FINANCIAL STATEMENTS

Directors' Report and
Audited Financial Statements
For the Financial Year Ended
31 December 2021

DIRECTORS' REPORT

The directors present 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 activities of the Company are investment holding and the provision of management services. The principal activities of the subsidiaries are set out in Note 16 to the financial statements. There have been no significant changes in the nature of the principal activities during the financial year.

Results

	Group RM'000	Company RM'000
Loss net of tax	(36,418)	(31,579)
(Loss)/profit attributable to:		
Owners of the parent	(36,959)	(31,579)
Non-controlling interests	541	-
	(36,418)	(31,579)

In the opinion of the directors, the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature.

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.

Treasury shares

As at 31 December 2021, the number of treasury shares were 15,376,900 and the outstanding ordinary shares in issue after set-off of treasury shares was therefore 140,239,113.

Dividends

The amount of dividends paid by the Company since 31 December 2020 was as follows:

	RM'000
In respect of the financial year ended 31 December 2021:	
Interim tax exempt dividend of 2 sen per ordinary share, on 140,239,113 ordinary shares, declared on 15 September 2021 and paid on 10 November 2021	2,805

The directors do not recommend the payment of any final dividend for the current financial year.

Directors

The directors of the Company in office since the beginning of the financial year and up to the date of this report are:

Chua Seng Huat **	(Executive Chairman)
Dato' John Chua Seng Chai **	(Group Managing Director)
Chua Seng Guan **	(Group Executive Director)
Chua Yew Lin **	
Pauline Getrude Chua Hui Lin **	
Fong Tshu Kwong @ Fong Tshun Kwong	
Ong Ah Ba	
Yong Lin Lin	

** These directors are also directors of the Company's subsidiaries.

DIRECTORS' REPORT (CONT'D)

Directors (contd.)

The directors of the Company's subsidiaries in office since the beginning of the financial year and up to the date of this report (not including those directors listed above) are:

Meera Sen Mei-Li
Chua Chui Kim
Cicy Cai Chun Hui
Wang Chin Chieh
Wang Chin Hsiang
Charline Pan Ling Hwen
Stephen James Purcell
Ngui Sam Ted
David Chua Kee Yong
Shirley Liew Siaw Nee (Resigned on 2 November 2021)

Directors' benefits

Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangement to which the Company was a party, whereby the directors might acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Since the end of the previous financial year, no director has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the directors) by reason of a contract made by the Company or a related corporation with any director or with a firm of which the director is a member, or with a company in which he has a substantial financial interest, except as disclosed in Note 33 to the financial statements.

Details of directors' remuneration for the financial year are disclosed in Note 9 to the financial statements.

Indemnification of directors and officers

The Group maintains a liability insurance for the directors and officers of the Group. The amount of insurance premium effected for the directors and officers of the Group and the Company during the financial year was RM10,500 in relation to its Malaysian operations. The directors and officers shall not be indemnified by such insurance for any negligence, fraud, intentional breach of the law or breach of trust proven against them.

There were no payments of indemnification during the financial year and up to the date of this report.

Directors' interests

According to the register of directors' shareholdings, the interests of the directors in office at the end of the financial year in shares in the Company and its related corporations during the financial year were as follows:

(a) Shareholdings in the Company registered in the names of directors:

	Number of ordinary shares At 1.1.2021 and 31.12.2021
Chua Seng Huat	1,113,225
Dato' John Chua Seng Chai	524,650
Chua Seng Guan	566,000
Chua Yew Lin	242,400
Pauline Getrude Chua Hui Lin	328,900
Fong Tshu Kwong @ Fong Tshun Kwong	20,000
Ong Ah Ba	10,000

DIRECTORS' REPORT (CONT'D)

Directors' interests (contd.)

(b) Shareholdings in which directors are deemed to have an interest:

Indirect interest via holding company	Number of ordinary shares At 1.1.2021 and 31.12.2021
Chua Seng Huat	86,189,825
Dato' John Chua Seng Chai	86,189,825
Chua Seng Guan	86,189,825
Chua Yew Lin	86,189,825
Pauline Getrude Chua Hui Lin	86,204,175

By virtue of their substantial indirect interest in shares in Kim Hin Industry Berhad, Chua Seng Huat, Dato' John Chua Seng Chai, Chua Seng Guan, Chua Yew Lin and Pauline Getrude Chua Hui Lin are also deemed interested in shares of all the Company's subsidiaries to the extent the Company has an interest.

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

Other statutory information

(a) Before the statements of profit or loss and other comprehensive income and statements of financial position of the Group and of the Company were made out, the directors took reasonable steps:

(i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of an allowance for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and

(ii) to ensure that any current assets which were unlikely to realise their values as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.

(b) At the date of this report, the directors are not aware of any circumstances which would render:

(i) the amount written off for bad debts or the amount of allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; and

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

(c) At the date of this report, the directors are not aware of any circumstances which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

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

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

(i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or

(ii) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.

DIRECTORS' REPORT (CONT'D)

Other statutory information (contd.)

(f) In the opinion of the directors:

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

(ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.

Holding company

The holding company is Kim Hin (Malaysia) Sdn. Bhd., a company incorporated and domiciled in Malaysia, with its registered office located at 4½ Mile, Kung Phin Road, Off Penrissen Road, 93250 Kuching.

Significant event

Details of a significant event are disclosed in Note 41 to the financial statements.

Auditors

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

Auditors' remuneration are disclosed in Note 7 to the financial statements.

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young PLT, as part of the terms of its audit engagement against claims by third parties arising from the audit (for an unspecified amount.) No payment has been made to indemnify Ernst & Young PLT for the financial year ended 31 December 2021.

Signed on behalf of the Board in accordance with a resolution of the directors dated 27April 2022.

Chua Seng Huat **Chua Seng Guan**

STATEMENT BY DIRECTORS
PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016

We, **Chua Seng Huat** and **Chua Seng Guan**, being two of the directors of **Kim Hin Industry Berhad**, do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 63 to 137 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 their cash flows for the year then ended.

Signed on behalf of the Board in accordance with a resolution of the directors dated 27 April 2022.

Chua Seng Huat

Chua Seng Guan

STATUTORY DECLARATION
PURSUANT TO SECTION 251(1)(B) OF THE COMPANIES ACT 2016

I, **Peter Chiam Tau Mien**, being the officer primarily responsible for the financial management of **Kim Hin Industry Berhad**, do solemnly and sincerely declare that the accompanying financial statements set out on pages 63 to 137 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by
the abovenamed **Peter Chiam Tau Mien**
at Kuching in the State of Sarawak
on 27 April 2022.

Peter Chiam Tau Mien
(MIA 14085)

Before me,

Phang Dah Nan
Commissioner of Oath

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF KIM HIN INDUSTRY BERHAD (INCORPORATED IN MALAYSIA)

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Kim Hin Industry 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 year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 63 to 137.

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 year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence and other ethical responsibilities

We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key audit matters

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

We have fulfilled the responsibilities described in the Auditors' responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis of our audit opinion on the accompanying financial statements.

Impairment review of property, plant and equipment ("PPE") and right-of-use ("ROU") assets

The slowdown in the construction and property development sector in Malaysia is an indicator that the carrying amounts of certain of the Group's PPE and ROU assets in Malaysia may be impaired. As at 31 December 2021, the carrying amounts of these PPE and ROU assets amounted to RM88.3 million and RM32 million, which accounted for 17% and 6% of the Group's total assets, respectively.

Management has performed impairment assessments to estimate the recoverable amounts of the respective cash-generating units ("CGUs") of these assets. The recoverable amounts of the CGUs were based on either value in use or fair value less costs to sell, whichever is higher. Arising from the impairment assessments carried out for the year ended 31 December 2021, the Group recognised impairment losses relating to PPE and ROU assets amounting to RM8.6 million.

The determination of the recoverable amounts of these PPE and ROU assets is significant to our audit due to their quantum and the significant judgements and estimates involved in determining their recoverable amounts. Accordingly, the impairment assessments of these PPE and ROU assets have been identified as a key audit matter.

We have assessed the reasonableness of the key assumptions used in determining the recoverable amounts derived using the value in use method, in particular, selling prices, margins, operating costs and the discount rate used. We have also considered the sensitivity of these key assumptions and the adequacy of the disclosures provided in Notes 3.2 (b), 13 and 14 to the financial statements.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF KIM HIN INDUSTRY BERHAD (INCORPORATED IN MALAYSIA) (CONT'D)

Report on the audit of the financial statements (contd.)

Key audit matters (contd.)

Net realizable value of inventories

As of 31 December 2021, the Group's inventories amounted to RM129.2 million, which represented approximately 25% of the Group's total assets and during the current financial year, the Group recorded a net write-down on inventories of RM2.1 million as disclosed in Notes 5 and 7 to the financial statements. We focused on this area because of the quantum and significant judgement involved in determining the amount of write-down/(write-back) required.

Our audit procedures included attending and observing physical year-end inventory counts to verify the existence and condition of the inventories on a sampling basis, assessing the compliance of Group's inventory provisioning policy, evaluating analyses and assessments made by management with respect to slow moving inventories and reviewing management's assumptions and method used in calculating the write-down/(write-back). We have tested the net realisable value of the inventories on a sampling basis by comparing their carrying amounts to their selling prices based on actual sales made near or subsequent to the financial year. We have also assessed the reliability of the inventory aging reports provided by the management and considered the adequacy of the disclosures related to inventories as disclosed in Note 3.2 (c) and 19 to the financial statements.

Impairment assessment of investments in subsidiaries

As at 31 December 2021, the carrying amount of investment in subsidiaries stood at RM138.3 million, net of accumulated impairment loss amounting to RM56.3 million. As a result of the continuing operational losses incurred by certain subsidiaries, management performed impairment assessments during the year to determine the recoverable amounts of the investment in subsidiaries. The recoverable amounts were based on value in use. Arising from the impairment assessments during the year ended 31 December 2021, the Company recognised impairment losses amounting to RM38.4 million for the current financial year.

The determination of the recoverable amount of the investment in subsidiaries is significant to our audit due to the quantum of the carrying amount to the financial statements of the Company, and the significant judgements and estimates involved in determining the recoverable amount. Accordingly, the impairment assessment of these investments has been identified as a key audit matter.

As part of the audit, we have assessed the basis and assumptions used by management in arriving at the recoverable amount of investment in subsidiaries, and assessed the adequacy of impairment losses made by management. We have assessed the reasonableness of the key assumptions used by management which include selling prices of the products, the operating costs and the discount rate used. We have also considered the disclosures in Note 2.11, 3.2 (d) and 16 to the financial statements.

Information other than the financial statements and auditors' report thereon

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

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not and will 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 identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors of the Company and take appropriate action.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF KIM HIN INDUSTRY BERHAD (INCORPORATED IN MALAYSIA) (CONT'D)

Report on the audit of the financial statements (contd.)

Responsibilities of the directors for the financial statements

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

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

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

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors;

- conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern;

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

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

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF KIM HIN INDUSTRY BERHAD (INCORPORATED IN MALAYSIA) (CONT'D)

Report on the audit of the financial statements (contd.)

Auditors' responsibilities for the audit of the financial statements (contd.)

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

Report on other legal and regulatory requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 16 to the financial statements.

Other matters

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

ERNST & YOUNG PLT
202006000003 (LLP0022760-LCA) & AF 0039
Chartered Accountants

AU YONG SWEE YIN
No. 03101/02/2024 J
Chartered Accountant

Kuching, Malaysia
Date: 27 April 2022

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

	Note	Group 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
Revenue	4	344,088	336,662	18,469	3,804
Cost of sales		(265,343)	(259,621)	-	-
Gross profit		78,745	77,041	18,469	3,804
Other income	5	17,983	45,559	10,992	7,492
Selling and distribution costs		(37,876)	(37,764)	-	-
Administrative expenses		(81,957)	(77,140)	(7,709)	(7,186)
Other expenses		(8,609)	(6,579)	(52,684)	(19,567)
Operating (loss)/profit		(31,714)	1,117	(30,932)	(15,457)
Finance costs	6	(1,995)	(1,903)	-	-
Loss before tax	7	(33,709)	(786)	(30,932)	(15,457)
Income tax expense	10	(2,709)	(8,462)	(647)	(58)
Loss net of tax		(36,418)	(9,248)	(31,579)	(15,515)
Other comprehensive income:					
Other comprehensive income that will be reclassified to profit or loss in subsequent periods (net of tax): Exchange translation differences on foreign subsidiaries		4,034	3,372	-	-
Other comprehensive income for the year, net of tax		4,034	3,372	-	-
Total comprehensive loss for the year		(32,384)	(5,876)	(31,579)	(15,515)
(Loss)/profit attributable to:					
Owners of the parent		(36,959)	(14,363)	(31,579)	(15,515)
Non-controlling interests		541	5,115	-	-
		(36,418)	(9,248)	(31,579)	(15,515)
Total comprehensive (loss)/income attributable to:					
Owners of the parent		(33,821)	(11,479)	(31,579)	(15,515)
Non-controlling interests		1,437	5,603	-	-
		(32,384)	(5,876)	(31,579)	(15,515)
Loss per share attributable to owners of the parent (sen):					
- Basic / Diluted	11	(26.35)	(10.24)		

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

STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

	Note	Group 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
ASSETS					
Non-current assets					
Property, plant and equipment	13	118,279	121,353	6,274	6,216
Right-of-use assets	14	77,417	61,662	13,423	14,167
Investment properties	15	30,290	36,286	14,660	19,167
Investment in subsidiaries	16	-	-	138,277	176,667
Other investments	17	31,821	36,330	31,821	36,330
Intangible assets	18	17,548	16,643	-	-
Deferred tax assets	26	4,680	4,716	-	-
		280,035	276,990	204,455	252,547
Current assets					
Inventories	19	129,224	128,334	-	-
Trade and other receivables	20	60,149	72,325	105,862	102,198
Other current assets	21	3,066	3,680	11	10
Tax recoverable		807	1,619	162	363
Derivative assets	27	86	769	-	-
Cash and bank balances	22	52,786	70,299	11,852	926
		246,118	277,026	117,887	103,497
TOTAL ASSETS		526,153	554,016	322,342	356,044

STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021 (CONT'D)

	Note	Group 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
EQUITY AND LIABILITIES					
Equity attributable to owners of the parent					
Share capital	23	206,658	206,658	206,658	206,658
Treasury shares	23	(24,309)	(24,309)	(24,309)	(24,309)
Other reserves	24	18,507	15,247	-	-
Retained earnings		155,083	194,969	137,749	172,133
		355,939	392,565	320,098	354,482
Non-controlling interests		14,057	17,547	-	-
TOTAL EQUITY		369,996	410,112	320,098	354,482
Non-current liabilities					
Loans and borrowings	25	10,326	13,993	-	-
Deferred tax liabilities	26	4,786	4,787	61	62
Provisions	29	356	376	-	-
Lease liabilities	31	33,014	15,490	-	-
		48,482	34,646	61	62
Current liabilities					
Loans and borrowings	25	13,326	7,967	-	-
Trade and other payables	28	78,606	79,013	2,095	1,418
Provisions	29	4,622	3,868	88	82
Deferred capital grant	30	-	-	-	-
Lease liabilities	31	9,888	9,013	-	-
Tax payable		1,233	9,397	-	-
		107,675	109,258	2,183	1,500
TOTAL LIABILITIES		156,157	143,904	2,244	1,562
TOTAL EQUITY AND LIABILITIES		526,153	554,016	322,342	356,044

