,256	3,487,587
Bank borrowings	19,560,611	13,456,976	33,100,121	4,781,638	70,899,346	64,948,805
Trade payables	23,243,704	-	-	-	23,243,704	23,243,704
Other payables	11,872,775	-	-	-	11,872,775	11,872,775
	<u>57,177,483</u>	<u>15,394,254</u>	<u>38,011,073</u>	<u>6,562,954</u>	<u>117,145,764</u>	<u>109,667,337</u>
<b>2020</b>						
<b>Non-derivative financial instruments</b>						
Finance lease liabilities	1,103,125	1,006,525	2,193,018	2,469,399	6,772,067	5,530,932
Right-of-use lease liabilities	1,140,000	1,169,100	3,209,290	25,918,325	31,436,715	9,602,573
Bank borrowings	4,338,711	371,777	1,217,585	1,867,613	7,795,686	7,795,686
Trade payables	12,888,403	-	-	-	12,888,403	12,888,403
Other payables	14,539,464	-	-	-	14,539,464	14,539,464
	<u>34,009,703</u>	<u>2,547,402</u>	<u>6,619,893</u>	<u>30,255,337</u>	<u>73,432,335</u>	<u>50,357,058</u>

**41. Financial Instruments (Cont'd)**

## (c) Financial risk management objectives and policies (Cont'd)

## (ii) Liquidity risk (Cont'd)

	<b>On demand or within 1 year RM</b>	<b>Total contractual cash flows RM</b>	<b>Total carrying amount RM</b>
<b>Company</b>			
<b>2021</b>			
<b>Non-derivative financial liabilities</b>			
Other payables	402,825	402,825	402,825
Amounts owing to subsidiary companies	41,141,924	41,141,924	41,141,924
Financial guarantee liabilities *	63,883,490	63,883,490	-
	<u>105,428,239</u>	<u>105,428,239</u>	<u>41,544,749</u>
<b>2020</b>			
<b>Non-derivative financial liabilities</b>			
Other payables	322,950	322,950	322,950
Amounts owing to subsidiary companies	30,256,642	30,256,642	30,256,642
Financial guarantee liabilities *	6,768,255	6,768,255	-
	<u>37,347,847</u>	<u>37,347,847</u>	<u>30,579,592</u>

\* Based on the maximum amount that can be called for under the financial guarantee contract.

The maximum amount of the financial guarantees issued to the banks for subsidiary companies' borrowings is limited to the amount utilised by the subsidiary companies, amounting to RM63,883,490 at 31 December 2021 (2020: RM6,768,255). The earliest period any of the financial guarantees can be called upon by the financial institutions is within the next 12 months. At end of the financial year, there was no indication that the subsidiary companies would default on repayment.

Financial guarantee has not been recognised since the fair value on initial recognition was deemed not material and the probability of the subsidiary companies defaulting on their credit facilities is remote.

#### **41. Financial Instruments (Cont'd)**

(c) Financial risk management objectives and policies (Cont'd)

(iii) Market risk

(i) Foreign currency risk

The Group is exposed to foreign currency risk on transactions that are denominated in currencies other than respective functional currencies of Group entities. The currencies giving rise to this risk are primarily United States Dollar ("USD") and Indonesia Rupiah ("IDR").

The Group has not entered into any derivative instruments for hedging or trading purposes. Where possible, the Group will apply natural hedging by selling and purchasing in the same currency. However, the exposure to foreign currency risk is monitored from time to time by management.

**41. Financial Instruments (Cont'd)**

## (c) Financial risk management objectives and policies (Cont'd)

## (iii) Market risk (Cont'd)

## (i) Foreign currency risk (Cont'd)

The carrying amounts of the Group's foreign currency denominated financial assets and financial liabilities at the end of the reporting period are as follows:

	<b>USD RM</b>	<b>Denominated in IDR RM</b>	<b>Others RM</b>	<b>Total RM</b>
<b>Group</b>				
<b>2021</b>				
Trade receivables	8,328,015	3,001,434	-	11,329,449
Other receivables	8,644	5,402,755	-	5,411,399
Deposits, bank and cash balances	10,119,017	2,164,245	5,390	12,288,652
Trade payables	(6,082,651)	(1,032,948)	(11,701)	(7,127,300)
Other payables	(11,232,802)	(4,876,400)	-	(16,109,202)
	1,140,223	4,659,086	(6,311)	5,792,998
<b>2020</b>				
Trade receivables	1,727,403	744,359	662,095	3,133,857
Other receivables	16,597	4,171,147	5,617	4,193,361
Deposits, bank and cash balances	7,417,142	2,779,635	5,085	10,201,862
Trade payables	(6,027,750)	(1,196,907)	(32,554)	(7,257,211)
Other payables	(2,943,608)	(4,625,973)	-	(7,569,581)
	189,784	1,872,261	640,243	2,702,288

**41. Financial Instruments (Cont'd)**

## (c) Financial risk management objectives and policies (Cont'd)

## (iii) Market risk (Cont'd)

## (i) Foreign currency risk (Cont'd)

Foreign currency sensitivity analysis

Foreign currency risk arises from Group entities which have a RM functional currency. The exposure to currency risk of Group entities which do not have a RM functional currency is not material and hence, sensitivity analysis is not presented.

