YEE LEE CORPORATION BHD.

197301000057 (13585-A)

ANNUAL REPORT 2021

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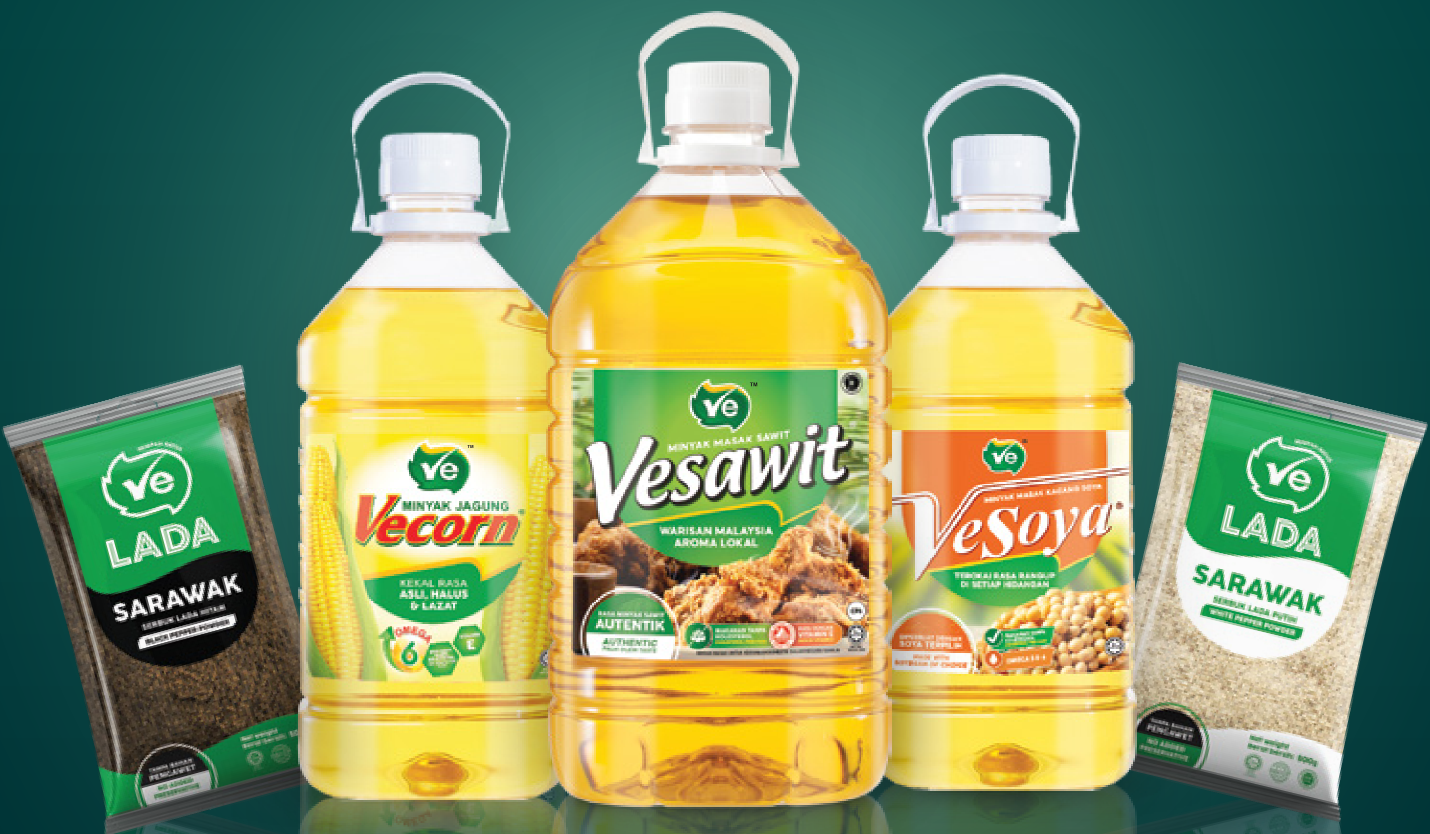

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JENAMA YANG DIPERCAYAI

Registration No. 197301000057 (13585-A)

YEE LEE CORPORATION BHD
(Incorporated in Malaysia)

C O N T E N T S **PAGE(S)**

YEE LEE CORPORATION BHD
Registration No: 197301000057 (13585-A)
(Incorporated in Malaysia)

NOTICE IS HEREBY GIVEN THAT the Forty-Ninth (49th) Annual General Meeting ("AGM") of Yee Lee Corporation Bhd ("YLC" or "Company") will be held at STG Ipoh Old Town of No. 18A & 20A, Jalan Tun Sambanthan, 30000 Ipoh, Perak Darul Ridzuan on Monday, June 27, 2022 at 10.30 a.m. for the transaction of the following business:-