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

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

	Note	← Attributable to equity holders of the Company					→		
		Share capital (Note 23) RM'000	Treasury shares (Note 23) RM'000	Reserve and enterprise expansion funds (Note 24) RM'000	Translation adjustment account (Note 24) RM'000	Retained earnings RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
At 1 January 2021		206,658	(24,309)	6,810	8,437	194,969	392,565	17,547	410,112
Loss net of tax		-	-	-	-	(36,959)	(36,959)	541	(36,418)
Other comprehensive income		-	-	-	3,138	-	3,138	896	4,034
Total comprehensive income		-	-	-	3,138	(36,959)	(33,821)	1,437	(32,384)
Transactions with owners									
Dividends	12	-	-	-	-	(2,805)	(2,805)	-	(2,805)
Dividend paid to non-controlling interests		-	-	-	-	-	-	(4,927)	(4,927)
Transfer between reserves		-	-	122	-	(122)	-	-	-
At 31 December 2021		206,658	(24,309)	6,932	11,575	155,083	355,939	14,057	369,996

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

	Note	Attributable to equity holders of the Company							
		Share capital (Note 23) RM'000	Treasury shares (Note 23) RM'000	Reserve and enterprise expansion funds (Note 24) RM'000	Translation adjustment account (Note 24) RM'000	Retained earnings RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
At 1 January 2020		206,658	(24,309)	4,791	5,553	214,156	406,849	12,686	419,535
Loss net of tax		-	-	-	-	(14,363)	(14,363)	5,115	(9,248)
Other comprehensive income		-	-	-	2,884	-	2,884	488	3,372
Total comprehensive income		-	-	-	2,884	(14,363)	(11,479)	5,603	(5,876)
Transactions with owners									
Dividends	12	-	-	-	-	(2,805)	(2,805)	-	(2,805)
Dividend paid to non-controlling interests		-	-	-	-	-	-	(742)	(742)
Transfer between reserves		-	-	2,019	-	(2,019)	-	-	-
At 31 December 2020		206,658	(24,309)	6,810	8,437	194,969	392,565	17,547	410,112

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

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

	Note	Share capital (Note 23) RM'000	Treasury shares (Note 23) RM'000	Retained earnings RM'000	Total equity RM'000
At 1 January 2021		206,658	(24,309)	172,133	354,482
Loss net of tax, representing total comprehensive loss for the year		-	-	(31,579)	(31,579)
Transaction with owners					
Dividends	12	-	-	(2,805)	(2,805)
At 31 December 2021		206,658	(24,309)	137,749	320,098
At 1 January 2020		206,658	(24,309)	190,453	372,802
Loss net of tax, representing total comprehensive loss for the year		-	-	(15,515)	(15,515)
Transaction with owners					
Dividends	12	-	-	(2,805)	(2,805)
At 31 December 2020		206,658	(24,309)	172,133	354,482

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

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

	Note	2021 RM'000	2020 RM'000
Operating activities			
Loss before tax		(33,709)	(786)
Adjustments for:			
Amortisation of deferred capital grant	5	-	(192)
Bad debts written off	7	47	69
Expected credit losses on receivables, net	7	994	197
Depreciation of property, plant and equipment	7	9,761	18,241
Depreciation of right-of-use assets	7	11,430	11,943
Depreciation of investment properties	7	349	349
Dividend income	4	(216)	(159)
Gain arising from compulsory acquisition of a right-of-use asset by a foreign government	5	-	(31,401)
Gain on disposal of other investments	5	(2)	(25)
Gain on disposal of investment property	5	(7,893)	-
Gain on disposal of property, plant and equipment	5	(446)	(148)
Loss/(gain) on fair value changes on instruments at fair value through profit or loss	5, 7	1,397	(4,326)
Impairment loss on property, plant and equipment	7	8,588	5,010
Impairment loss on right-of-use assets	7	17	950
Impairment loss on investment properties	7	1,820	-
Interest expense	6	1,995	1,903
Interest income	5	(176)	(598)
Write-down/(write-back) of inventories, net	5, 7	2,100	5,193
Inventories written off	7	137	64
Property, plant and equipment written off	7	430	920
Unrealised gain on foreign exchange, net	5, 7	741	(1,690)
Operating cash flows before working capital changes		(2,636)	5,514
Changes in working capital:			
Inventories		(3,127)	949
Receivables		9,927	4,877
Other current assets		614	(1,186)
Payables		(281)	10,489
Provision		734	(265)
Cash generated from operations		5,231	20,378
Interest paid		(1,995)	(1,903)
Taxes paid, net of refund		(9,980)	(552)
Net cash (used in)/generated from operating activities		(6,744)	17,923

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

	Note	2021 RM'000	2020 RM'000
Investing activities			
Acquisition of investment properties	15	-	(9,260)
Acquisition of intangible assets	18	(905)	-
Acquisition of property, plant and equipment	13	(15,247)	(14,708)
Acquisition of other investments		(10,000)	(10,000)
Interest received		176	598
Proceeds from disposal of investment property		12,053	-
Proceeds from disposal of other investments		14,024	2,937
Proceeds from disposal of property, plant and equipment		1,327	1,150
Proceeds from compensation from a foreign government		-	32,146
(Placement)/upliftment of short-term deposits with maturity more than 3 months		(305)	12,458
Net cash generated from investing activities		1,123	15,321
Financing activities			
Dividend paid	12	(2,805)	(2,805)
Dividend paid to non-controlling interests		(4,927)	(742)
Drawdown of trade facilities		4,955	4,491
Payment of principal portion of lease liabilities	31	(9,299)	(10,498)
Repayment of term loans		(3,511)	(5,490)
Net cash used in financing activities		(15,587)	(15,044)
Net (decrease)/increase in cash and cash equivalents		(21,208)	18,200
Net foreign exchange difference		3,022	1,912
Cash and cash equivalents at the beginning of the year		65,233	45,121
Cash and cash equivalents at the end of the year	22	47,047	65,233

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

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

	Note	2021 RM'000	2020 RM'000
Operating activities			
Loss before tax		(30,932)	(15,457)
Adjustments for:			
Depreciation of property, plant and equipment	7	373	599
Depreciation of right-of-use assets	7	744	744
Depreciation of investment properties	7	347	349
Dividend income	4	(17,413)	(2,748)
Expected credit losses on amount due from subsidiaries	7	13,592	1,837
Gain on disposal of other investments	5	(2)	(25)
Gain on disposal of investment property	5	(7,893)	-
Loss/(gain) on fair value changes on instruments at fair value through profit or loss	5, 7	703	(3,557)
Impairment loss on investments in subsidiaries	7	38,390	17,730
Interest income	5	(2,780)	(3,526)
Unrealised gain on foreign exchange	5	(85)	(151)
Operating cash flows before working capital changes		(4,956)	(4,205)
Changes in working capital:			
Other receivables		(17,353)	1,654
Other current assets		(1)	(1)
Other payables		677	(715)
Provisions		6	-
Cash used in operating activities		(21,627)	(3,267)
Taxes paid, net of refund		(447)	(432)
Net cash used in operating activities		(22,074)	(3,699)
Investing activities			
Acquisition of property, plant and equipment	13	(431)	(33)
Acquisition of other investments		(10,000)	(10,000)
Acquisition of shares in subsidiaries		-	(13,520)
Dividends received		17,197	2,589
Interest received		2,780	3,526
Proceeds from disposal of investment property		12,053	-
Proceeds from disposal of other investments		14,024	2,937
Upliftment of short-term deposits with maturity more than 3 months		-	15,060
Net cash generated from investing activities		35,623	559
Financing activity			
Dividend paid	12	(2,805)	(2,805)
Net increase/(decrease) in cash and cash equivalents		10,744	(5,945)
Net foreign exchange difference		182	(40)
Cash and cash equivalents at the beginning of the year		926	6,911
Cash and cash equivalents at the end of the year	22	11,852	926

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 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 registered office of the Company is located at 4½ Mile, Kung Phin Road, Off Penrissen Road, 93250 Kuching, Sarawak, Malaysia.

The holding company is Kim Hin (Malaysia) Sdn. Bhd., a company incorporated and domiciled in Malaysia, with its registered office located at 4½ Mile, Kung Phin Road, Off Penrissen Road, 93250 Kuching, Sarawak.

The principal activities of the Company are investment holding and the provision of management services. The principal activities of the subsidiaries are disclosed in Note 16. There have been no significant changes in the nature of the principal activities during the financial year.

2. Basis of preparation and summary of significant accounting policies

2.1 Basis of preparation

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

The financial statements of the Group and of the Company have also been prepared on the historical cost basis except otherwise disclosed in the accounting policies below. The Group and the Company adhere to the same accounting policies below unless otherwise stated.

These financial statements are presented in Ringgit Malaysia ("RM") and all values are rounded to the nearest thousand ("RM'000") except when otherwise indicated.

2.2 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except that, in the current financial year, the Group and the Company adopted the following amended MFRSs (collectively referred to as "pronouncements"), which are effective for annual financial periods as follows:

Description	Effective for annual periods beginning on or after
Amendment to MFRS 16: COVID-19 - Related Rent Concessions	1 June 2020
Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16: Interest Rate Benchmark Reform - Phase 2	1 January 2021

The adoption of these pronouncements did not have any material effect on the financial performance or position of the Group and the Company.

2.3 Standards issued but not yet effective

The standards and amended MFRSs (collectively referred to as "pronouncements") that are issued but not yet effective up to the date of issuance of the Group's and the Company's financial statements are disclosed below. The Group and the Company intend to adopt these pronouncements, if applicable, when they become effective:

Description	Effective for annual 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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)

2. Basis of preparation and summary of significant accounting policies (contd.)

2.3 Standards issued but not yet effective (contd.)

Description	Effective for annual periods beginning on or after
Amendments to MFRS 137: Onerous Contracts - Cost of Fulfilling a Contract	1 January 2022
Annual Improvements to MFRS Standards 2018 – 2020 Cycle	1 January 2022
MFRS 17: Insurance Contracts	1 January 2023
Amendments to MFRS 17: Insurance Contracts	1 January 2023
Amendments to MFRS 17: Initial Application of MFRS 17 and MFRS 9 - Comparative Information	1 January 2023
Amendments to MFRS 101: Classification of Liabilities as Current or Non-current	1 January 2023
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 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

The pronouncements are not expected to have any material impact to the financial statements of the Group and of the Company.

2.4 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the reporting date. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied for like transactions and events in similar circumstances. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee;
- The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement(s) with the other vote holders of the investee;
- Rights arising from other contractual arrangements;
- The Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income ("OCI") are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)

2. Basis of preparation and summary of significant accounting policies (contd.)

2.4 Basis of consolidation (contd.)

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organised workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

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

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash-generating unit (CGU) and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)

2. Basis of preparation and summary of significant accounting policies (contd.)

2.5 Current versus non-current classification

The Group presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

2.6 Foreign currencies

The Group's consolidated financial statements are presented in RM, which is also the parent company's functional currency. For each entity, the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency.

The Group uses the direct method of consolidation and on disposal of a foreign operation, the gain or loss that is reclassified to profit or loss reflects the amount that arises from using this method.

(i) Transactions and balances

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Differences arising on settlement or translation of monetary items are recognised in profit or loss with the exception of monetary items that are designated as part of the hedge of the Group's net investment in a foreign operation. These are recognised in other comprehensive income until the net investment is disposed of, at which time, the cumulative amount is reclassified to profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recognised in other comprehensive income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in other comprehensive income or profit or loss are also recognised in other comprehensive income or profit or loss, respectively).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)

2. Basis of preparation and summary of significant accounting policies (contd.)

2.6 Foreign currencies (contd.)

(i) Transactions and balances (contd.)

In determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which the Group and the Company initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group and the Company determine the transaction date for each payment or receipt of advance consideration.

(ii) Group companies

On consolidation, the assets and liabilities of foreign operations are translated into RM at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is reclassified to profit or loss.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

2.7 Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the Company and the cost of the item can be measured reliably.

Subsequent to recognition, property, plant and equipment except for freehold land are measured at cost less accumulated depreciation and accumulated impairment losses, if any. When significant parts of property, plant and equipment are required to be replaced in intervals, the Group and the Company recognise such parts as individual assets with specific useful lives and depreciates them, accordingly. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Freehold land has an unlimited useful life and therefore is not depreciated. Leasehold land is depreciated over the residual lease period. Capital work-in-progress is not depreciated as these assets are not yet available for use.

Depreciation of other property, plant and equipment is provided on a straight-line basis over the estimated useful lives of the assets, at the following annual rates:

Buildings, drainage and roads	2% to 10%
Plant, machinery and equipment	5% to 50%
Motor vehicles	20%
Furniture, fittings and office equipment	8% to 30%

A contract which involves the use of an item of property, plant and equipment that meets the definition of a lease is recognised as a right-of-use asset.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)

2. Basis of preparation and summary of significant accounting policies (contd.)

2.7 Property, plant and equipment (contd.)

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in the profit or loss in the year the asset is derecognised.

2.8 Investment properties

Investment properties, which are properties that are held either to earn rental income or for capital appreciation or both, are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and impairment losses (if any). Properties that are occupied by the companies in the Group are accounted for as owner-occupied rather than as investment properties.

Investment properties are derecognised either when they have been disposed of (i.e., at the date the Group loses control) or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition. The amount of consideration to be included in the gain or loss arising from the derecognition of investment property is determined in accordance with the requirements for determining the transaction price in MFRS 15.

Transfers are made to (or from) investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

2.9 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite. MFRS 38.88 Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit or loss in the expense category that is consistent with the function of the intangible assets.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Gain or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statements of profit or loss when the asset is derecognised.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)

2. Basis of preparation and summary of significant accounting policies (contd.)

2.10 Subsidiaries

A subsidiary is an entity controlled by the Company. Control exists when the Company is exposed, 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.

In the separate financial statements of the Company, investment in subsidiaries are accounted for at cost less impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

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

2.11 Impairment of non-financial assets

The Group and the Company assess, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group and the Company estimate the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's ("CGU") fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows expected to be generated by the assets are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

The Group and the Company base their impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's and the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years or more. A long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses are recognised in the statements of profit or loss in expense categories consistent with the function of the impaired asset.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the asset's or CGU's recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss.

Goodwill is tested for impairment annually as at the reporting date and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

Intangible assets with indefinite useful lives are tested for impairment annually as at the reporting date at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)

2. Basis of preparation and summary of significant accounting policies (contd.)

2.12 Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income ("OCI"), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the practical expedient has been applied, the Group and the Company initially measure a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the practical expedient has been applied are measured at the transaction price determined under MFRS 15.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's and the Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows.

Initial recognition and measurement

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

(a) Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest rate (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) Financial assets at fair value through OCI (debt instruments)

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is recycled to profit or loss.

The Group has no debt instruments that are designated as financial assets at fair value through OCI.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)

2. Basis of preparation and summary of significant accounting policies (contd.)

2.12 Financial assets (contd.)

Subsequent measurement (contd.)

(b) Financial assets designated at fair value through OCI (equity instruments) (contd.)

Upon initial recognition, the Group and the Company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under MFRS 132 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in profit or loss when the right of payment has been established, except when the Group or the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Group has no equity instruments that are designated as financial assets at fair value through OCI.

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

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

This category includes derivative instruments and listed equity investments which the Group had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are recognised as other income in the statement of profit or loss when the right of payment has been established.

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if: the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the statements of financial position) when:

- The rights to receive cash flows from the asset have expired; or
- The Group or the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group or the Company has transferred substantially all the risks and rewards of the asset, or (b) the Group or the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)

2. Basis of preparation and summary of significant accounting policies (contd.)

2.12 Financial assets (contd.)

Derecognition (contd.)