The following table demonstrates the sensitivity of the Group's profit before tax to a reasonably possible change in the USD, IDR and others exchange rates against RM, with all other variables held constant.

	<b>Change in currency rate RM</b>	<b>2021 Effect on profit before tax RM</b>	<b>2020 Effect on profit before tax RM</b>
USD	Strengthened 5% (2020: 5%)	57,011	9,489
	Weakened 5% (2020: 5%)	(57,011)	(9,489)
IDR	Strengthened 5% (2020: 5%)	232,954	93,618
	Weakened 5% (2020: 5%)	(232,954)	(93,618)
Others	Strengthened 5% (2020: 5%)	(316)	32,012
	Weakened 5% (2020: 5%)	316	(32,012)

## (ii) Interest rate risk

The Group's and the Company's fixed rate deposits placed with licensed banks and borrowings are exposed to a risk of change in their fair value due to changes in interest rates. The Group's and the Company's variable rate borrowings are exposed to a risk of change in cash flows due to changes in interest rates.

The Group manages the interest rate risk of its deposits with licensed financial institutions by placing them at the most competitive interest rates obtainable, which yield better returns than cash at bank and maintaining a prudent mix of short- and long-term deposits.

**41. Financial Instruments (Cont'd)**

## (c) Financial risk management objectives and policies (Cont'd)

## (iii) Market risk (Cont'd)

## (ii) Interest rate risk (Cont'd)

The Group manages its interest rate risk exposure from interest bearing borrowings by obtaining financing with the most favourable interest rates in the market. The Group constantly monitors its interest rate risk by reviewing its debts portfolio to ensure favourable rates are obtained. The Group does not utilise interest swap contracts or other derivative instruments for trading or speculative purposes.

The interest rate profile of the Group's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period was:

	<b>2021</b>	<b>2020</b>
	<b>RM</b>	<b>RM</b>
<b>Group</b>		
<b>Fixed rate instruments</b>		
Financial asset	2,107,122	4,061,512
Financial liabilities	(9,602,053)	(15,133,506)
	<u>(7,494,931)</u>	<u>(11,071,994)</u>
<b>Floating rate instrument</b>		
Financial liabilities	<u>(64,948,805)</u>	<u>(7,795,686)</u>

**Interest rate risk sensitivity analysis**Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

#### **41. Financial Instruments (Cont'd)**

(c) Financial risk management objectives and policies (Cont'd)

(iii) Market risk (Cont'd)

(ii) Interest rate risk (Cont'd)

##### Cash flow sensitivity analysis for floating rate instruments

A change in 1% interest rate at the end of the reporting period would have increased/(decreased) the Group's profit before tax by RM649,488 (2020: RM77,957), arising mainly as a result of lower/higher interest expense on floating rate loans and borrowings. This analysis assumes that all other variables remain constant. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

(d) Fair values of financial instruments

The carrying amounts of short-term receivables and payables, cash and cash equivalents and short-term borrowings approximate their fair value due to the relatively short term nature of these financial instruments and insignificant impact of discounting.

The table below analyses financial instruments not carried at fair value for which fair value is disclosed, together with their fair values and carrying amounts shown in the statements of financial position.

**41. Financial Instruments (Cont'd)**

(d) Fair values of financial instruments (Cont'd)

Group	Fair value of financial instruments carried at fair value				Fair value of financial instruments not carried at fair value				Total fair value RM	Carrying amount RM
	Level 1 RM	Level 2 RM	Level 3 RM	Total RM	Level 1 RM	Level 2 RM	Level 3 RM	Total RM		
<b>2021</b>										
<b>Financial asset</b>										
Other investment	875	-	-	875	-	-	-	-	875	875
<b>Financial liabilities</b>										
Finance lease liabilities	-	-	-	-	-	4,752,887	-	4,752,887	4,752,887	5,043,205
Right-of-use lease liabilities	-	-	-	-	-	2,328,002	-	2,328,002	2,328,002	2,508,297
Bank borrowing	-	-	-	-	-	38,846,528	-	38,846,528	38,846,528	49,687,771
<b>2020</b>										
<b>Financial asset</b>										
Other investment	14,705,590	-	-	14,705,590	-	-	-	-	14,705,590	14,705,590
<b>Financial liabilities</b>										
Finance lease liabilities	-	-	-	-	-	4,505,728	-	4,505,728	4,505,728	4,718,730
Right-of-use lease liabilities	-	-	-	-	-	8,754,889	-	8,754,889	8,754,889	8,978,173
Bank borrowing	-	-	-	-	-	3,235,543	-	3,235,543	3,235,543	3,456,975

#### **41. Financial Instruments (Cont'd)**

(d) Fair values of financial instruments (Cont'd)

(i) 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.