AGENDA

ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended December 31, 2021 and the Reports of the Directors and Auditors thereon. — ***Please refer to Explanatory Note 1***

2. To re-elect Dato' Lim A Heng @ Lim Kok Cheong who retires by rotation in accordance with Clause 83 of the Company's Constitution and, being eligible, offers himself for re-election. — **Resolution 1**

3. To approve the payment of Directors' fees amounting to RM90,000 in respect of the financial year ended December 31, 2021. — **Resolution 2**

4. To approve the payment of other benefits (excluding Director's fee) up to RM3,000 to the Non-Executive Director from June 28, 2022 until the next AGM of the Company. — **Resolution 3**

5. To re-appoint Deloitte PLT as Auditors of the Company and to authorise the Director to fix their remuneration. — **Resolution 4**

SPECIAL BUSINESS

To consider and if thought fit, to pass the following ordinary resolution, with or without modifications:-

6. Authority to issue shares pursuant to Sections 75 and 76 of the Companies Act 2016

   "THAT pursuant to Sections 75 and 76 of the Companies Act 2016, the Constitution of the Company and subject to the approvals of the relevant governmental and/or regulatory authorities, the Directors be and are hereby empowered to issue shares of the Company, from time to time, upon such terms and conditions, for such purposes and to such persons whomsoever as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares issued does not exceed ten percent (10%) of the total number of issued shares of the Company for the time being, and that such authority shall continue to be in force until the conclusion of the next AGM of the Company." — **Resolution 5**

7. To transact any other business of which due notice shall have been given in accordance with the Companies Act 2016 and the Company's Constitution.

By Order of the Board

TAN BOON TING
SSM PC NO. 202008002544
(MAICSA 7056136)

OOI WOOI KEAN
SSM PC NO. 202008001219
(MAICSA 7067254)
Company Secretaries

Ipoh, Perak Darul Ridzuan
June 3, 2022

Notes:-

1. **Appointment of Proxy**
   (i) A member of the Company entitled to attend and vote at this meeting is entitled to appoint not more than two (2) proxies to attend and vote on his behalf. A proxy may but need not be a member of the Company.
   (ii) The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing or, if the appointor is a corporation, either under its Common Seal or under the hand of two (2) authorised officer, one of whom shall be a director, or of its attorney duly authorised in writing.
   (iii) Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportion of his shareholding to be represented by each proxy.
   (iv) Where a member of the Company is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 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 hold.
   (v) The instrument appointing a proxy must be deposited at the Registered Office of Lot 85, Jalan Portland, Tasek Industrial Estate, 31400 Ipoh, Perak Darul Ridzuan not less than forty-eight (48) hours before the time appointed for holding the meeting or send by electronic mail to cs@yeelee.com.my follow by posting the original Form of Proxy to the Registered Office not later than June 25, 2022 at 10.30 a.m.
   (vi) In respect of deposited securities, only Members whose name appears on the Record of Depositors as at June 20, 2022 shall be entitled to attend the Meeting or appoint proxies to attend and/or vote on his behalf.

2. **Explanatory Note on Ordinary Business**
   Note 1
   This agenda item is intended for discussion only as under Section 340(1)(a) of the Companies Act 2016, the Audited Financial Statements do not require formal approval of shareholders. As such, this agenda item will not be put forward for voting.

3. **Explanatory Note on Special Business**
   Ordinary Resolution
   Resolution 5 - Authority to issue shares pursuant to Sections 75 and 76 of the Companies Act 2016
   The proposed Resolution 5, if passed, will give a renewed mandate to the Directors of the Company, from the date of the forthcoming AGM, the authority to allot and issue ordinary shares of the Company up to an amount not exceeding ten percent (10%) of the Company's total number of issued shares for purpose of funding the working capital or strategic development of the Group. This would eliminate any delay arising from and cost involved in convening a general meeting to obtain approval of the shareholders for such issuance of shares. This authority, unless revoked or varied by the Company at a general meeting, will expire at the conclusion of the next AGM of the Company.

   As at the date of this Notice, no new shares in the Company were issued pursuant to the mandate granted to the Directors at the last AGM held on September 22, 2021 which will lapse at the conclusion of the forthcoming AGM.

YEE LEE CORPORATION BHD
(Incorporated in Malaysia)

CHAIRMAN'S STATEMENT

On behalf of the Board of Directors of Yee Lee Corporation Bhd., I am pleased to present the Annual Report for the financial year ended December 31, 2021.