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

2.13 Impairment of financial assets

The Group and the Company recognise an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. 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 or the Company expects 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.

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

The Group and the Company consider a financial asset in default when contractual payments are 180 days past due. However, in certain cases, the Group and the Company may also consider a financial asset to be in default when internal or external information indicates that the Group and the Company are unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2.14 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group or the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group and the Company use valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)

2. Basis of preparation and summary of significant accounting policies (contd.)

2.14 Fair value measurement (contd.)

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the Group and the Company determine whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group and the Company have determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the assets and liabilities and the level of the fair value hierarchy as explained above.

2.15 Cash and cash equivalents

Cash and cash equivalents comprise cash at banks and on hand and short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's and the Company's cash management.

2.16 Inventories and work-in-progress

Inventories are stated at the lower of cost and net realisable value. Costs incurred in bringing the inventories to their present location and condition are accounted for as follows:

- Raw materials, spare parts and sundry inventories: cost is determined on a weighted average basis, which approximates actual costs and includes cost of purchase and other directly attributable costs of acquisition.

- Finished goods and work-in-progress: cost is determined on standard cost basis and includes cost of direct materials and labour and appropriate proportion of manufacturing overheads.

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

2.17 Provisions

Provisions are recognised when the Group or the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group or the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in profit or loss net of any reimbursement.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)

2. Basis of preparation and summary of significant accounting policies (contd.)

2.18 Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all conditions attached will be complied with. Where the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the Group or the Company receives grants of non-monetary assets, the asset and the grant are recorded at nominal amounts and released to profit or loss over the expected useful life of the asset, based on the pattern of consumption of the benefits of the underlying asset by equal annual instalments.

2.19 Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Financial liabilities include trade and other payables, loans and borrowings, derivative liabilities and lease liabilities.

Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortised cost (loans and borrowings)

(a) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by MFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the statements of profit or loss. Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in MFRS 9 are satisfied.

The Group has not designated any financial liability as at fair value through profit or loss.

(b) Financial liabilities at amortised cost (loans and borrowings)

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate (EIR) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statements of profit or loss.

This category generally applies to interest-bearing loans and borrowings.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)

2. Basis of preparation and summary of significant accounting policies (contd.)

2.19 Financial liabilities (contd.)

Derecognition

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

Offsetting of financial instruments

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

2.20 Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due.

Financial guarantee contracts are recognised initially as a liability at fair value, net of transaction costs when the likelihood of default by the debtors is more than probable. Subsequent to initial recognition, financial guarantee contracts are recognised as income in profit or loss over the period of the guarantee. If the debtor fails to make payment relating to financial guarantee contract when it is due and the Group or the Company, as the issuer, is required to reimburse the holder for the associated loss, the liability is measured at the higher of the best estimate of the expenditure required to settle the present obligation at the reporting date and the amount initially recognised less cumulative amortisation.

2.21 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset.

All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2.22 Employee benefits

(a) Short-term benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees of the Group and 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 leave are recognised when the absences occur.

(b) Defined contribution plans

The Group and the Company participate in the national pension schemes as defined by the laws of the countries in which it has operations. The Malaysian companies in the Group make contributions to the Employees' Provident Fund in Malaysia, a defined contribution pension scheme. The Group's foreign subsidiaries also make contribution to their respective countries' statutory pension schemes. Such contributions are recognised as an expense in the period in which the related service is performed.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)

2. Basis of preparation and summary of significant accounting policies (contd.)

2.22 Employee benefits (contd.)

(c) Employee leave entitlements

Employee entitlements to annual leave are recognised as a liability when they accrue to the employees. The estimated liabilities for leave is recognised for services rendered by employees up to the reporting date.

2.23 Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(a) Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(i) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses (if any), and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Leasehold land	5 to 91 years
Buildings	1 to 3 years
Plant and machinery	3 years
Motor vehicles	5 years
Other equipment	5 years

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

(ii) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)

2. Basis of preparation and summary of significant accounting policies (contd.)

2.23 Leases (contd.)

(a) Group as a lessee (contd.)

(ii) Lease liabilities **(contd.)**

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

(iii) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

(b) Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

2.24 Revenue and other income

(a) Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements.

Sale of goods

Revenue from sale of goods consists of a single performance obligation and is recognised at a point in time when control of the goods is transferred to the customer, generally on delivery of the goods or collection by customers.

The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price for the sale of goods, the Group considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer (if any).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)

2. Basis of preparation and summary of significant accounting policies (contd.)

2.24 Revenue and other income (contd.)

(a) Revenue from contracts with customers (contd.)

Sale of goods (contd.)

(i) Variable consideration

If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

Volume rebates

One of the Group's foreign subsidiaries provides retrospective volume rebates to certain customers once the quantity of products purchased during the period exceeds a threshold specified in the contract. Rebates are offset against amounts payable by the customer. To estimate the variable consideration for the expected future rebates, the Group applies the most likely amount method for contracts with a single-volume threshold and the expected value method for contracts with more than one volume threshold. The selected method that best predicts the amount of variable consideration is primarily driven by the number of volume thresholds contained in the contract. The Group then applies the requirements on constraining estimates of variable consideration and recognises a refund liability for the expected future rebates.

The Group has determined that its refund liability is not contract liability.

(ii) Significant financing component

A foreign subsidiary of the Group receives short-term advances from its customers. Using the practical expedient in MFRS 15, the Group does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less.

(b) Assets and liabilities arising from right of return

(i) Right of return assets

Right of return asset represents the Group's right to recover the goods expected to be returned by customers. The asset is measured at the former carrying amount of the inventory, less any expected costs to recover the goods, including any potential decreases in the value of the returned goods. The Group updates the measurement of the asset recorded for any revisions to its expected level of returns, as well as any additional decreases in the value of the returned products.

(ii) Refund liabilities

A refund liability is the obligation to refund some or all of the consideration received (or receivable) from the customer and is measured at the amount the Group ultimately expects it will have to return to the customer. The Group updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of the financial year.

(c) Interest income

Interest income is recognised on effective interest rate basis unless collectability is in doubt.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)

2. Basis of preparation and summary of significant accounting policies (contd.)

2.24 Revenue and other income (contd.)

(d) Dividend income

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

(e) Management fees

Management fees are recognised when services are rendered.

(f) Rental income

Rental income is accounted for 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.

2.25 Taxes

(a) Current income tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(b) Deferred tax

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

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

- when the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or

- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction when, affects neither the accounting profit nor taxable profit or loss; or

- in respect of deductible temporary differences associated with investment in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)

2. Basis of preparation and summary of significant accounting policies (contd.)

2.25 Taxes (contd.)

(b) Deferred tax (contd.)

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. The adjustment is either treated as a reduction in goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or recognised in profit or loss.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

(c) Sales and Service Tax ("SST")

Revenue is recognised net of the amount of SST as it is payable to the taxation authority. SST payable to the taxation authority is included as part of payables in the statements of financial position.

When SST is incurred, SST is recognised as part of the expense or cost of acquisition of the asset as SST is not recoverable.

2.26 Segment reporting

For management purposes, the Group is organised into operating segments based on geographical areas which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segments' managers report directly to the management of the Company who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance.

2.27 Share capital and share issuance expenses

An equity instrument is any contract that evidences a residual interest in the assets of the Group and 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. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

2.28 Treasury shares

Own equity instruments that are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognised in the share capital.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)

2. Basis of preparation and summary of significant accounting policies (contd.)

2.29 Contingencies

A contingent liability or asset is a possible obligation or asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future event(s) not wholly within the control of the Group and the Company.

Contingent liabilities and assets are not recognised in the statements of financial position of the Group and the Company.

3. Significant accounting judgements and estimates

The preparation of these 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.

3.1 Critical judgements made in applying accounting policies

The management makes critical judgment in the process of applying the Group's accounting policies that have a significant effect on the amounts recognised in these financial statements.

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) Impairment of intangible assets

Intangible assets are tested for impairment annually and at other times when such indicators exist. This requires an estimation of the value in use of the cash-generating units to which intangible assets are allocated.

When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows. Further details of the carrying value, the key assumptions applied in the impairment assessment of intangible assets are disclosed in Note 18.

(b) Impairment of property, plant and equipment and right-of-use assets

Property, plant and equipment and right-of-use assets are tested for impairment when there is an indication that they may be impaired. The recoverable amounts of the property, plant and equipment and right-of-use assets are estimated based on the higher of value in use and fair value less costs to sell.

When value in use calculations are undertaken, management estimates the expected future cash flows from the asset or the cash-generating unit and choose a suitable discount rate in order to calculate the present value of these cash flows. Such estimates are often subject to volatility and the recoverable amount will vary significantly when actual results do not coincide with estimates made. The Group impaired certain property, plant and equipment and right-of-use assets of its subsidiaries during the financial year. Further details on the key assumptions applied are disclosed in Note 13.

(c) Net realisable value of inventories

The Group reviews the adequacy of write-down/(write-back) of inventories at each reporting date to ensure that the inventories are stated at lower of cost and net realisable value. In assessing the extent of write-down/(write-back) for slow moving inventories, all unsold inventories in excess of 3 years have been written down to Nil.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)

3. Significant accounting judgements and estimates (contd.)

3.2 Key sources of estimation uncertainty (contd.)

(d) Impairment assessment of investment in subsidiaries

In performing impairment review over certain of the Company's subsidiaries, the Company also carried out impairment tests on the carrying values of investment in those subsidiaries. The Company estimates the recoverable amounts of the investment based on value in use. Further details of the impairment losses are disclosed in Note 16.

4. Revenue

The significant categories of revenue during the year are analysed as follows:

	Group		Company	
	2021	**2020**	**2021**	**2020**
	RM'000	RM'000	RM'000	RM'000
Revenue from contracts with customers				
- sales of goods	343,872	336,503	-	-
Other revenue				
Dividend income				
- unquoted securities in Malaysia	216	159	216	159
- subsidiaries	-	-	17,197	2,589
Management fees from subsidiaries	-	-	1,056	1,056
	344,088	336,662	18,469	3,804

All revenue from contracts with customers is recognised at a point in time. The performance obligation arising from sale of goods is satisfied upon delivery of goods and payment is generally due within 30 to 120 days from delivery. Returns from customers and refund liabilities arising from return rebates are not material. There is no material remaining performance obligations to be recognised within or more than one year, whether unsatisfied or partially unsatisfied.

5. Other income

	Group		Company	
	2021	**2020**	**2021**	**2020**
	RM'000	RM'000	RM'000	RM'000
Amortisation of deferred capital grant (Note 30)	-	192	-	-
Fumigation charges received	527	574	-	-
Gain on disposal of other investments	2	25	2	25
Gain on disposal of property, plant and equipment	446	148	-	-
Gain on disposal of investment property	7,893	-	7,893	-
Gain on fair value changes on instruments at fair value through profit or loss				
- derivatives (Note 27)	-	769	-	-
- other investments	-	3,557	-	3,557
Gain on foreign exchange - realised	809	71	5	6
- unrealised	398	1,893	85	151
Interest income - subsidiaries	-	-	2,765	3,045
- others	176	598	15	481
Rental income	3,571	1,313	227	227
Write-back on inventories	479	375	-	-
Compensation from a foreign government relating to compulsory acquisition of right-of-use assets (Note 14)	-	31,401	-	-
Miscellaneous	3,682	4,643	-	-
	17,983	45,559	10,992	7,492

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)

6. Finance costs

	Group	
	2021	**2020**
	RM'000	RM'000
Interest expense on:		
Bank overdraft	4	28
Bankers' acceptances	100	39
Lease liabilities (Note 31)	1,044	1,002
Term loan	588	834
Other interest	259	-
	1,995	1,903

7. Loss before tax

The following amounts have been included in arriving at loss before tax:

	Group		Company	
	2021	**2020**	**2021**	**2020**
	RM'000	RM'000	RM'000	RM'000
Auditors' remuneration:				
Statutory audit	723	613	85	85
Other services	102	114	12	19
Bad debts written off	47	69	-	-
Expense relating to short-term leases (Note 31)	100	1,534	-	-
Expense relating to leases of low-value assets (Note 31)	66	101	6	7
Expected credit losses on amount due from subsidiaries, net (Note 20)	-	-	13,592	1,837
Expected credit losses on trade receivables, net (Note 20)	994	197	-	-
Depreciation of investment properties (Note 15)	349	349	347	349
Depreciation of property, plant and equipment (Note 13)	9,761	18,241	373	599
Depreciation of right-of-use assets (Note 14)	11,430	11,943	744	744
Employee benefits expense (Note 8)	83,696	82,474	4,883	3,981
Impairment loss on investment in subsidiaries (Note 16)	-	-	38,390	17,730
Impairment loss on investment properties (Note 15)	1,820	-	-	-
Impairment loss on property, plant and equipment (Note 13)	8,588	5,010	-	-
Impairment loss on right-of-use assets (Note 14)	17	950	-	-
Inventories written-down	2,579	5,568	-	-
Inventories written off	137	64	-	-
Loss on fair value changes on instruments at fair value through profit or loss				
- derivatives (Note 27)	694	-	-	-
- other investments	703	-	703	-
Loss on foreign exchange				
- realised	438	181	-	-
- unrealised	1,139	203	-	-
Non-executive directors' remuneration (Note 9)	106	113	106	113
Property, plant and equipment written off	430	920	-	-

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)

8. Employee benefits expense

	Group		Company	
	2021	**2020**	**2021**	**2020**
	RM'000	RM'000	RM'000	RM'000
Wages and salaries	70,854	69,618	4,054	3,366
Defined contribution plan	6,908	7,534	749	593
Social security contributions	1,411	701	8	12
Other staff related costs	4,523	4,621	72	10
	83,696	82,474	4,883	3,981

Included in employee benefits expense of the Group and of the Company are Executive Directors' remuneration, excluding benefits-in-kind, amounting to RM7,327,000 (2020: RM7,302,000) and RM4,275,000 (2020: RM3,162,000), respectively, as further disclosed in Note 9.

9. Directors' remuneration

	Group		Company	
	2021	**2020**	**2021**	**2020**
	RM'000	RM'000	RM'000	RM'000
Executive Directors' remuneration				
Fees	165	165	165	165
Other emoluments	7,162	7,137	4,110	2,997
	7,327	7,302	4,275	3,162
Non-Executive Directors' remunerations				
Fees (Note 7)	106	113	106	113
Total directors' remuneration	7,433	7,415	4,381	3,275
Estimated monetary value of benefits-in-kind	212	152	93	29
Total directors' remuneration including benefits-in-kind	7,645	7,567	4,474	3,304

The details of remuneration receivable by directors of the Group and of the Company during the year are as follows:

	Group		Company	
	2021	**2020**	**2021**	**2020**
	RM'000	RM'000	RM'000	RM'000
Executive:				
Salaries and bonuses	6,070	6,045	3,425	2,490
Defined contribution plan	1,088	1,088	682	505
Social security contributions	4	4	3	2
	7,162	7,137	4,110	2,997
Fees	165	165	165	165
	7,327	7,302	4,275	3,162
Estimated monetary value of benefits-in-kind	212	152	93	29
	7,539	7,454	4,368	3,191
Non-Executive (Note 7):				
Fees	106	113	106	113
	7,645	7,567	4,474	3,304

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)

10. Income tax expense

The major components of income tax expense for the years ended 31 December 2021 and 2020 are as follows:

	Group		Company	
	2021 RM'000	**2020** RM'000	**2021** RM'000	**2020** RM'000
Statements of profit or loss and other comprehensive income:				
Current income tax:				
Malaysian income tax	658	80	658	80
Foreign tax	2,312	8,954	-	-
(Over)/under provision in previous years:				
Malaysian income tax	(11)	20	(10)	4
Foreign tax	(332)	(264)	-	-
	2,627	8,790	648	84
Deferred income tax (Note 26):				
Relating to origination and reversal of temporary differences	(47)	(386)	(1)	(19)
Under/(over) provision in previous years	129	58	-	(7)
	82	(328)	(1)	(26)
Income tax expense recognised in profit or loss	2,709	8,462	647	58

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (2020: 24%) of the estimated assessable profit for the year.