There were no transfers between levels during current and previous financial years.

(ii) Level 1 fair value

Level 1 fair value is derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

(iii) Level 2 fair value

Level 2 fair value is estimated using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Derivatives

The fair value of forward exchange contracts is estimated by discounting the difference between the contractual forward price and the current forward price for the residual maturity of the contract using a risk-free interest rate (based on government bond).

Non-derivative financial instruments

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the end of the reporting period.

(iv) Level 3 fair value

Level 3 fair values for the financial assets and liabilities are estimated using unobservable inputs.

#### **42. Capital Management**

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

**42. Capital Management (Cont'd)**

The Group monitors capital using a gearing ratio. The Group's policy is to maintain a prudent level of gearing ratio that complies with debt covenants and regulatory requirements. The gearing ratios at end of the reporting period are as follows:

	<b>Group</b>	
	<b>2021</b>	<b>2020</b>
	<b>RM</b>	<b>RM</b>
Finance lease liabilities (Note 26)	6,114,466	5,530,933
Right-of-use lease liabilities (Note 27)	3,487,587	9,602,573
Bank borrowings (Note 28)	64,948,805	7,795,686
	<u>74,550,858</u>	<u>22,929,192</u>
Less: Cash and cash equivalents (Note 17)	<u>(35,644,889)</u>	<u>(24,865,647)</u>
Net debts	<u>38,905,969</u>	<u>(1,936,455)</u>
Total equity	<u>154,523,151</u>	<u>163,637,402</u>
Gearing ratio (times)	<u>0.25</u>	<u>NA</u>

NA - The gearing ratio is not applicable as the Group has sufficient cash and cash equivalents to settle the liabilities as at the financial year end.

There were no changes in the Group's approach to capital management during the financial year.

**43. Significant Event**

- (a) On 1 April 2021, MBL Plantation Sdn. Bhd. ("MBLP"), a wholly-owned subsidiary entered into a Sale and Purchase Agreement ("SPA") with Doa Huat Holdings Sdn. Bhd. ("DHHSB") for the sale and transfer of the entire equity interest in Sokor Gemilang Ladang Sdn Bhd ("SGLSB") for a total consideration of RM25,000,000. SGLSB was principally involved in cultivation of palm oil plantation.

As of 31 December 2021, the conditions precedent of the SPA is not completed. As a result, the assets and liabilities of SGLSB have been presented on the statements of financial position as held for sale and results from this subsidiary company is presented separately on the statements of profit or loss as discontinued operation.

#### **43. Significant Event (Cont'd)**

(b) On 5 April 2021, the Group announced that

- (i) the acquisition of 22,000,000 ordinary shares in Symphony Life Berhad (“Symlife”), a company whose shares are listed on the Main Market of Bursa Malaysia Securities Berhad, representing approximately 3.5% equity interest in Symlife, from Gajahrimau Capital Sdn. Bhd. (“GCSB”), for a cash consideration of RM20,636,000 or RM0.9380 per Symlife Share via an off-market direct business transaction carried out under the Rules of Bursa Depository Sdn. Bhd and the acquisition was completed on the same day; and
- (ii) a conditional share sale agreement dated 5 April 2021 with GCSB for the proposed acquisition of 67,000,000 Symlife Shares, representing approximately 10.6% equity interest in Symlife, for a cash consideration of RM62,812,500 or RM0.9375 per Symphony Share, subject to adjustments under the terms of the SSA.

On 4 August 2021, the proposed acquisition of 67,000,000 Symlife Shares, for a cash consideration of RM62,779,000, has been completed in accordance with the terms and conditions of the share sale agreement dated 5 April 2021 marking the completion of the proposed acquisition.

#### **44. Subsequent Event and Litigation**

On 18 February 2022, the Company wishes to announce that its wholly-owned subsidiary, MBL Plantation Sdn Bhd (“MBLPSB”) had received a Writ of Summon and Statement of Claim both dated 15 February 2022 filed by Doa Huat Holdings Sdn Bhd (“DHHSB”) under Kuala Lumpur High Court Suit No. WA-22NCC-67-02/2022 in relation to the refund of a sum of RM23,900,000 paid as a deposit for a Share Sale Agreement dated 1 April 2021. The basis of DHHSB’s claim is that the Share Sale Agreement had been alleged repudiated and terminated.

Further, the Group has been advised by its legal counsel that based on the distinguishing fact patterns of the Group’s legal position against these claims, it is only possible, but is not probable that there will be an outflow of resources at this juncture. Accordingly, no provision for any liability has been made in the financial statements. The proceedings in respect of these claims are, as at the date of this report, still on-going.

#### **45. Comparative figures**

Certain comparatives were restated to conform with current financial year’s presentation due to the discontinued operations as disclosed in Note 18. There was no significant impact to the financial performance in relation to the financial year 31 December 2020.

#### **46. Date of Authorisation for Issue**

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 25 April 2022.