FINANCIAL PERFORMANCE

Year 2021 marked the turning point for the global economy recovery from the COVID-19 pandemic-induced recession. The Malaysian economy had also rebounded, registering a growth of 3.1% this year as compared to a decline of 5.6% in 2020. Despite continuing challenges brought about by the pandemic, our Group managed to deliver a better result this year, with pre-tax profit increased by 10.6%, from RM49.06 million in 2020 to RM54.25 million on the back of 11.1% sales growth. Profit attributable to shareholders increased by 11.9% to RM43.04 million, translating to a higher earnings per share of 22.47 sen as compared to 20.08 sen in 2020.

DIVIDENDS

Whilst we do not have an official dividend policy, we are committed to reward our shareholders with consistent dividend payments taking into consideration of business prospects, capital requirements and expansion strategy.

For the financial year ended December 31, 2021, a first interim dividend of 4.5 sen per share under the single tier system was paid out on April 19, 2021. The second interim dividend of 5.0 sen per share under the single tier system was paid out on October 18, 2021. This brings the total dividend declared for the financial year 2021 to 9.5 sen per share equivalent to approximately RM18.20 million or 42.3% of the Group's profit attributable to the shareholders. The Board does not recommend any payment of final dividend for this financial year end.

REVIEW OF OPERATIONS

MANUFACTURING DIVISION

As part of our rationalisation of non-strategic businesses to streamline our operations, we have divested our corrugated carton boxes business during the year. Hence, our manufacturing division is now only consisting of aerosol can business and palm oil refinery and mill. The manufacturing division was our best performing division this year, achieving a 28.3% increase in pre-tax profit to RM27.68 million on the back of 17.1% sales growth. The aerosol can business was the main profit contributor to this division, dominating 73.8% of the total manufacturing division's pre-tax profit. The aerosol can factory in Ho Chi Minh City, Vietnam had also diversified into food can business last year and the sales of the food can is very encouraging and is gaining momentum this year.

Year 2021 was a tough year for our palm oil refinery and mill as the crude palm oil ("CPO") price surged beyond the historical high level of RM5,000 per MT in November this year. This resulted in the average CPO price substantially increased by 64.1%, from RM2,686 per MT in 2020 to RM4,407 per MT this year. The substantial increase in CPO price was mainly attributable to firmer prices of soyabean oil in the global market and supply disruptions including labour shortage in oil palm plantation. This led to record high of all palm products prices. As a result, our palm oil refinery and mill's revenue increased by 60.3% to RM165.43 million.

(Forward)

Its pre-tax profit also increased by 30.0%, from RM5.58 million in 2020 to RM7.25 million, solely contributed by our palm oil mill as the palm oil refinery still suffered losses of RM1.89 million. The palm oil refinery's profit margin was affected by the sudden substantial increase in the CPO prices as the palm oil refinery was unable to immediately passed on the full cost increase to its customers on the back of stiff competition for cooking oil business. Even our Malaysian Government had stepped in to set the ceiling price for the selected pack size of pure olein cooking oils effective from August 1, 2021 with subsidy to the cooking oils manufacturers but with limited quota. This Government subsidy will enable our palm oil refinery to have reasonable profit margin at least for the subsidised cooking oils. Despite tight supply of fresh fruit bunches ("FFB") throughout Peninsular Malaysia, our palm oil mill still managed to perform much better than last year, achieving a higher oils extraction rate of 20.5% surpassing the National OER. With tight control on the quality of FFB supplies, the palm oil mill was able to maintain its targeted OER and hence enhanced its profitability.

TRADING DIVISION

Year 2021 posed another challenging year to our trading division with the continuation of movement restrictions that escalated into another nationwide lockdown during the year coupled with supply disruptions from its principal products. Despite these challenges, our trading division still managed to register an 8.6% revenue growth to RM884.22 million this year. The higher revenue was contributed from increase in sales of cooking oils and beverages such as Red Bull energy drink, Old Town, Ho Yan Hor products and bottled water as the business activities were gaining momentum after the Government relaxed the movement restrictions. In spite of the increase in revenue, the division recorded a lower pre-tax profit of RM17.55 million this year as compared to RM20.85 million in 2020. This was mainly due to higher advertisement and promotion spending for brand building and marketing campaigns to create brand awareness and brand loyalty to boost sales. During the year, the division had also secured 2 beverage distributorships namely The Tapping Tapir and Mountain Fresh Fruit Juices to further strengthen our beverages portfolio.

PLANTATION DIVISION

Our plantation division consists of a tea plantation located in Kampong Nalapak, Sabah, three oil palm estates of which two estates in Perak and one in Ranau, Sabah and a newly planted durian orchard. The plantation division was able to turnaround in this year, recorded a pre-tax profit of RM0.31 million as compared to a loss of RM4.45 million in 2020. The better performance was mainly contributed by our oil palm plantation which was greatly boosted by the substantial increase in the selling price of FFB coupled with much higher production of FFB at the Ranau estate due to maturing of its young palm trees. However, the sales of tea especially at the tourism outlets was still affected during the pandemic movement control periods. Although the tea plantation still unable to turnaround this year, the losses was reduced by 4.7% to RM2.02 million through tighter control over its plantation costs and streamlining its operations.