Income tax for other jurisdictions is calculated at the rate prevailing in the respective jurisdictions. The reconciliation below is prepared by aggregating separate reconciliations for each national jurisdiction.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)

10. Income tax expense (contd.)

The reconciliations between tax expense and the product of accounting loss multiplied by the applicable corporate tax rate are as follows:

	2021 RM'000	2020 RM'000
Group		
Accounting loss before tax	33,709	786
Tax at Malaysian statutory tax rate of 24% (2020: 24%)	(8,090)	(189)
Effect of different tax rates in other countries	1,421	547
Effect of non-deductible expenses for tax purpose	1,236	2,477
Effect of income not subject to tax	(2,059)	(1,405)
Deferred tax assets not recognised	10,415	8,555
Deferred tax assets recognised on previously unrecognised deferred tax assets	-	(1,337)
Over provision of income tax in respect of previous years	(343)	(244)
Under provision of deferred tax in respect of previous years	129	58
Income tax expense recognised in profit or loss	2,709	8,462
Company		
Accounting loss before tax	30,932	15,457
Tax at Malaysian statutory tax rate of 24% (2020: 24%)	(7,424)	(3,710)
Effect of income not subject to tax	(6,132)	(1,556)
Effect of non-deductible expenses for tax purpose	14,213	5,596
Effect of utilisation of group loss relief	-	(269)
(Over)/under provision of income tax in respect of previous years	(10)	4
Over provision of deferred tax in respect of previous years	-	(7)
Income tax expense recognised in profit or loss	647	58

The Group has the following tax losses and incentives which are available for offset against the future taxable profits subject to the agreement of the tax authorities and compliance with certain provisions of the tax legislation:

	Group 2021 RM'000	Group 2020 RM'000
Unutilised tax losses - Malaysian	53,892	34,407
Unutilised tax losses - Other countries	165,536	158,923
Unabsorbed capital allowances	34,382	26,309
Unutilised incentive allowances	2,992	2,992
Unabsorbed reinvestment allowances	32,823	32,823
Others	66,440	67,077
	356,065	322,531

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)

10. Income tax expense (contd.)

Pursuant to Section 44(5F) of the Income Tax Act, 1967, the unutilised tax losses of the Group's subsidiaries in Malaysia can only be carried forward until the following years of assessment:

	Group	
	2021 RM'000	**2020** RM'000
Unutilised tax losses to be carried forward until:		
- Year of assessment 2025	-	4,617
- Year of assessment 2026	-	14,778
- Year of assessment 2027	804	15,012
- Year of assessment 2028	4,617	-
- Year of assessment 2029	14,778	-
- Year of assessment 2030	15,012	-
- Year of assessment 2031	18,681	-
	53,892	34,407

In prior year, unutilised business losses from Year of Assessment 2018 to 2020 were only allowed to be carried forward for a maximum period of seven (7) consecutive years of assessment. Any amount which is not utilised at the end of the period of seven (7) years of assessment shall be disregarded. However, based on the Finance Act 2021 which was gazetted on 31 December 2021, the period to carry forward the unutilised business losses has been extended to ten (10) years of assessment effective from the Year of Assessment 2018 onwards.

11. Loss per share

Basic loss per share is calculated by dividing the loss for the year attributable to owners of the parent by the weighted average number of ordinary shares in issue during the financial year, excluding treasury shares held by the Company.

The following table reflects the loss and share data used in the computation of basic loss per share:

	Group	
	2021	**2020**
Loss net of tax attributable to owners of the parent (RM'000)	36,959	14,363
Number of ordinary shares in issuance as of 1 January ('000)	155,616	155,616
Number of treasury shares ('000)	(15,377)	(15,377)
Weighted average number of ordinary shares for basic earnings per share computation ('000)	140,239	140,239
Basic loss per share (sen)	26.35	10.24

The diluted loss per share is the same as the basic loss per share as there are no dilutive potential ordinary shares outstanding.

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of authorisation of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)

12. Dividends

	Group and Company 2021 RM'000	2020 RM'000
Declared and paid:		
Dividends on ordinary shares:		
Interim dividend for 2021: 2 sen per ordinary share, tax exempt (2 sen net per ordinary share)	2,805	-
Interim dividend for 2020: 2 sen per ordinary share, tax exempt (2 sen net per ordinary share)	-	2,805
	2,805	2,805

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)

13. Property, plant and equipment

	Freehold land, buildings, drainage and roads RM'000	Plant, machinery and equipment RM'000	Motor vehicles RM'000	Furniture, fittings and office equipment RM'000	Capital work-in-progress RM'000	Total RM'000
Group						
At 31 December 2021						
Cost						
At 1 January 2021	188,011	370,139	18,677	39,887	6,130	622,844
Additions	1,096	4,875	243	2,939	6,094	15,247
Disposals/write-off	(332)	(2,351)	(971)	(1,429)	-	(5,083)
Reclassification	810	87	-	-	(897)	-
Translation differences	1,488	2,163	169	336	857	5,013
At 31 December 2021	191,073	374,913	18,118	41,733	12,184	638,021
Accumulated depreciation and impairment						
At 1 January 2021	105,802	346,387	16,583	32,719	-	501,491
Depreciation charge for the year (Note 7)	2,861	4,039	683	2,178	-	9,761
Impairment during the year (Note 7)	5,032	2,530	4	14	1,008	8,588
Disposals/write-off	(332)	(1,913)	(951)	(1,005)	-	(4,201)
Translation differences	1,606	2,288	129	80	-	4,103
At 31 December 2021	114,969	353,331	16,448	33,986	1,008	519,742
Net carrying amount						
At 31 December 2021	76,104	21,582	1,670	7,747	11,176	118,279

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)

13. Property, plant and equipment (contd.)

Group (contd.)	Freehold land, buildings, drainage and roads RM'000	Plant, machinery and equipment RM'000	Motor vehicles RM'000	Furniture, fittings and office equipment RM'000	Capital work-in-progress RM'000	Total RM'000
At 31 December 2020						
Cost						
At 1 January 2020	189,272	365,438	18,557	38,705	3,991	615,963
Additions	4,119	6,901	208	853	2,627	14,708
Disposals/write-off	(7,951)	(4,500)	(276)	(573)	(23)	(13,323)
Reclassification	483	-	-	-	(483)	-
Translation differences	2,088	2,300	188	902	18	5,496
At 31 December 2020	188,011	370,139	18,677	39,887	6,130	622,844
Accumulated depreciation and impairment						
At 1 January 2020	105,363	336,213	15,684	28,225	-	485,485
Depreciation charge for the year (Note 7)	3,215	10,670	1,015	3,341	-	18,241
Impairment during the year (Note 7)	2,746	1,225	-	1,039	-	5,010
Disposals/write-off	(7,143)	(3,537)	(267)	(454)	-	(11,401)
Translation differences	1,621	1,816	151	568	-	4,156
At 31 December 2020	105,802	346,387	16,583	32,719	-	501,491
Net carrying amount						
At 31 December 2020	82,209	23,752	2,094	7,168	6,130	121,353

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)

13. Property, plant and equipment (contd.)

	Buildings, drainage and roads RM'000	Plant, machinery and equipment RM'000	Motor vehicles RM'000	Furniture, fittings and office equipment RM'000	Capital work-in-progress RM'000	Total RM'000
Company						
31 December 2021						
Cost						
At 1 January 2021	15,491	1,078	1,257	6,578	13	24,417
Additions	-	-	-	65	366	431
Write off	-	-	-	(3)	-	(3)
At 31 December 2021	15,491	1,078	1,257	6,640	379	24,845
Accumulated depreciation						
At 1 January 2021	9,762	1,078	1,228	6,133	-	18,201
Depreciation charge for the year (Note 7)	248	-	27	98	-	373
Write off	-	-	-	(3)	-	(3)
At 31 December 2021	10,010	1,078	1,255	6,228	-	18,571
Net carrying amount						
At 31 December 2021	5,481	-	2	412	379	6,274

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)

13. Property, plant and equipment (contd.)

	Buildings, drainage and roads RM'000	Plant, machinery and equipment RM'000	Motor vehicles RM'000	Furniture, fittings and office equipment RM'000	Capital work-in-progress RM'000	Total RM'000
Company (contd.)						
31 December 2020						
Cost						
At 1 January 2020	15,491	1,078	1,257	6,545	13	24,384
Additions	-	-	-	33	-	33
At 31 December 2020	15,491	1,078	1,257	6,578	13	24,417
Accumulated depreciation						
At 1 January 2020	9,514	1,078	1,064	5,946	-	17,602
Depreciation charge for the year (Note 7)	248	-	164	187	-	599
At 31 December 2020	9,762	1,078	1,228	6,133	-	18,201
Net carrying amount						
At 31 December 2020	5,729	-	29	445	13	6,216

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)

13. Property, plant and equipment (contd.)

Included in buildings of the Group are assets with a net carrying amount of RM27,316,223 (2020: RM27,781,056) which are pledged as security for the Group's loans and borrowings as disclosed in Note 25.

During the financial year, the Group conducted impairment review of property, plant and equipment ("PPE") for subsidiaries in Malaysia which were incurring losses. The following assumptions were used in the determination of the recoverable amounts of PPE for entities in Malaysia:

(i) Budgeted gross margin

The budgeted gross margin is based on actual historical trends for the past 4 years. The range of gross margin used were 4% to 15% (2020: 4% to 15%) depending on products sold.

(ii) Growth rate

The Group did not impute any growth rate for these entities reviewed.

(iii) Operating costs

Forecast of operating costs is based on actual costs incurred in the preceding year and adjusted for inflation rate of 2.5% (2020: 2.5%).

(iv) Discount rate

The discount rate used is 10.5% (2020: 9%). The discount rate calculation is based on the specific circumstances of the Group and its operating segments and is derived from its weighted average cost of capital ("WACC"). The WACC took into account both debt and equity.

Arising from this review, the Group provided impairment loss of RM8,587,618 on plant and equipment belonging to two subsidiaries based on recoverable amounts of RM81,750,159 derived using their estimated value in use.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)

14. Right-of-use assets

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

	Short-term leasehold land RM'000	Long-term leasehold land RM'000	Buildings RM'000	Plant and machinery RM'000	Motor vehicles RM'000	Other equipment RM'000	Total RM'000
Group							
Cost							
As at 1 January 2021	48,379	19,501	33,861	2,080	190	8,276	112,287
Additions	3	-	26,964	-	-	788	27,755
Derecognition upon expiry	-	-	(3,399)	-	-	(705)	(4,104)
Modification of lease terms	-	-	(396)	(1)	-	126	(271)
Translation differences	828	-	(405)	(25)	(4)	(149)	245
As at 31 December 2021	49,210	19,501	56,625	2,054	186	8,336	135,912
Accumulated depreciation							
As at 1 January 2021	21,445	6,885	17,345	679	77	4,194	50,625
Depreciation (Note 7)	1,062	216	7,698	415	44	1,995	11,430
Impairment (Note 7)	-	-	-	17	-	-	17
Modification of lease terms	-	-	(3,399)	-	-	(399)	(3,798)
Translation differences	296	-	27	1	2	(105)	221
As at 31 December 2021	22,803	7,101	21,671	1,112	123	5,685	58,495
Net carrying amount							
As at 31 December 2021	26,407	12,400	34,954	942	63	2,651	77,417

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)

14. Right-of-use assets (contd.)

Set out below are the carrying amounts of right-of-use assets recognised and their movements during the year: (contd.)

	Short-term leasehold land RM'000	Long-term leasehold land RM'000	Buildings RM'000	Plant and machinery RM'000	Motor vehicles RM'000	Other equipment RM'000	Total RM'000
Group (contd.)							
Cost							
As at 1 January 2020	48,718	19,501	29,846	1,578	177	8,623	108,443
Additions	-	-	4,421	400	-	-	4,821
Compulsory acquisition by a foreign government	(1,057)	-	-	-	-	-	(1,057)
Modification of lease terms	-	-	(2,007)	(1)	-	(900)	(2,908)
Translation differences	718	-	1,601	103	13	553	2,988
As at 31 December 2020	48,379	19,501	33,861	2,080	190	8,276	112,287
Accumulated depreciation							
As at 1 January 2020	20,304	6,667	7,600	265	28	1,985	36,849
Depreciation (Note 7)	1,213	218	8,137	381	44	1,950	11,943
Compulsory acquisition by a foreign government	(312)	-	-	-	-	-	(312)
Impairment (Note 7)	-	-	950	-	-	-	950
Modification of lease terms	-	-	(44)	-	-	-	(44)
Translation differences	240	-	702	33	5	259	1,239
As at 31 December 2020	21,445	6,885	17,345	679	77	4,194	50,625
Net carrying amount							
As at 31 December 2020	26,934	12,616	16,516	1,401	113	4,082	61,662

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)

14. Right-of-use assets (contd.)

Included in right-of-use assets of the Group are assets with a net carrying amount of RM13,917,320 (2020: RM12,107,866) which are pledged as security for the Group's loans and borrowings as disclosed in Note 25.

In 2020, a portion of leasehold land belonging to a foreign subsidiary was compulsorily acquired by the foreign government for an amount of approximately RM32,146,275. The compulsory acquisition resulted in a gain of RM31,401,141 to the Group.

	Short-term leasehold land RM'000	Long-term leasehold land RM'000	Total RM'000
Company			
Cost			
As at 1 January and 31 December 2021	27,808	115	27,923
Accumulated depreciation			
As at 1 January 2020	12,898	114	13,012
Depreciation (Note 7)	744	-	744
As at 31 December 2020	13,642	114	13,756
Depreciation (Note 7)	744	-	744
As at 31 December 2021	14,386	114	14,500
Net carrying amount			
As at 31 December 2020	14,166	1	14,167
As at 31 December 2021	13,422	1	13,423

The Group conducted an impairment review of right-of-use ("ROU") assets where indicators of impairment exist as referred to in Note 13. The assumptions used in the determination of the recoverable amounts of ROU assets for entities in Malaysia, are similar to those mentioned in Note 13.

Arising from this review, the Group provided an impairment loss of RM17,000 (2020: RM950,000) to fully impair the ROU assets which have no recoverable amounts.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)

15. Investment properties

	Freehold land RM'000	Buildings RM'000	Total RM'000
Group			
At 31 December 2021			
Cost			
At 1 January	4,160	34,556	38,716
Disposal	(4,160)	-	(4,160)
Translation differences	-	333	333
31 December	-	34,889	34,889
Accumulated depreciation			
At 1 January	-	2,430	2,430
Depreciation charge for the year (Note 7)	-	349	349
Impairment during the year (Note 7)	-	1,820	1,820
At 31 December	-	4,599	4,599
Net carrying amount	-	30,290	30,290
Estimated fair value of investment properties			32,132
At 31 December 2020			
Cost			
At 1 January	4,160	24,905	29,065
Addition	-	9,260	9,260
Translation differences	-	391	391
31 December	4,160	34,556	38,716
Accumulated depreciation			
At 1 January	-	2,081	2,081
Depreciation charge for the year (Note 7)	-	349	349
At 31 December	-	2,430	2,430
Net carrying amount	4,160	32,126	36,286
Estimated fair value of investment properties			47,965

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)

15. Investment properties (contd.)

	Freehold land RM'000	Buildings RM'000	Total RM'000
Company			
31 December 2021			
Cost			
At 1 January	4,160	17,437	21,597
Disposal	(4,160)	-	(4,160)
At 31 December	-	17,437	17,437
Accumulated depreciation			
At 1 January	-	2,430	2,430
Depreciation charge for the year (Note 7)	-	347	347
At 31 December	-	2,777	2,777
Net carrying amount	-	14,660	14,660
Estimated fair value of investment properties			21,312
31 December 2020			
Cost			
At 1 January and 31 December	4,160	17,437	21,597
Accumulated depreciation			
At 1 January	-	2,081	2,081
Depreciation charge for the year (Note 7)	-	349	349
At 31 December	-	2,430	2,430
Net carrying amount	4,160	15,007	19,167
Estimated fair value of investment properties			29,428

The estimated fair value of the properties is based on directors' valuation derived using recent transacted dealings of comparable properties within the vicinity of the properties.

	Group		Company	
	2021 RM'000	**2020** RM'000	**2021** RM'000	**2020** RM'000
Direct operating expenses that did not generate rental income	(398)	(478)	(398)	(478)

The Group and the Company have no restriction on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

Fair value hierarchy disclosures for investment properties are disclosed in Note 35.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)

16. Investment in subsidiaries

	Company 2021 RM'000	Company 2020 RM'000
Unquoted shares, at cost	194,567	194,567
Less: Accumulated impairment losses	(56,290)	(17,900)
	138,277	176,667

The events mentioned in Note 13 have led the Company to conduct impairment review of the recoverable amount of certain of its investment in subsidiaries. The review gave rise to the recognition of an impairment loss on investment in subsidiaries of RM38,390,000 (2020: RM17,730,000) as disclosed in Note 7. The recoverable amount of these subsidiaries is estimated at RM56,930,214 (2020: RM88,224,000) derived using value in use. The key assumptions used are similar to that used in the assessment of impairment of PPE in Note 13. Any unfavourable changes to the budgeted margin, operating cost and discount rate used in the key assumptions would result in further impairment.

On 23 March 2021, the Group's wholly owned subsidiary, Australian Tiles Pty. Ltd., incorporated a wholly owned subsidiary in Australia, Amber Group Australian Properties Pty. Ltd.

Details of the subsidiaries are as follows:

Names of subsidiaries	Principal activities	Country of incorporation	Proportion of ownership interest 2021	Proportion of ownership interest 2020
Held by the Company:				
Ceramica Indah Sdn. Bhd.*	Manufacture and sale of ceramic floor, homogeneous and monoporosa tiles	Malaysia	100%	100%
Kimgres Marketing Sdn. Bhd.*	Trading in building materials	Malaysia	100%	100%
Kim Hin Ceramic (Seremban) Sdn. Bhd.*	Manufacture and sale of ceramic tiles	Malaysia	100%	100%
Kim Hin Ceramics (Shanghai) Co. Ltd.***	Manufacture and sale of ceramic tiles	People's Republic of China	79.5%	79.5%
Kim Hin Properties Sdn. Bhd.*	Property and investment holding	Malaysia	100%	100%
Kim Hin Investment Pty. Ltd.***	Property letting	Australia	100%	100%
Tileworld Sdn. Bhd.*	Investment holding	Malaysia	100%	100%
Refined Koalin Industries Sdn. Bhd.*	Inactive	Malaysia	100%	100%
Unicorn Ceramics Sdn. Bhd.*	Inactive	Malaysia	100%	100%
World Ceramics International Sdn. Bhd.*	Property letting	Malaysia	100%	100%
Johnson Tiles Malaysia Sdn. Bhd.*	Trading in building materials	Malaysia	100%	100%
Held through Ceramica Indah Sdn. Bhd.:				
Amber Franchising Pty. Ltd.***	Inactive	Australia	100%	100%
Australian Tiles Pty. Ltd.**	Inactive	Australia	100%	100%

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)

16. Investment in subsidiaries (contd.)

Details of the subsidiaries are as follows: (contd.)

Names of subsidiaries	Principal activities	Country of incorporation	Proportion of ownership interest 2021	2020
Kimgres Australia Pty. Ltd.***	Wholesaler and retailer of ceramic tiles	Australia	100%	100%
Held through Australian Tiles Pty. Ltd.:				
Amber Group Australia Properties Pty. Ltd.**	Inactive	Australia	100%	-
Outset Holdings Pty. Ltd.**	Investment holding	Australia	100%	100%
Held through Outset Holdings Pty. Ltd.:				
Amber Group Australia Pty. Ltd.**	Wholesaler and retailer of pavers, tiles, natural stone and retaining walls	Australia	100%	100%
Held through Amber Group Australia Pty. Ltd.:				
Norcorp Pty. Ltd.**	Retailer of pavers, tiles, natural stone and retaining walls	Australia	100%	100%
Held through Kimgres Marketing Sdn. Bhd.:				
Kimgres Vietnam Trading Co. Ltd.***	Trading in building materials	Vietnam	70%	70%
Held through Kim Hin Ceramics (Shanghai) Co. Ltd.:				
Shanghai Kuching Realty Co. Ltd.***	Investment holding	People's Republic of China	100%	100%
Held through Tileworld Sdn. Bhd.:				
Kim Hin Australia Pty. Ltd.***	Investment holding	Australia	100%	100%
Held through Kim Hin Australia Pty. Ltd.:				
Johnson Tiles Pty. Ltd.***	Importing and distributing of ceramic wall and floor tiles	Australia	100%	100%
Held through Johnson Tiles Pty. Ltd.:				
Coramic Australia Pty. Ltd.***	Inactive	Australia	100%	100%

* Audited by Ernst & Young PLT, Malaysia
** Audited by member firms of Ernst & Young Global in the respective countries
*** Audited by firms other than Ernst & Young PLT

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)

16. Investment in subsidiaries (contd.)

Summarised financial information of Kim Hin Ceramics (Shanghai) Co. Ltd. and Kimgres Vietnam Trading Co. Ltd.

The Group's material non-controlling interests relate to its subsidiaries, Kim Hin Ceramics (Shanghai) Co. Ltd. and Kimgres Vietnam Trading Co. Ltd.. Hence, the summarised financial information of the two companies, before elimination of any intra-group transactions, are presented below:

(i) Summarised statements of financial position

	Kim Hin Ceramics (Shanghai) Co. Ltd.		Kimgres Vietnam Trading Co. Ltd.		Total	
	2021	**2020**	**2021**	**2020**	**2021**	**2020**
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Non-current assets	37,223	36,635	59	80	37,282	36,715
Current assets	38,488	62,443	3,230	3,595	41,718	66,038
Total assets	75,711	99,078	3,289	3,675	79,000	102,753
Current liabilities	(8,980)	(15,625)	(2,031)	(2,212)	(11,011)	(17,837)
Net assets	66,731	83,453	1,258	1,463	67,989	84,916
Equity attributable to owners of the Company	53,051	66,345	881	1,024	53,932	67,369
Non-controlling interests	13,680	17,108	377	439	14,057	17,547
	66,731	83,453	1,258	1,463	67,989	84,916

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)

16. Investments in subsidiaries (contd.)

Summarised financial information of Kim Hin Ceramics (Shanghai) Co. Ltd. and Kimgres Vietnam Trading Co. Ltd. (contd.)

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

	Kim Hin Ceramics (Shanghai) Co. Ltd.		Kimgres Vietnam Trading Co. Ltd.		Total	
	2021	**2020**	**2021**	**2020**	**2021**	**2020**
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	35,128	30,875	3,227	4,260	38,355	35,135
Profit/(loss) for the year	3,032	25,161	(268)	(143)	2,764	25,018
Other comprehensive income/(loss) for the year	4,281	2,383	81	(4)	4,362	2,379
Total comprehensive income/(loss) for the year	7,313	27,544	(187)	(147)	7,126	27,397
Total comprehensive income/(loss) attributable to:						
Owners of the Company	5,815	21,897	(131)	(103)	5,684	21,794
Non-controlling interests	1,498	5,647	(56)	(44)	1,442	5,603
	7,313	27,544	(187)	(147)	7,126	27,397
Profit/(loss) for the year attributable to non-controlling interests	621	5,158	(80)	(43)	541	5,115
Dividend paid to non-controlling interests	4,927	742	-	-	4,927	742

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONT'D)

16. Investments in subsidiaries (contd.)

Summarised financial information of Kim Hin Ceramics (Shanghai) Co. Ltd. and Kimgres Vietnam Trading Co. Ltd. (contd.)

(iii) Summarised statements of cash flows

	Kim Hin Ceramics (Shanghai) Co. Ltd. 2021 RM'000	Kim Hin Ceramics (Shanghai) Co. Ltd. 2020 RM'000	Kimgres Vietnam Trading Co. Ltd. 2021 RM'000	Kimgres Vietnam Trading Co. Ltd. 2020 RM'000	Total 2021 RM'000	Total 2020 RM'000
Net cash (used in)/generated from operating activities	(439)	35,836	(43)	(250)	(482)	35,586
Net cash (used in)/generated from investing activities	(989)	(4,235)	-	1	(989)	(4,234)
Net cash used in financing activities	(24,035)	(3,619)	-	-	(24,035)	(3,619)
Net (decrease)/increase in cash and cash equivalents	(25,463)	27,982	(43)	(249)	(25,506)	27,733
Effect of foreign exchange rate changes	2,271	286	7	3	2,278	289
Cash and cash equivalents at beginning of the year	46,589	18,321	172	418	46,761	18,739
Cash and cash equivalents at end of the year	23,397	46,589	136	172	23,533	46,761

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)

17. Other investments

	Group		Company	
	2021	**2020**	**2021**	**2020**
	RM'000	RM'000	RM'000	RM'000
Financial assets measured at fair value through profit or loss				
Investment in unit trusts				
- In Malaysia	25,757	31,627	25,757	31,627
- Outside Malaysia	6,064	4,703	6,064	4,703
Total other investments	31,821	36,330	31,821	36,330
Fair value as at 31 December	31,821	36,330	31,821	36,330

18. Intangible assets

	Goodwill	Arrangements with franchisee	Brand	Total
	RM'000	RM'000	RM'000	RM'000
Group				
Cost				
At 1 January 2021	9,838	11,786	4,857	26,481
Additions	-	905	-	905
At 31 December 2021	9,838	12,691	4,857	27,386
Accumulated impairment				
At 1 January and 31 December	9,838	-	-	9,838
Net carrying amount				
At 31 December 2021	-	12,691	4,857	17,548
At 31 December 2020	-	11,786	4,857	16,643

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)

18. Intangible assets (contd.)

Impairment testing of intangible assets

For impairment testing, arrangements with franchisee and brand acquired through business combinations with indefinite useful lives are allocated to a CGU, Outset Holdings Pty. Ltd..

Outset Holdings Pty. Ltd. ("OHPL") is primarily involved in wholesale and retail of tiles, pavers, natural stone and retaining walls in Australia.

	OHPL	
	2021 RM'000	**2020** RM'000
Arrangements with franchisee	12,691	11,786
Brand	4,857	4,857

The following assumptions were used in the determination of the recoverable amounts:

(a) Budgeted gross margin

The budgeted gross margin is based on actual historical trends for the past 5 years. The gross margin used was 38% (2020: 38%).

(b) Growth rate

The forecasted growth rate is 3% (2020: 3%) based on the Group's estimates and do not exceed the long-term average growth rate for the industry relevant to the CGU.

(c) Discount rate

The discount rate used is 11% (2020: 12%). The discount rate calculation is based on the specific circumstances of the Group and its operating segments and is derived from its weighted average cost of capital ("WACC"). The WACC takes into account both debt and equity.

As the recoverable amount derived using their estimated value in use is higher than the carrying amount of the intangible assets allocated to this CGU, no impairment loss was recognised during the year.

19. Inventories

	Group	
	2021 RM'000	**2020** RM'000
At cost		
Raw materials	17,572	20,756
Work-in-progress	3,238	4,245
Finished goods	95,563	86,102
Packing materials	2,353	2,934
Spare parts and stores	10,343	10,615
	129,069	124,652
At net realisable value		
Finished goods	155	3,682
	129,224	128,334

During the year, the amount of inventories recognised as an expense in cost of sales of the Group was RM194,225,000 (2020: RM173,388,000).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)

20. Trade and other receivables

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Current				
Trade receivables				
Third parties	61,625	72,961	-	-
Less: Allowances for credit losses	(4,903)	(3,970)	-	-
	56,722	68,991	-	-
Other receivables				
Amounts due from subsidiaries				
- Interest bearing	-	-	98,351	82,467
- Non-interest bearing	-	-	22,659	21,337
	-	-	121,010	103,804
Less: Allowances for credit losses	-	-	(15,429)	(1,837)
	-	-	105,581	101,967
Sundry receivables	2,059	1,837	151	108
Deposits	1,368	1,497	130	123
	3,427	3,334	105,862	102,198
Total trade and other receivables	60,149	72,325	105,862	102,198

(a) Trade receivables

The Group has no significant concentration of credit risk that may arise from exposures to a single debtor or to groups of debtors except as disclosed in Note 38(a).

The Group's normal trade credit term ranges from 30 to 90 days (2020: 30 to 90 days). Other credit terms are assessed and approved on a case-by-case basis.

The Group measures the loss allowance for trade receivables at an amount equal to lifetime expected credit loss ("ECL"). The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtor, general economic conditions of the industry in which the debtor operates and an assessment of both the current as well as the forecast direction of conditions at the reporting date. The Group has recognised a loss allowance of 100% against all receivables over 365 days past due because historical experience has indicated that these receivables are generally not recoverable. There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)

20. Trade and other receivables (contd.)

(a) Trade receivables (contd.)

Ageing analysis of trade receivables

The ageing analysis of the Group's trade receivables is as follows:

	Group	
	2021	**2020**
	RM'000	RM'000
Neither past due nor impaired	39,070	48,032
1 to 30 days past due not impaired	10,679	8,634
31 to 60 days past due not impaired	3,351	5,348
61 to 90 days past due not impaired	406	5,723
91 to 120 days past due not impaired	183	9
More than 121 days past due but not impaired	3,033	1,245
	17,652	20,959
Impaired	4,903	3,970
	61,625	72,961

Receivables that are neither past due nor impaired

Trade receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group. None of the Group's trade receivables have been renegotiated during the financial year.

Receivables that are past due but not impaired

The Group has trade receivables amounting to RM17,652,000 (2020: RM20,959,000) that are past due at the reporting date but not impaired.

Receivables that are impaired

The Group's trade receivables that are impaired at the reporting date and the movement of the allowance accounts used to record credit losses are as follows:

	Group Individually impaired	
	2021	**2020**
	RM'000	RM'000
Trade receivables - nominal amounts	4,903	3,970
Less: Allowance for expected credit losses	(4,903)	(3,970)
	-	-

Movement in allowance for expected credit losses:

	Group	
	2021	**2020**
	RM'000	RM'000
At 1 January	3,970	3,863
Provided for the year (Note 7)	1,189	504
Reversal of expected credit losses (Note 7)	(195)	(307)
Written off	(47)	(69)
Translation differences	(14)	(21)
At 31 December	4,903	3,970

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)

20. Trade and other receivables (contd.)

(b) Amounts due from subsidiaries

The amounts due from subsidiaries that are impaired at the reporting date and the movement of the allowance accounts used to record credit losses are as follows:

	Company Individually impaired	
	2021	**2020**
	RM'000	RM'000
Amount due from subsidiaries - nominal amounts	15,429	1,837
Less: Allowance for expected credit losses	(15,429)	(1,837)
	-	-

Movement in allowance for expected credit losses:

	Company	
	2021	**2020**
	RM'000	RM'000
At 1 January	1,837	-
Provided for the year (Note 7)	13,592	1,837
At 31 December	15,429	1,837

These amounts are unsecured and repayable on demand. The interest-bearing portion bore interest ranging at rates 3% (2020: 3.00% to 4.25%) per annum during the financial year.