FUTURE PROSPECTS

Although the global economy is expected to continue its recovery path in 2022, the growth outlooks remain conditional on the path of the COVID-19 pandemic. The ongoing military conflict in Ukraine, supply chain disruptions and higher inflation will also weigh on the global growth. With the better COVID-19 management and higher vaccination rates, Malaysia is progressively opening its economy and international borders to revive its economy which is projected to grow between 5.3% to 6.3% on the back of inflationary pressures from higher input prices and the recent increase in minimum wages to RM1,500 per month effective May 1, 2022. With all the improving sentiments and business activities, the Board is expecting the Group to perform better in 2022. The upliftment of foreign workers recruitment is expected to resolve the current labour shortages at our oil palm plantation which is currently affecting our FFB production.

ACKNOWLEDGEMENT

On behalf of the Board, I would like to express our most sincere thanks and appreciation to Mr Thang Lai Sung who had served the Board for more than 48 years before stepping down.

I would also like to convey my sincere thanks to our valued shareholders, financiers, customers, business partners and regulatory authorities for their support and confidence in our Group. Last but not least, my deepest appreciation and gratitude to our employees for their strong commitment and dedication during this challenging period.

DATO' LIM A HENG @ LIM KOK CHEONG, DPMP, JSM, JP
EXECUTIVE CHAIRMAN

YEE LEE CORPORATION BHD
(Incorporated in Malaysia)

DIRECTORS' REPORT

The directors of **YEE LEE CORPORATION BHD** have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended December 31, 2021.

PRINCIPAL ACTIVITIES

The Company is principally involved in investment holding.

The information on the name, place of incorporation, principal activities, and percentage of issued share capital held by the Company in each subsidiary company is as disclosed in Note 13 to the financial statements.

RESULTS OF OPERATIONS

The results of operations of the Group and of the Company for the financial year are as follows:

	The Group RM'000	The Company RM'000
Profit for the year attributable to owners of the Company	43,044	31,569

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

DIVIDENDS

Since the end of the previous financial year, the amount of dividends paid by the Company are in respect of the following:

A first interim dividend of 4.5 sen per share, under the single-tier system, amounting to RM8,622,193 was paid on April 19, 2021 in respect of the current financial year.

A second interim dividend of 5.0 sen per share, under the single-tier system, amounting to RM9,580,215 was paid on October 18, 2021 in respect of the current financial year.

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

RESERVES AND PROVISIONS

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

ISSUE OF SHARES AND DEBENTURES

The Company has not issued any new shares or debentures during the financial year.

SHARE OPTION

No options have been granted by the Company to any parties during the financial year to take up unissued shares of the Company.

No shares have been issued during the financial year by virtue of the exercise of any option to take up unissued shares of the Company. As of the end of the financial year, there were no unissued shares of the Company under options.

OTHER STATUTORY INFORMATION

Before the financial statements of the Group and of the Company were prepared, the directors took reasonable steps:

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

(b) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including the value of current assets as shown in the accounting records of the Group and of the Company had been written down to an amount which the current assets might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances:

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

(b) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or

(c) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; or

(d) not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

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

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

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

No contingent or other liability has become enforceable, or is likely to become enforceable, within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations when they fall due.

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

DIRECTORS

The directors of the Company in office during the financial year and during the period from the end of the financial year to the date of this report are:

Y Bhg Dato' Lim A Heng @ Lim Kok Cheong, DPMP, JSM, JP
Mr Lim Ee Young
Mr Chok Hooa @ Chok Yin Fatt, PMP
Mr Sow Yeng Chong
Mr Thang Lai Sung (resigned on October 8, 2021)
YB Dato' Mohd Adhan bin Kechik, DJMK, SMK (resigned on March 1, 2021)
Y Bhg Dato' Ir Nik Mohamad Pena bin Nik Mustapha, DIMP (resigned on March 1, 2021)
Mr Lee Kee Hong (resigned on March 1, 2021)

The directors who hold office in the subsidiary companies of the Company during the financial year and during the period from the end of the financial year to the date of this report are:

Name of Directors	**Subsidiary Companies**
Y Bhg Dato' Lim A Heng @ Lim Kok Cheong, DPMP, JSM, JP	CP, CPVN, YLEO, YLPOIL, YLT, SP
Y Bhg Datin Chua Shok Tim @ Chua Siok Hoon	IW, DT, ST, YLEO, YLM, YLT, SMR
Mr Lim Ee Young	CP, CPVN, STR, YLEO, YLM, SP, YLT, SMR, MM, YLPOIL#, DT@, ST@, YLB^
Mr Chok Hooa @ Chok Yin Fatt, PMP	IW, DT, ST, YLEO, YLPOIL, MM
Mr Thang Lai Sung (resigned on October 8, 2021)	YLPOIL
Mr Lee Kon Cheng (resigned on January 25, 2021)	DT, ST, SP
Mr Goh Mung Chwee	DT, ST, STR
Mr Lim Kim Kow	CP, YLT
Mr Wong Hung	CP, CPVN
Mr Chua Ah Bah @ Chua Siew Seng	IW
Mr Wong Kai Leong	CPVN

appointed on January 4, 2021
@ appointed on January 25, 2021
^ appointed on March 10, 2021

Denotes:

CP	Canpac Sdn Bhd
CPVN	Canpac Vietnam Pte Ltd
DT	Desa Tea Sdn Bhd
IW	Intanwasa Sdn Bhd
MM	Mini Motors Sdn Bhd
SMR	Sementra Resort Sdn Bhd
SP	Sementra Plantations Sdn Bhd
ST	Sabah Tea Sdn Bhd
STR	Sabah Tea Resort Sdn Bhd
YLB	YL Brands Sdn Bhd
YLEO	Yee Lee Edible Oils Sdn Bhd
YLM	Yee Lee Marketing Sdn Bhd
YLPOIL	Yee Lee Palm Oil Industries Sdn Bhd
YLT	Yee Lee Trading Co Sdn Bhd

DIRECTORS' INTERESTS

The interests in shares in the Company, immediate holding company and ultimate holding company of those who were directors at the end of the financial year according to the Register of Directors' Shareholdings kept by the Company under Section 59 of the Companies Act 2016 are as follows:

	Number of ordinary shares			
	Balance as of 1.1.2021	**Bought**	**Sold**	**Balance as of 31.12.2021**
Shares in the Company				
Registered in the name of directors				
Y Bhg Dato' Lim A Heng @ Lim Kok Cheong, DPMP, JSM, JP	6,908,552	-	(6,908,552)	-
Mr Lim Ee Young	1,548,856	-	(1,548,856)	-
Deemed interests by virtue of shares held by a company in which a director has interests				
Y Bhg Dato' Lim A Heng @ Lim Kok Cheong, DPMP, JSM, JP	101,342,652	186,186,845	(101,342,652)	186,186,845
Deemed interests by virtue of shares held by immediate family members of a director				
Y Bhg Dato' Lim A Heng @ Lim Kok Cheong, DPMP, JSM, JP	3,661,325	-	(3,661,325)	-
Shares in the immediate holding company, Langit Makmur Sdn Bhd				
Registered in the name of directors				
Y Bhg Dato' Lim A Heng @ Lim Kok Cheong, DPMP, JSM, JP	-	7,908,552	-	7,908,552
Mr Lim Ee Young	-	2,048,856	-	2,048,856
Deemed interests by virtue of shares held by companies in which a director has interests				
Y Bhg Dato' Lim A Heng @ Lim Kok Cheong, DPMP, JSM, JP	-	101,342,652	-	101,342,652
Deemed interests by virtue of shares held by immediate family members of a director				
Y Bhg Dato' Lim A Heng @ Lim Kok Cheong, DPMP, JSM, JP	-	6,661,325	-	6,661,325
Shares in the ultimate holding company, Yee Lee Organization Bhd				
Registered in the name of directors				
Y Bhg Dato' Lim A Heng @ Lim Kok Cheong, DPMP, JSM, JP	2,751	-	-	2,751
Mr Lim Ee Young	149,028	72,211	-	221,239
Deemed interests by virtue of shares held by companies in which a director has interests				
Y Bhg Dato' Lim A Heng @ Lim Kok Cheong, DPMP, JSM, JP	7,799,820	-	-	7,799,820

(Forward)

	Number of ordinary shares			
	Balance as of 1.1.2021	Bought	Sold	Balance as of 31.12.2021
Deemed interests by virtue of shares held by immediate family members of a director				
Y Bhg Dato' Lim A Heng @ Lim Kok Cheong, DPMP, JSM, JP	561,975	72,211	-	634,186

By virtue of Y Bhg Dato' Lim A Heng @ Lim Kok Cheong, DPMP, JSM, JP's interests in the shares of the Company, he is also deemed to have an interest in the shares of all the subsidiary companies to the extent that the Company has interests.