21. Other current assets

	Group		Company	
	2021	**2020**	**2021**	**2020**
	RM'000	RM'000	RM'000	RM'000
Prepayments	3,066	3,680	11	10

22. Cash and bank balances

	Group		Company	
	2021	**2020**	**2021**	**2020**
	RM'000	RM'000	RM'000	RM'000
Cash on hand and at banks	47,415	65,233	11,852	926
Deposits with financial institutions	5,371	5,066	-	-
Total cash and bank balances	52,786	70,299	11,852	926

Deposits with financial institutions at the reporting date earned interest at rates ranging from 0.50% to 3.80% (2020: 0.30% to 1.95%) per annum. The tenure of the deposits at the reporting date are between 30 days to 1 year (2020: 180 days to 1 year).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)

22. Cash and bank balances (contd.)

For the purpose of cash flow statement, cash and cash equivalents comprise the following at reporting date:

	Group 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
Cash and bank balances	52,786	70,299	11,852	926
Less: Bank overdraft (Note 25)	(368)	-	-	-
Less: Short-term deposits with maturity more than 3 months	(5,371)	(5,066)	-	-
Cash and cash equivalents	47,047	65,233	11,852	926

23. Share capital and treasury shares

	Number of ordinary shares: Share capital (Issued and fully paid) '000	Number of ordinary shares: Treasury shares '000	Amount: Share capital (Issued and fully paid) RM'000	Amount: Treasury shares RM'000
Group and Company				
At 1 January 2021 and 31 December 2021	155,616	(15,377)	206,658	(24,309)

Treasury shares

Treasury shares relate to ordinary shares of the Company that are held by the Company. This amount relates to the acquisition cost of treasury shares net of the proceeds received on their subsequent sale or issuance. During the financial year, the Company has not purchased any of its own shares. Of the total 155,616,013 (2020: 155,616,013) issued and fully paid ordinary shares as at 31 December 2021, 15,376,900 (2020: 15,376,900) are held as treasury shares by the Company. As at 31 December 2021, the number of outstanding ordinary shares in issue after the set off is therefore 140,239,113 (2020: 140,239,113) ordinary shares.

24. Other reserves

	Group 2021 RM'000	Group 2020 RM'000
Reserve and Enterprise Expansion Funds		
At 1 January	6,810	4,791
Transfer from retained earnings	122	2,019
At 31 December	6,932	6,810
Translation adjustment account		
At 1 January	8,437	5,553
Translation difference in subsidiaries	3,138	2,884
At 31 December	11,575	8,437
Total other reserves	18,507	15,247

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)

24. Other reserves (contd.)

The nature and purpose of each category of reserve are as follows:

(a) Reserve and Enterprise Expansion Funds

The Reserve and Enterprise Expansion Funds are maintained in compliance with the regulation issued by the governing authority of the People's Republic of China ("PRC") for a subsidiary incorporated in the PRC.

(b) Translation adjustment account

The translation adjustment account 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. Loans and borrowings

	Maturity	Group 2021 RM'000	Group 2020 RM'000
Current			
Unsecured:			
Bank overdraft	On demand	368	-
Trade facilities	On demand	9,326	4,491
Secured:			
Term loan:			
RM loan at BLR - 2.2% p.a.	2022	1,469	1,426
RM loan at BLR - 1.75% p.a.	2022	2,163	2,050
		13,326	7,967
Non-current			
Term loan:			
RM loan at BLR - 2.2% p.a.	2023	1,272	2,740
RM loan at BLR - 1.75% p.a.	2023 - 2026	9,054	11,253
		10,326	13,993
Total loans and borrowings		23,652	21,960

The remaining maturities of the loans and borrowings are as follows:

	Group 2021 RM'000	Group 2020 RM'000
On demand or not later than 1 year	13,326	7,967
Later than 1 year and not later than 2 years	3,520	3,609
Later than 2 years and not later than 5 years	4,764	8,224
Later than 5 years	2,042	2,160
	23,652	21,960

Term loans

The term loans are secured by way of fixed charge over landed properties of a subsidiary as disclosed in Note 13 and Note 14 and corporate guarantees from the Company.

Trade facilities

The Group has bankers' acceptances facilities with terms ranging from 38 days to 118 days (2020: 34 days to 118 days). The facility effective interest rates range from 1.90% to 3.42% per annum (2020: 2.05% to 3.29% per annum).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)

26. Deferred tax (assets)/liabilities

	Group		Company	
	2021	**2020**	**2021**	**2020**
	RM'000	RM'000	RM'000	RM'000
At 1 January	71	461	62	88
Recognised in profit or loss (Note 10)	82	(328)	(1)	(26)
Translation differences	(47)	(62)	-	-
At 31 December	106	71	61	62

Presented after appropriate offsetting as follows:

	Group		Company	
	2021	**2020**	**2021**	**2020**
	RM'000	RM'000	RM'000	RM'000
Deferred tax assets	(4,680)	(4,716)	-	-
Deferred tax liabilities	4,786	4,787	61	62
	106	71	61	62

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)

26. Deferred tax (assets)/liabilities (contd.)

The components and movements of deferred tax (assets)/liabilities during the financial year are as follows:

Deferred tax (assets)/liabilities of the Group:

	Unutilised reinvestment and capital allowances RM'000	Unutilised business losses RM'000	Provisions RM'000	Property, plant and equipment RM'000	Intangible assets RM'000	Total RM'000
At 1 January 2020	(8,313)	(13)	(1,450)	5,512	4,725	461
Recognised in profit or loss	3,807	(180)	(2,983)	(972)	-	(328)
Translation differences	-	-	143	(205)	-	(62)
At 31 December 2020	(4,506)	(193)	(4,290)	4,335	4,725	71
Recognised in profit or loss	3,228	3	(612)	(2,537)	-	82
Translation differences	-	-	(31)	(16)	-	(47)
At 31 December 2021	(1,278)	(190)	(4,933)	1,782	4,725	106

Presented after appropriate offsetting as follows:

2020						
Deferred tax assets	(4,506)	(193)	(4,290)	4,273	-	(4,716)
Deferred tax liabilities	-	-	-	62	4,725	4,787
	(4,506)	(193)	(4,290)	4,335	4,725	71
2021						
Deferred tax assets	(1,278)	(190)	(4,933)	1,721	-	(4,680)
Deferred tax liabilities	-	-	-	61	4,725	4,786
	(1,278)	(190)	(4,933)	1,782	4,725	106

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)

26. Deferred tax (assets)/liabilities (contd.)

Deferred tax liability of the Company

	Property, plant and equipment RM'000
At 1 January 2020	88
Recognised in profit or loss (Note 10)	(26)
At 31 December 2020	62
Recognised in profit or loss (Note 10)	(1)
At 31 December 2021	61

At the reporting date, deferred tax assets were not recognised in respect of the following as it is not probable that future taxable profits will be available against which the following can be utilised:

	2021 RM'000	2020 RM'000
Unutilised tax losses	218,624	193,331
Unabsorbed capital allowances	29,824	25,479
Unabsorbed incentive allowances	2,992	2,992
Unabsorbed reinvestment allowances	32,059	25,031
Others	63,576	58,497
	347,075	305,330
Deferred tax asset at 24%, if recognised	83,298	73,279

27. Derivative assets

	Group			
	2021		2020	
	Contract/ notional amount RM'000	Assets RM'000	Contract/ notional amount RM'000	Assets RM'000
Non-hedging derivatives:				
Current				
Forward currency contracts	10,375	86	20,743	769

The Group uses forward currency contracts to manage some of the transaction exposure. These contracts are not designated as cash flow or fair value hedges and are entered into for periods consistent with currency transaction exposure and fair value changes exposure. Such derivatives do not qualify for hedge accounting.

At 31 December 2021, forward currency contracts were used to hedge the Group's sales commitments denominated in USD and AUD (Note 38(d)).

As at 31 December 2021, the Group recognised a net loss of RM694,000 (2020: RM769,000) arising from fair value changes of derivative instruments. The fair value changes are attributable to changes in foreign exchange spot and forward rate.

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)

28. Trade and other payables

	Group		Company	
	2021 RM'000	**2020** RM'000	**2021** RM'000	**2020** RM'000
Trade payables				
Third parties	48,432	52,474	-	-
Other payables				
Sundry payables	19,177	15,466	146	79
Payroll expenses	4,614	5,125	1,888	1,275
Other accruals	6,383	5,948	61	64
	30,174	26,539	2,095	1,418
Total trade and other payables	78,606	79,013	2,095	1,418

(a) Trade payables

These amounts are non-interest bearing. Trade payables are normally settled on 30 to 120 days (2020: 30 to 120 days) terms.

(b) Sundry payables

Sundry payables are normally settled on an average term of 30 days (2020: 30 days) and are generally non-interest bearing. An amount of RM3,570,634 (2020: RM1,792,623) included in the sundry payables represents Marketing Fund of Amber Group Australia Pty. Ltd. ("the Fund"). The Fund receives contributions from franchisees based on a percentage of store sales and is used for the advertising and marketing of products under Amber brand.

29. Provisions

	Group		Company	
	2021 RM'000	**2020** RM'000	**2021** RM'000	**2020** RM'000
Long service leave and annual leave				
At 1 January	4,244	4,274	82	82
Provided during the year	1,548	1,255	39	40
Utilised during the year	(729)	(1,499)	(33)	(40)
Unused amounts forfeited	(33)	(21)	-	-
Translation differences	(52)	235	-	-
At 31 December	4,978	4,244	88	82
Analysed as:				
Current	4,622	3,868	88	82
Non-current	356	376	-	-
At 31 December	4,978	4,244	88	82

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)

30. Deferred capital grant

	Group 2021 RM'000	Group 2020 RM'000
Cost:		
At 1 January and 31 December	1,085	1,085
Accumulated amortisation:		
At 1 January	1,085	893
Amortisation (Note 5)	-	192
At 31 December	1,085	1,085
Net carrying amount:		
At 31 December	-	-

Deferred capital grant relates to the foreign government grant received by the Group's subsidiary in the People Republic of China for undertaking and implementing environmentally friendly plant and machineries. There are no unfulfilled conditions or contingencies attached to these grants.

31. Leases liabilities

Group as a lessee

The Group has lease contracts for various items of property, plant, machinery and other equipment used in its operations. Leases of property generally have lease terms between 1 and 5 years, while plant and machinery and other equipment generally have lease terms of 3 and 5 years respectively. The Group's obligations under these leases are secured by the lessor's title to the leased assets. Generally, the Group is restricted from assigning and subleasing the leased assets. There are several lease contracts that include extension and termination options and variable lease payments, which are further discussed below.

The Group also has certain leases of machinery with lease terms of 12 months or less and leases of office equipment with low value. The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

Set out below are the carrying amounts of lease liabilities and the movements during the year:

	Buildings RM'000	Plant and machinery RM'000	Motor vehicles RM'000	Other equipment RM'000	Total RM'000
Group					
As at 1 January 2020	22,969	1,340	152	6,860	31,321
Additions	4,421	400	-	-	4,821
Accretion of interest	738	55	5	204	1,002
Modification of lease terms	(2,066)	(1)	-	(931)	(2,998)
Payment	(8,828)	(432)	(51)	(2,189)	(11,500)
Translation differences	1,319	90	11	437	1,857
As at 31 December 2020	18,553	1,452	117	4,381	24,503
Additions	26,964	-	-	788	27,752
Accretion of interest	794	61	16	173	1,044
Modification of lease terms	498	(1)	-	(340)	157
Payment	(7,651)	(464)	(49)	(2,179)	(10,343)
Translation differences	(245)	(31)	(15)	80	(211)
As at 31 December 2021	38,913	1,017	69	2,903	42,902

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)

31. Leases liabilities (contd.)

	2021 RM'000	2020 RM'000
Group		
Current	9,888	9,013
Non-current	33,014	15,490
	42,902	24,503

The maturity analysis of lease liabilities is disclosed in Note 38(b).

The table below describes the nature of the Group's leasing activities by type of right-of-use assets recognised on the statements of financial position:

	2021	2020
No. of right-of-use assets leased	37	44
No. of leases with extension options	26	25

The following are the amounts recognised in profit or loss:

	2021 RM'000	2020 RM'000
Group		
Depreciation expense of right-of-use assets (Note 14)	11,430	11,943
Interest expense on lease liabilities (Note 6)	1,044	1,002
Expense relating to short-term leases (included in cost of sales and administrative expenses) (Note 7)	100	1,534
Expense relating to leases of low-value assets (included in administrative expenses) (Note 7)	66	101
Total amount recognised in profit or loss	12,640	14,580
Company		
Depreciation expense of right-of-use assets (Note 14)	744	744
Expense relating to leases of low-value assets (included in administrative expenses) (Note 7)	6	7
Total amount recognised in profit or loss	750	751

The Group had total cash outflows for leases of RM10,509,000 in 2021 (2020: RM13,135,000). The Group also had non-cash additions to right-of-use assets and lease liabilities of RM27,752,000 in 2021 (2020: RM4,821,000).

The Group has several lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Group's business needs. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised.

The Group has not exercised any of these termination options.

The discounted potential future lease payments arising from termination and extension options in certain lease contracts are not included in the lease liabilities due to uncertainties as to whether the options will or will not be exercised.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)

31. Leases liabilities (contd.)

Group as a lessor

The Group has entered into operating leases on its buildings consisting of showroom, factory and two residential properties. These leases are negotiated for terms ranging from one to ten years. All leases include a clause to enable upward revision of the rental charge on an annual basis or renewal/extension according to prevailing market conditions.

The future minimum rental receivable under non-cancellable operating leases contracted for at the reporting period are as follows:

	2021 RM'000	2020 RM'000
Group		
Not later than one year	3,571	1,304
Later than one year and not later than five years	14,282	5,216
Later than five years	3,571	1,304
	21,424	7,824
Company		
Not later than one year	227	227
Later than one year and not later than five years	907	907
Later than five years	227	227
	1,361	1,361

32. Capital commitments

	Group	
	2021 RM'000	2020 RM'000
Property, plant and equipment:		
Authorised and contracted for	1,860	1,030
Authorised but not contracted for	5,384	5,384

33. Related party disclosures

In addition to the related party information disclosed elsewhere in the financial statements, the following transactions entered into between the Group and related parties took place at terms agreed between the parties during the financial year:

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
(a) Transactions with directors and/or companies in which certain directors and their close family members have substantial financial interest:				
Income:				
(i) Sale of ceramic tiles: Pan Chyi Construction & Development Sdn. Bhd.	55	-	-	-

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)

33. Related party disclosures (contd.)

	Group 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
(a) Transactions with directors and/or companies in which certain directors and their close family members have substantial financial interest:				
Expenditure:				
(i) Rental of office and warehouses: Kim Hin (Malaysia) Sdn. Bhd.	1,996	1,996	-	-
(ii) Purchases of sanitaryware for resale: Kam Kam Sanitaryware Sdn. Bhd.	680	942	-	-
(iii) Renovation and maintenance costs: Pan Chyi Construction and Development Sdn. Bhd.	198	302	-	1
(iv) Insurance commission earned as insurance agent: Kim Hin (Malaysia) Sdn. Bhd.	103	105	7	7
(v) Purchase of ceramic tiles for resale: Shanghai Kim Hin United Buildings Materials Co. Ltd.	-	117	-	-

(b) Transactions with subsidiaries:

	Company 2021 RM'000	Company 2020 RM'000
Dividend income	17,197	2,589
Management fees	1,056	1,056
Rental income	227	227
Interest income	2,765	3,045

(c) Compensation of key management personnel

The remuneration of directors and other members of key management during the year were as follows:

	Group 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
Wages and salaries	16,965	18,584	3,911	3,054
Social security costs	37	37	5	6
Defined contribution plan	2,061	2,290	734	560
Benefits-in-kind	252	200	93	29
	19,315	21,111	4,743	3,649
Included in the total remuneration of key management personnel are:				
Executive directors' remuneration (Note 9)	7,327	7,302	4,275	3,162

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)

34. Fair value of financial instruments

Determination of fair value

The following are classes of financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair values:

	Note
Trade and other receivables (current)	20
Cash and bank balances	22
Loans and borrowings	25
Derivative assets	27
Trade and other payables (current)	28
Lease liabilities	31

(i) Cash and bank balances, other receivables and other payables

The carrying amounts of these balances approximate their fair values due to the short-term nature.