DIRECTORS' BENEFITS

Since the end of the previous financial year, none of the directors of the Company has received or become entitled to receive a benefit (other than a benefit included in the aggregate of remuneration received or due and receivable by directors as disclosed below) by reason of a contract made by the Company or a related corporation with the director or with a firm of which he is a member, or with a company in which he has a substantial financial interest except for any benefit which may be deemed to have arisen by virtue of the transactions between the Company and certain companies in which certain directors of the Company are also directors and/or shareholders as disclosed in Note 21 to the financial statements.

Directors' remuneration

	The Group RM'000	The Company RM'000
Fees	204	90
Other emoluments	6,671	310
	6,875	400
Benefits-in-kind*	63	-

* Represents estimated monetary value of benefits-in-kind received and receivable by the directors other than in cash from the Group.

During and at the end of the financial year, no arrangement subsisted to which the Company was a party whereby directors of the Company might acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

INDEMNITY AND INSURANCE FOR DIRECTORS, OFFICERS AND AUDITORS

The Company maintains directors' liability insurance for purposes of Section 289 of the Companies Act 2016, throughout the year, which provides appropriate insurance cover for the directors and/or officers of the Group and of the Company. No indemnity and insurance are provided for auditors. The total amount of insurance premium paid/payable during the year is as follows:

	The Group RM'000	The Company RM'000
Insurance premium paid/payable	11	2

HOLDING COMPANIES

During the financial year, the Company became a subsidiary company of Langit Makmur Sdn Bhd. The ultimate holding company of the Company is Yee Lee Organization Bhd. Both of these companies were incorporated in Malaysia.

EVENT SUBSEQUENT TO THE FINANCIAL YEAR END

Subsequent event is as disclosed in Note 38 to the financial statements.

AUDITORS' REMUNERATION

The amount paid/payable as remuneration of the auditors for the financial year ended December 31, 2021 is as disclosed in Note 7 to the financial statements.

AUDITORS

The auditors, Deloitte PLT, have indicated their willingness to continue in office.

Signed on behalf of the Board, as approved by the Board
in accordance with a resolution of the Directors,

Y BHG DATO' LIM A HENG @
LIM KOK CHEONG, DPMP, JSM, JP
Executive Chairman

MR CHOK HOOA @ CHOK YIN FATT, PMP
Executive Director

Ipoh,
May 9, 2022

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
YEE LEE CORPORATION BHD
(Incorporated in Malaysia)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **YEE LEE CORPORATION BHD**, which comprise the statements of financial position of the Group and of the Company as of December 31, 2021, and the statements of profit or loss, 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 15 to 98.

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 of December 31, 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 opinion.

Independence and Other Ethical Responsibilities

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

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.

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

(Forward)

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

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

Responsibilities of the Directors for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

(Forward)

- Conclude on the appropriateness of 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.

- 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.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiary company of which we have not acted as auditors, is disclosed in Note 13 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.

DELOITTE PLT (LLP0010145-LCA)
Chartered Accountants (AF 0080)

LIM KENG PEO
Partner - 02939/01/2024 J
Chartered Accountant

Ipoh,
May 9, 2022

YEE LEE CORPORATION BHD
(Incorporated in Malaysia)

STATEMENTS OF PROFIT OR LOSS
FOR THE YEAR ENDED DECEMBER 31, 2021

		The Group		The Company	
	Note	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Revenue	5	1,224,779	1,101,989	18,008	17,920
Investment revenue	6	855	817	29	-
Other gains and losses	7	10,366	7,577	14,366	-
Changes in inventories of finished goods, trading merchandise and work-in-progress	7	6,421	(1,611)	-	-
Raw materials and consumables used	7	(338,219)	(261,899)	-	-
Purchase of finished goods and trading merchandise		(637,313)	(590,896)	-	-
Depreciation of property, plant and equipment	10	(16,620)	(17,430)	-	-
Depreciation of right-of-use assets	11	(1,514)	(1,377)	(57)	-
Employee benefit expenses	7	(88,981)	(88,107)	(399)	(275)
Finance costs	8	(4,728)	(5,755)	(26)	(43)
Other expenses	7	(109,110)	(105,395)	(352)	(509)
Share of profit of an associated company		7,606	10,910	-	-
Share of profit of a joint venture		705	238	-	-
Profit before tax		54,247	49,061	31,569	17,093
Tax expense	9	(11,203)	(10,580)	-	-
Profit for the year attributable to owners of the Company		43,044	38,481	31,569	17,093

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

YEE LEE CORPORATION BHD
(Incorporated in Malaysia)