(ii) Trade receivables and trade payables

The carrying amounts of these trade receivables and trade payables approximate their fair value because they are subject to normal trade credit terms.

(iii) Loans and borrowings

The carrying value of bank borrowings and term loans approximate their fair values as they are floating rate instruments that are re-priced to market interest rates on or near the reporting date.

(iv) Derivatives

The fair values of forward currency contracts are the amounts that would be payable or receivable on termination of the outstanding position arising and are determined by reference to the contracted rate and forward exchange rates at the reporting date.

(v) Lease liabilities

The fair values of leases are estimated by discounting expected future cash flows at market incremental lending rate of similar types of lending, borrowings or leasing arrangements at the reporting date.

(vi) Financial guarantee contracts

Fair value is determined based on the probability weighted discounted cash flow method. The probability has been estimated and assigned for the following key assumptions:

- The likelihood of the guaranteed party defaulting within the guaranteed period;
- The exposure on the portion that is not expected to be recovered due to the guaranteed party's default;
- The estimated loss exposure if the party guaranteed were to default.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)

35. Fair value measurement

Fair value hierarchy

The Group classifies fair value measurement using a fair value hierarchy that reflects the significance of the inputs used in making the measurements.

The following table provides the fair value measurement hierarchy of the Group's and the Company's assets and liabilities.

Quantitative disclosures fair value measurement hierarchy for assets and liabilities as at 31 December 2021

	Note	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Group					
Assets measured at fair value					
Investment in unit trusts	17	-	31,821	-	31,821
Derivative assets	27	-	86	-	86
Assets for which fair values are disclosed					
Investment properties	15	-	-	32,132	32,132
Company					
Assets measured at fair value					
Investment in unit trusts	17	-	31,821	-	31,821
Assets for which fair values are disclosed					
Investment properties	15	-	-	21,312	21,312

Quantitative disclosures fair value measurement hierarchy for assets and liabilities as at 31 December 2020

	Note	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Group					
Investment in unit trusts	17	-	36,330	-	36,330
Derivative assets	27	-	769	-	769
Assets for which fair values are disclosed					
Investment properties	15	-	-	47,965	47,965
Company					
Assets measured at fair value					
Investment in unit trusts	17	-	36,330	-	36,330
Assets for which fair values are disclosed					
Investment properties	15	-	-	29,428	29,428

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)

36. Categories of financial instruments

The table below provides an analysis of the Group's financial instruments as at 31 December 2021 and 2020, categorised as follows:

(a) Amortised cost ("AC")
(b) Fair value through profit or loss ("FVTPL")

	Group		Company	
	AC	**FVTPL**	**AC**	**FVTPL**
	RM'000	RM'000	RM'000	RM'000
31 December 2021				
Financial assets				
Trade and other receivables	60,149	-	105,862	-
Other investments	-	31,821	-	31,821
Cash and bank balances	52,786	-	11,852	-
Derivative assets	-	86	-	-
	112,935	31,907	117,714	31,821
Financial liabilities				
Loans and borrowings	23,652	-	-	-
Trade and other payables	78,606	-	2,095	-
Lease liabilities	42,902	-	-	-
	145,160	-	2,095	-
31 December 2020				
Financial assets				
Trade and other receivables	72,325	-	102,198	-
Other investments	-	36,330	-	36,330
Cash and bank balances	70,299	-	926	-
Derivative assets	-	769	-	-
	142,624	37,099	103,124	36,330
Financial liabilities				
Loans and borrowings	21,960	-	-	-
Trade and other payables	79,013	-	1,418	-
Lease liabilities	24,503	-	-	-
	125,476	-	1,418	-

37. Changes in liabilities arising from financing activities

	2021	**2020**
	RM'000	RM'000
Group's borrowings and lease liabilities		
At 1 January	46,463	54,236
Acquisition of right-of-use assets	27,752	4,821
Repayment of borrowings	(3,511)	(5,490)
Repayment of principal portion of lease liabilities	(9,299)	(10,498)
Drawdown of trade facilities	4,955	4,491
Translation differences	194	(1,097)
At 31 December	66,554	46,463

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)

38. Financial risk management objectives and policies

The Group and the Company are exposed to financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk and foreign currency risk.

The Board of Directors reviews and agrees policies and procedures for the management of these risks, which are executed by the senior management. The audit committee provides independent oversight to the effectiveness of the risk management process.

The Group has not undertaken any derivatives throughout the current and previous financial year except for the use of forward currency contracts. The Group does not apply hedge accounting.

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

(a) Credit risk

Customer credit risk is managed by each entity in the Group and is subject to establish policy, procedures and control. Outstanding customer receivables are regularly monitored and major shipments are generally covered by letters of credit or other forms of collaterals. As at 31 December 2021, the Group had 24 customers (2020: 33) that owed more than RM500,000 each and accounted for approximately 50% (2020: 57%) of receivables outstanding. There were two (2020: two) customers with balances greater than RM3,000,000 accounting for about 12% (2020: 17%) of total trade receivables.

Impairment reviews are performed regularly and at the reporting date using the simplified approach. Generally, trade receivables are provided for expected credit loss when past due for more than one year. The letters of credits and other forms of collaterals are integral part of trade receivables and considered in the calculation of impairment.

Exposure to credit risk

At the reporting date, the Group's and the Company's maximum exposure to credit risk is represented by:

- The carrying amount of each class of financial assets recognised in the statements of financial position.

- A nominal amount of RM23,652,000 (2020: RM21,960,000) relating to corporate guarantees provided by the Company to banks for bank borrowings granted to certain subsidiaries of the Company.

Credit risk concentration profile

The Group does not have any significant or concentration of credit risk that may arise from exposures to a single debtor or to groups of related debtors.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)

38. Financial risk management objectives and policies (contd.)

(b) Liquidity risk

The Group actively manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that all refinancing, repayment and funding needs are met. As part of its overall prudent liquidity management, the Group maintains sufficient levels of cash or cash convertible investments to meet its working capital requirements.

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's liabilities at the reporting date based on contractual undiscounted repayment obligations.

	On demand or within one year RM'000	One to five years RM'000	Over five years RM'000	Total RM'000
Group				
Financial liabilities				
2021				
Trade and other payables	78,606	-	-	78,606
Loans and borrowings	13,792	8,963	2,078	24,833
Lease liabilities	10,654	28,189	12,504	51,347
Total undiscounted financial liabilities	103,052	37,152	14,582	154,786
2020				
Trade and other payables	79,013	-	-	79,013
Loans and borrowings	8,607	13,055	2,201	23,863
Lease liabilities	9,636	16,146	484	26,266
Total undiscounted financial liabilities	97,256	29,201	2,685	129,142
Company				
Financial liabilities				
2021				
Other payables	2,095	-	-	2,095
Financial guarantees*	23,652	-	-	23,652
Total undiscounted financial liabilities	25,747	-	-	25,747
2020				
Other payables	1,418	-	-	1,418
Financial guarantees*	21,960	-	-	21,960
Total undiscounted financial liabilities	23,378	-	-	23,378

* Based on the maximum that can be called for under the financial guarantee contracts.

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market interest rates.

The Group's exposure to market risk for changes in interest rates arises primarily from its long-term debt obligations with floating interest rates. Interest rate exposure is managed by maintaining a balanced mix of fixed and floating rate borrowings and regular reviews of its debt portfolio.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)

38. Financial risk management objectives and policies (contd.)

(c) Interest rate risk (contd.)

Information on maturity dates and effective interest rates of financial assets and liabilities are disclosed in their respective notes.

Sensitivity analysis for interest rate risk

At the reporting date, it is estimated that a ten (10) basis points increase in interest rate, with all other variables held constant, would increase the Group's loss net of tax by approximately RM1,995 (2020: RM1,903), arising mainly as a result of higher interest expense on net floating borrowing position. A decrease in interest rate would have had equal but opposite effect on the aforesaid amount, on the basis that all other variables remained constant.

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment.

(d) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group has transactional currency exposures arising from sales or purchases that are denominated in a currency other than the respective functional currencies of Group entities, primarily Ringgit Malaysia ("RM"), Australian Dollar ("AUD") and Renminbi ("RMB"). The foreign currencies in which these transactions are denominated are mainly United States Dollars ("USD"), AUD and EURO ("EUR").

The Group uses forward currency contracts to eliminate the currency exposures after it has entered into a firm commitment for a sale. The forward currency contracts must be in the same currency as the hedged item.

At 31 December 2021, the Group hedged 83% (2020: 67%) of its foreign currency denominated sales, for which firm commitments extended to November 2022.

The Group also hold cash and cash equivalents denominated in foreign currencies for working capital purposes. At the reporting date, the Group's foreign currency balances denominated in AUD, EURO and USD amounted to RM10.6 million (2020: RM3,339) for its Malaysian operations.

The Group is also exposed to currency translation risk arising from its net investments in foreign operations, including People's Republic of China, Australia and Vietnam.

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's and the Company's profit net of tax to a reasonably possible strengthening/weakening of the USD, AUD and EUR exchange rates against the functional currency of the Group and of the Company, with all other variables held constant.

		Group Loss net of tax		Company Loss net of tax	
		2021	**2020**	**2021**	**2020**
		RM'000	RM'000	RM'000	RM'000
USD	- Strengthen 10% (2020: 11%)	352	1,493	147	-
	- Weaken 4% (2020: 28%)	(519)	(4)	(299)	-
AUD	- Strengthen 11% (2020: 1%)	874	90	313	36
	- Weaken 3% (2020: 19%)	(245)	(1,956)	(82)	(669)
EUR	- Strengthen 11% (2020: 3%)	(48)	(10)	-	-
	- Weaken -1% (2020: 9%)	-	107	-	-

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)

39. Capital management

The primary objective of the Group's capital management is to maintain an optimal capital structure in order to support its business and enhance its shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions, risk inherent in its business operations or expansion plan of the Group. The initiatives in maintaining the Group's capital structure include issuance of shares, adjusting dividend payment to shareholders, or returning capital to shareholders. No changes were made in the objectives, policies or processes during the years ended 31 December 2021 and 31 December 2020.

As disclosed in Note 24(a), a subsidiary of the Group is required by the Foreign Enterprise Law of the People's Republic of China to contribute to and maintain a non-distributable reserve fund whose utilisation is subject to the approval by the relevant foreign authority. This externally imposed capital requirement has been complied with by the subsidiary for the financial years ended 31 December 2021 and 2020.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group includes within net debt, trade and other payables, loans and borrowings and lease liabilities, less cash and bank balances. Capital includes equity attributable to the owners of the parent less translation adjustment account and the above-mentioned restricted reserve fund.

		Group		Company	
	Note	**2021**	**2020**	**2021**	**2020**
		RM'000	RM'000	RM'000	RM'000
Trade and other payables	28	78,606	79,013	2,095	1,418
Loans and borrowings	25	23,652	21,960	-	-
Lease liabilities	31	42,902	24,503	-	-
Less: Cash and cash balances	22	(52,786)	(70,299)	(11,852)	(926)
Net debt/(cash)		92,374	55,177	(9,757)	492
Equity attributable to equity holder of the Company		355,939	392,565	320,098	354,482
Less: Other reserves	24	(18,507)	(15,247)	-	-
Capital		337,432	377,318	320,098	354,482
Net debt/(cash)		92,374	55,177	(9,757)	492
Capital		337,432	377,318	320,098	354,482
Total capital plus net debt		429,806	432,495	310,341	354,974
Gearing ratio		21.49%	12.76%	N/A*	0.14%

* Not applicable as the Company was in a net cash position.

40. Segmental reporting

The Group operates principally in one industry and is organised into four operating segments according to geographical locations based on information reported internally.

Management monitors the operating results of its business units separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on profit or loss net of tax and non-controlling interests.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Transfer prices between business segments are set on mutually agreed terms. Segment revenue, expenses and results include transfers between business segments. These transfers are eliminated on consolidation.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)

40. Segmental reporting (contd.)

	Malaysia operation RM'000	China operation RM'000	Australia operation RM'000	Vietnam operation RM'000	Total RM'000
31 December 2021					
Revenue					
Total sales	177,047	39,635	150,780	3,227	370,689
Less: Inter-segment sales	(22,094)	(4,507)	-	-	(26,601)
	154,953	35,128	150,780	3,227	344,088
Results					
Segment operating (loss)/profit	(26,669)	3,107	(7,884)	(268)	(31,714)
Finance costs	(904)	-	(1,091)	-	(1,995)
(Loss)/profit before tax	(27,573)	3,107	(8,975)	(268)	(33,709)
Income tax expense	(2,712)	(75)	78	-	(2,709)
(Loss)/profit for the year	(30,285)	3,032	(8,897)	(268)	(36,418)
Non-controlling interests	-	(621)	-	80	(541)
(Loss)/profit attributable to owners of parent	(30,285)	2,411	(8,897)	(188)	(36,959)
Assets					
Segment assets	269,141	73,091	125,777	3,288	471,297
Other investments	31,821	-	-	-	31,821
Intangible assets	-	-	17,548	-	17,548
Tax recoverable	878	-	(71)	-	807
Deferred tax assets	930	508	3,242	-	4,680
Total assets	302,770	73,599	146,496	3,288	526,153
Liabilities					
Segment liabilities	34,815	7,748	40,810	211	83,584
Loans and borrowings	19,363	-	4,289	-	23,652
Lease liabilities	2,573	-	40,329	-	42,902
Tax payable	-	1,233	-	-	1,233
Deferred tax liabilities	61	-	4,725	-	4,786
Total liabilities	56,812	8,981	90,153	211	156,157
Other information					
Bad debts written off	47	-	-	-	47
Depreciation	9,606	9,268	2,641	25	21,540
Impairment loss on property, plant and equipment and right-of-use assets	8,605	-	-	-	8,605
Impairment loss on investment properties	-	-	1,820	-	1,820
Inventories written down	2,272	(172)	-	-	2,100

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)

40. Segmental reporting (contd.)

	Malaysia operation RM'000	China operation RM'000	Australia operation RM'000	Vietnam operation RM'000	Total RM'000
31 December 2020					
Revenue					
Total sales	188,182	33,062	139,895	4,260	365,399
Less: Inter-segment sales	(26,550)	(2,187)	-	-	(28,737)
	161,632	30,875	139,895	4,260	336,662
Results					
Segment operating (loss)/profit	(31,907)	33,508	(396)	(88)	1,117
Finance costs	(1,003)	-	(900)	-	(1,903)
(Loss)/profit before tax	(32,910)	33,508	(1,296)	(88)	(786)
Income tax expense	(117)	(8,347)	57	(55)	(8,462)
(Loss)/profit for the year	(33,027)	25,161	(1,239)	(143)	(9,248)
Non-controlling interests	-	(5,158)	-	43	(5,115)
(Loss)/profit attributable to owners of parent	(33,027)	20,003	(1,239)	(100)	(14,363)
Assets					
Segment assets	287,154	97,547	106,331	3,676	494,708
Other investments	36,330	-	-	-	36,330
Intangible assets	-	-	16,643	-	16,643
Tax recoverable	1,619	-	-	-	1,619
Deferred tax assets	1,084	502	3,130	-	4,716
Total assets	326,187	98,049	126,104	3,676	554,016
Liabilities					
Segment liabilities	38,224	6,228	38,621	184	83,257
Loans and borrowings	21,960	-	-	-	21,960
Lease liabilities	5,277	-	19,226	-	24,503
Tax payable	-	9,397	-	-	9,397
Deferred tax liabilities	62	-	4,725	-	4,787
Total liabilities	65,523	15,625	62,572	184	143,904
Other information					
Bad debts written off	-	-	69	-	69
Depreciation	18,106	2,439	9,947	41	30,533
Impairment loss on property, plant and equipment and right-of-use assets	5,960	-	-	-	5,960
Inventories written down	5,442	126	-	-	5,568

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)

41. Significant event

The threats posed by the COVID-19 outbreak continue to evolve and many businesses have been crippled by the loss in earnings and major disruption in the supply chains. This has also resulted in significant volatility in the global financial and commodities' markets. The Group is also not spared from the vulnerabilities faced by many businesses.

The Group is actively monitoring the supply chain and manpower to maintain an acceptable level of operational productivity. The Group expects its business operations to gradually recover in line with the projected economic growth in 2022. However, the Group remains cautious of the potential challenges arising from the persisting COVID-19 pandemic and will continue to improve its resilience through cost optimisation and operational efficiency.

The Government of Malaysia ("Government") imposed the Full Movement Control Order from 1 June to 15 August 2021 which led to temporary suspension of operations, workplace disruption as well as lower demand for products and services. From 16 August 2021, the Government commenced a National Recovery Plan to reopen the economic sectors and social activities over four phases. The country has now reached herd immunity levels that is in line with the National Recovery Plan on COVID-19 and is currently in the endemic phase.

This has enabled the Group to resume its operations whilst taking numerous measures to prevent the effects of the COVID-19 virus such as safety and health measures of its employees and complying with the necessary Standard Operating Procedures requirements including close monitoring of employees, suppliers and visitors that enter the premises.

The management and Directors will continue to assess health risks versus economic losses, wherever possible, and adhere to all directives or rules issued by the Government; State and various relevant authorities and operate in the best and safest possible way without jeopardising the health of employees and their families.

42. Authorisation of financial statements for issue

The financial statements for the financial year ended 31 December 2021 were authorised for issue by the Board in accordance with a resolution of the directors on 27 April 2022.

STATISTICS ON SHAREHOLDINGS
AS AT 31 MARCH 2022

Analysis by Size of Shareholdings as at 31 March 2022

Total number of issued shares	:	155,616,013
Class of shares	:	Ordinary shares
Voting rights	:	One vote per ordinary share

Category	No. of Shareholders	% of Shareholders	No. of Shares ♦	No. of Shares ♦
1 to 99	96	3.427	3,503	0.002
100 to 1,000	620	22.134	440,278	0.313
1,001 to 10,000	1,611	57.515	6,467,931	4.612
10,001 to 100,000	410	14.637	12,843,951	9.158
100,001 to less than 5% issued shares	62	2.213	34,293,625	24.453
5% and above of issued shares	2	0.071	86,189,825	61.459
TOTAL	**2,801**	**100.000**	**140,239,113**	**100.000**

List of Thirty (30) Largest Shareholders as at 31 March 2022

No.	Name	No. of Shares ♦	% ♦
1.	CIMSEC Nominees (Tempatan) Sdn. Bhd. CIMB For Kim Hin (Malaysia) Sdn. Bhd. (PB)	62,254,025	44.391
2.	Kim Hin (Malaysia) Sdn. Bhd.	23,935,800	17.067
3.	Lim Pei Tiam @ Liam Ahat Kiat	5,783,000	4.123
4.	Galister International Ltd.	3,900,000	2.780
5.	DB (Malaysia) Nominee (Asing) Sdn. Bhd. Deutsche Bank AG Singapore For Yeoman 3-Rights Value Asia Fund (PTSL)	2,731,900	1.948
6.	UOBM Nominees (Asing) Sdn. Bhd. United Overseas Bank Nominees (Pte) Ltd For China Cruise Company Ltd.	2,582,400	1.841
7.	CitiGroup Nominees (Asing) Sdn. Bhd. Exempt An For Bank of Singapore Limited (Foreign)	2,000,000	1.426
8.	Chua Seng Huat	1,113,225	0.793
9.	CGS-CIMB Nominees (Asing) Sdn. Bhd. Exempt An For CGS-CIMB Securities (Singapore) Pte. Ltd. (Retail Clients)	904,000	0.644
10.	HLB Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Lim Pay Kaon	800,000	0.570
11.	Kenanga Nominees (Asing) Sdn. Bhd. Exempt An For Phillip Securities Pte. Ltd. (Client Account)	681,500	0.485
12.	Goh Thong Beng	667,000	0.475
13.	Nican Asia Limited	650,000	0.463
14.	Gan Kho @ Gan Hong Leong	617,100	0.440
15.	Maybank Nominees (Tempatan) Sdn. Bhd. Chua Eng Ho Wa'a @ Chua Eng Wah	613,400	0.437
16.	Affin Hwang Nominees (Asing) Sdn. Bhd. DBS Vickers SECS (S) Pte. Ltd. for Lim Mee Hwa	600,000	0.427
17.	Tan Aik Choon	548,700	0.391
18.	Tham Kin Foong (John)	536,200	0.382
19.	CIMB Group Nominees (Asing) Sdn. Bhd. Exempt An For DBS Bank Ltd. (SFS)	530,600	0.378

STATISTICS ON SHAREHOLDINGS (CONT'D)
AS AT 31 MARCH 2022

20.	John Chua Seng Chai	524,650	0.374
21.	Asia Selatan (M) Sdn. Bhd.	490,000	0.349
22.	Taman Bunga Merlimau Sdn. Bhd.	486,000	0.346
23.	Liau Keen Yee	400,000	0.285
24	CGS-CIMB Nominees (Tempatan) Sdn. Bhd. Exempt An for CGS-CIMB Securities (Singapore) Pte. Ltd. (Retail Clients)	334,000	0.238
25.	Cheng Kok Sang	298,000	0.212
26.	Chua Seng Guan	296,000	0.211
27.	Pauline Getrude Chua Hui Lin	295,000	0.210
28.	Chua Seng Guan	270,000	0.192
29.	Liew Kon Mun	250,300	0.178
30.	CGS-CIMB Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account For Khoo Beng Chuan (Penang-CL)	248,600	0.177

List of Directors' Shareholdings as at 31 March 2022

No.	Name	Direct	Indirect
1.	Chua Seng Huat	1,113,225	86,189,825*
2.	John Chua Seng Chai	524,650	86,189,825*
3.	Chua Seng Guan	566,000	86,189,825*
4.	Pauline Getrude Chua Hui Lin	328,900	86,204,175* Δ
5.	Chua Yew Lin	242,400	86,189,825*
6.	Fong Tshu Kwong	20,000	-
7.	Ong Ah Ba	10,000@	-
8.	Yong Lin Lin	-	-

List of Substantial Shareholders as at 31 March 2022

		No. of shares			
No.	Name of Substantial Shareholders	Direct	% ♦	Indirect	% ♦
1.	Kim Hin (Malaysia) Sdn. Bhd.	86,189,825^	61.459	-	-
2.	Chua Seng Guan	566,000	0.403	86,189,825*	61.459
3.	John Chua Seng Chai	524,650	0.374	86,189,825*	61.459
4.	Chua Seng Huat	1,113,225	0.793	86,189,825*	61.459
5.	Pauline Getrude Chua Hui Lin	328,900	0.234	86,204,175* Δ	61.469
6.	Chua Yew Lin	242,400	0.172	86,189,825*	61.459
7.	Chua Seng Khoon	-	-	86,189,825*	61.459

Notes:

♦ Exclude treasury shares of 15,376,900 as at 31 March 2022.

* Deemed interest by virtue of shareholdings in Kim Hin (Malaysia) Sdn. Bhd.

Δ Deemed interested by virtue of 14,350 shares held by her spouse, Mr. Charles Pan Chyi.

^ Shares held through CIMSEC Nominees (Tempatan) Sdn. Bhd.<CIMB for Kim Hin (Malaysia) Sdn. Bhd (PB)> - 62,254,025

@ Shares held through BHLB Trustee Berhad Exempted – Trust Account for EPF Investment for Member Savings Scheme

PARTICULARS OF THE GROUP'S PROPERTIES

Details of the top 10 properties of the Group as at 31 December 2021, all of which are leasehold or freehold properties, set out below:

No	Location	Description / Existing Use	Year of Revaluation/ Acquisition	Approximate Age Of Building (Year)	Land/Area M2	Leasehold Expiry Date	NBV '000 (RM)
	SARAWAK						
1	Lot 2124 Block 226 Kuching North Land District (KNLD)	Country Land/ Mixed Zone Land, 3 Storeys Old Office Block	1992	37	60,187	13/07/2057	10,028
	Lot 96, 929 & 930, Block 226 KNLD	Factory Building, Worker Quarters, Warehouse, 3 Storeys New Office	1992	30 30 30 26	66,330	31/12/2038	
	JOHOR						
2	PTD No 135903-135906 GM Lot 1284, Batu 8 Jalan Skudai, Mukim Pulai, Daerah Johore Bharu	Warehouse/Office/ Showroom	2007	15	3,554	freehold	3,978
	FEDERAL TERRITORY						
3	B-31-05, Pavillion Residences 2, No.77, Jalan Raja Chulan, 50200 Kuala Lumpur	Service Residences	2009	15	223	31/12/2099	1,749
	NEGERI SEMBILAN						
4	HS(D) 43950 to HS(D) 43963 Lot 10807 To Lot 10820 Mukim Rentau District Of Seremban	Industrial Land, Factory and Office Building	1989	- 32, 11 24	61,500	freehold	24,962
5	Lot 10806, GRN 116899 Tuanku Jaafar Industrial Estate Sungai Gadut District of Seremban	Industrial Land, Warehouse	2013	26	44,456	freehold	15,826
6	Hakmilik PN229220, Lot 1780, Pekan Senawang, Daerah Seremban	Industrial Land	2016	-	12,173	20/7/2052	
	Hakmilik H.S.(D) 128462, P.T. 1329 (Plot 75B), Mukim Ampangan, Daerah Seremban	Industrial Land, Factory and Office Building	2016	34	16,187	8/7/2080	24,751
	Hakmilik PN 48805, Lot 61215, Pekan Senawang, Daerah Seremban	Industrial Land, Factory and Office Building	2016	42	40,000	11/12/2074	
	SINGAPORE						
7	#08-10 Goodwood Residence 263, Bukit Timah Road 259704 Singapore	Condominium	2010	8	233	freehold	12,911
	THE PEOPLE REPUBLIC OF CHINA						
8	Zhujing Development Area Jinshan Country, Shanghai	Industrial Land, Factory/Office Building	1992	- 27	199,350	05/11/2042	19,589
9	Unit 610, 5th Floor, No. 108 Qibao Wan Xin International Center Lane 1333, Xinlong Road, Shanghai	Office Unit	2018	3	250.79	2069	8,350
	AUSTRALIA						
10	Unit 5102 11 Bale Circuit Southbank VIC 3026	Condominium	2020	2	190	freehold	7,281

KIM HIN INDUSTRY BERHAD

Registration No.: 197301003569 (18203-V)
(Incorporated in Malaysia)

Shareholding Represented by Proxy	

FORM OF PROXY

I/We .... (Name in full) .... (IC/Company No.)

of .... (Address) being a member/

members of KIM HIN INDUSTRY BERHAD ("the Company"), hereby appoint ....

(Name in full) .... (IC No.) of ....

.... (Address) or failing him/her the Chairman of the Meeting as my/our proxy to vote for me/us and on my/our behalf at the Forty-Ninth Annual General Meeting ("49th AGM") of the Company to be held at Kim Hin Industry Berhad's Conference Room, 4 ½ Mile, Kung Phin Road, Off Penrissen Road, 93250 Kuching, Sarawak, Malaysia on Monday, 30 May 2022, at 2.00 p.m. and at any adjournment thereof.

My/our proxy is to vote as indicated below:

NO.	RESOLUTION	FOR	AGAINST
1.	To approve the payment of Directors' fees amounting to RM271,000 for the financial year ended 31 December 2021.		
2.	To re-elect Dato' John Chua Seng Chai as Director of the Company.		
3.	To re-elect Mdm. Pauline Getrude Chua Hui Lin as Director of the Company.		
4.	To re-elect Mr. Fong Tshu Kwong as Director of the Company.		
5.	To re-appoint Messrs. Ernst & Young PLT as Auditors of the Company until the conclusion of the next Annual General Meeting and to authorise the Board of Directors to fix their remuneration.		
6.	To authorise Directors to allot and issue shares pursuant to Section 75 and Section 76 of the Companies Act 2016.		
7.	To approve the proposed renewal of shareholders' mandate for recurrent related party transactions of a revenue or trading nature ("Shareholders' Mandate").		
8.	To approve the retention of Mr. Fong Tshu Kwong as Independent Non-Executive Director of the Company.		
9.	To approve the retention of Mr. Ong Ah Ba as Independent Non-Executive Director of the Company.		

Please indicate "X" in the appropriate box against each resolution how you wish your vote to be casted. If no specific direction as to voting is indicated, the proxy will vote or abstain at his/her direction.

....
Signature of shareholder(s)/common seal

Dated this .... day of May 2022.

Notes

1. *Only Depositors whose names appear in the General Meeting Record of Depositors as at 23 May 2022 be regarded as Members and shall be entitled to attend, speak and vote at the 49th AGM.*
2. *A member entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies to attend and vote in his/her place. A proxy need not be a member of the Company. Where a holder appoints two or more proxies, he/she shall specify the proportion of his/her shareholdings to be represented by each proxy.*
3. *Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account (omnibus account), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.*
4. *A corporation which is a member may by resolution of its directors authorise such person as it thinks fit to act as its representative at the meeting pursuant to Section 333 of the Companies Act 2016 and the form of proxy must be executed under its Common Seal or under the hand of an officer or attorney duly authorised.*
5. *The instrument appointing a proxy shall be in writing under the hand of the appointer or of his/her attorney, and the person so appointed may attend and vote at the meeting at which the appointer is entitled to vote.*
6. *The instrument appointing a proxy or representative must be deposited at the registered office at 4 ½ Mile, Kung Phin Road, Off Penrissen Road, 93250 Kuching, Sarawak, Malaysia not less than forty-eight (48) hours before the time for holding the meeting.*

Affix Stamp

The Company Secretary
Kim Hin Industry Berhad
Registration No.: 197301003569 (18203-V)
4 1/2 Mile, Kung Phin Road,
Off Penrissen Road,
93250 Kuching, Sarawak, Malaysia.

KIM HIN INDUSTRY BERHAD
Registration No.: 197301003569 (18203-V)

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