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

	The Group		The Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Profit for the year	43,044	38,481	31,569	17,093
Other comprehensive income/(loss):				
Items that may be reclassified subsequently to profit or loss:				
Share of other comprehensive income of an associated company	1,281	781	-	-
Exchange differences on translating a foreign entity	1,966	(610)	-	-
	3,247	171	-	-
Items that will not be reclassified subsequently to profit or loss:				
Fair value gain on investments in equity instruments designated as at fair value through other comprehensive income	12	7	-	-
Total other comprehensive income for the year	3,259	178	-	-
Total comprehensive income attributable to owners of the Company	46,303	38,659	31,569	17,093

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

YEE LEE CORPORATION BHD
(Incorporated in Malaysia)

STATEMENTS OF FINANCIAL POSITION
AS AT DECEMBER 31, 2021

		The Group		The Company	
		2021	2020	2021	2020
	Note	RM'000	RM'000	RM'000	RM'000
ASSETS					
Non-current assets					
Property, plant and equipment	10	508,318	483,589	-	-
Right-of-use assets	11	909	1,681	114	-
Investment properties	12	5,970	6,970	-	-
Investments in subsidiary companies	13	-	-	454,328	452,328
Investment in an associated company	14	159,596	149,896	71,920	68,199
Investment in a joint venture	15	1,256	551	-	-
Other investments	16	46	34	-	-
Goodwill on consolidation	17	1,612	1,612	-	-
Total non-current assets		677,707	644,333	526,362	520,527
Current assets					
Other investments	16	2,783	10,484	2,516	-
Biological assets	18	1,829	778	-	-
Inventories	19	163,252	108,764	-	-
Trade and other receivables	20	216,768	198,690	37,466	34,742
Current tax assets	9	5,939	4,602	178	176
Other assets	22	8,618	10,783	4	4
Deposits, cash and bank balances	23	58,172	45,669	100	280
		457,361	379,770	40,264	35,202
Non-current assets classified as held for sale	24	1,000	23,575	-	8,134
Total current assets		458,361	403,345	40,264	43,336
Total assets		1,136,068	1,047,678	566,626	563,863
EQUITY AND LIABILITIES					
Capital and reserves					
Share capital	25	108,400	108,400	108,400	108,400
Reserves	26	17,467	14,208	-	-
Retained earnings	26	591,570	563,256	457,297	443,931
Total equity		717,437	685,864	565,697	552,331
Non-current liabilities					
Borrowings	27	56,748	34,484	-	-
Lease liabilities	29	272	378	59	-
Deferred tax liabilities	30	42,642	41,606	-	-
Total non-current liabilities		99,662	76,468	59	-

(Forward)

		The Group		The Company	
		2021	**2020**	**2021**	**2020**
	Note	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Current liabilities					
Trade and other payables	31	160,794	136,596	672	11,237
Borrowings	27	127,358	114,058	-	-
Lease liabilities	29	661	1,351	57	-
Current tax liabilities	9	1,275	117	-	-
Other liabilities	32	28,881	27,745	141	295
		318,969	279,867	870	11,532
Liabilities directly associated with non-current assets classified as held for sale	24	-	5,479	-	-
Total current liabilities		318,969	285,346	870	11,532
Total liabilities		418,631	361,814	929	11,532
Total equity and liabilities		1,136,068	1,047,678	566,626	563,863

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

YEE LEE CORPORATION BHD
(Incorporated in Malaysia)

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

		Attributable to Owners of the Company					
			Non-distributable Reserves			Distributable	
The Group	**Note**	**Share Capital RM'000**	**Investment Revaluation Reserve RM'000**	**Translation Reserve RM'000**	**Capital Reserve RM'000**	**Reserve - Retained Earnings RM'000**	**Total Equity RM'000**
Balance as of January 1, 2020		108,400	(10)	100	13,940	524,775	647,205
Profit for the year		-	-	-	-	38,481	38,481
Other comprehensive (loss)/income for the year		-	7	(610)	781	-	178
Total comprehensive (loss)/income for the year		-	7	(610)	781	38,481	38,659
Balance as of December 31, 2020		108,400	(3)	(510)	14,721	563,256	685,864
Profit for the year		-	-	-	-	43,044	43,044
Other comprehensive income for the year		-	12	1,966	1,281	-	3,259
Total comprehensive income for the year		-	12	1,966	1,281	43,044	46,303
Effect of disposal of subsidiary company	38	-	-	-	-	3,473	3,473
Payment of dividend	33	-	-	-	-	(18,203)	(18,203)
Balance as of December 31, 2021		108,400	9	1,456	16,002	591,570	717,437

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

YEE LEE CORPORATION BHD
(Incorporated in Malaysia)

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

The Company	Note	Share Capital RM'000	Distributable Reserve - Retained Earnings RM'000	Total Equity RM'000
Balance as of January 1, 2020		108,400	426,838	535,238
Profit and total comprehensive income for the year		-	17,093	17,093
Balance as of December 31, 2020		108,400	443,931	552,331
Profit and total comprehensive income for the year		-	31,569	31,569
Payment of dividend	33	-	(18,203)	(18,203)
Balance as of December 31, 2021		108,400	457,297	565,697

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

YEE LEE CORPORATION BHD
(Incorporated in Malaysia)

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

		The Group	
	Note	2021 RM'000	2020 RM'000
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES			
Profit for the year		43,044	38,481
Adjustments for:			
Depreciation of property, plant and equipment		16,620	17,430
Tax expense recognised in statements of profit or loss		11,203	10,580
Finance costs		4,728	5,755
Inventories written off		1,744	1,994
Property, plant and equipment written off		1,671	344
Depreciation of right-of-use assets		1,514	1,377
Impairment losses recognised on receivables		554	520
Bad debts written off		219	356
Credit loss allowances - net		41	(370)
Loss on disposal of property, plant and equipment - net		33	4
Loss on lease termination		2	-
Share of profit of an associated company		(7,606)	(10,910)
Unrealised (gain)/loss on foreign exchange		(1,085)	161
Changes in fair values of biological assets		(1,051)	(387)
Investment revenue recognised in statements of profit or loss		(855)	(817)
Share of profit of a joint venture		(705)	(238)
Gain on disposal of non-current assets classified as held for sale		(250)	-
Reversal of impairment losses recognised on receivables		(58)	(116)
Gain on lease modification		(1)	-
Changes in fair value of investment properties		-	(66)
Net gain arising from financial assets designated as at FVTPL		-	(4)
Inventories written down - net		-	51
		69,762	64,145
Movements in working capital:			
(Increase)/Decrease in:			
Inventories		(55,428)	(3,940)
Trade and other receivables		(17,860)	(4,980)
Other assets		1,550	(6,558)
Increase/(Decrease) in:			
Trade and other payables		22,319	(14,106)
Other liabilities		1,503	(1,690)
Cash Generated From Operations		21,846	32,871
Tax refunded		96	2,555
Tax paid		(10,440)	(10,455)
Real Property Gains Tax paid		-	(140)
Net Cash From Operating Activities		11,502	24,831

(Forward)

	Note	The Group 2021 RM'000	The Group 2020 RM'000
CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES			
Redemption of other investments - net		7,828	11,684
Dividends received from an associated company		2,908	2,860
Proceeds from disposal of assets held for sale		22,500	1,500
Interest received		367	470
Rental from investment properties received		323	240
Proceeds from disposal of property, plant and equipment		295	103
Dividend income from other investments		37	3
Purchase of property, plant and equipment	35(a)	(14,082)	(25,610)
Purchase of additional shares in an associated company		(3,721)	(2,774)
Placement of fixed deposits		(2)	(3)
Dividend income from quoted shares		1	1
Net Cash From/(Used In) Investing Activities		16,454	(11,526)
CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES			
Proceeds from bankers' acceptances - net	35(d)	15,684	762
Proceeds from/(Repayment to) of revolving credit - net	35(d)	1,000	(5,000)
Dividends paid		(18,203)	-
Finance costs paid		(4,728)	(5,755)
Repayment of term loans	35(d)	(3,367)	(3,888)
Repayment of hire-purchase payables	35(d)	(1,178)	(1,714)
Repayment of lease liabilities	35(d)	(1,539)	(1,352)
Proceeds from term loan	35(d)	-	4,160
Net Cash Used In Financing Activities		(12,331)	(12,787)
NET INCREASE IN CASH AND CASH EQUIVALENTS		15,625	518
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		42,608	45,199
Effect of exchange rate changes on the balance of cash held in foreign currencies		(577)	(11)
Cash and cash equivalents transferred to non-current assets classified as held for sale	23,24	-	(3,098)
CASH AND CASH EQUIVALENTS AT END OF YEAR	35(c)	57,656	42,608

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

YEE LEE CORPORATION BHD
(Incorporated in Malaysia)

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

	Note	The Company 2021 RM'000	2020 RM'000
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES			
Profit for the year		31,569	17,093
Adjustments for:			
Depreciation of right-of-use asset		57	-
Finance costs		26	43
Dividend income		(18,008)	(17,920)
Gain on disposal of non-current assets classified as held for sale		(14,366)	-
Investment revenue recognised in statements of profit or loss		(29)	-
		(751)	(784)
Movements in working capital:			
Decrease in:			
Other receivables		3	86
Other assets		-	1
Increase/(Decrease) in:			
Other payables		667	3
Other liabilities		(154)	(23)
Cash Used In Operations		(235)	(717)
Dividends received		18,008	17,920
Tax paid		(2)	-
Net Cash From Operating Activities		17,771	17,203
CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES			
Proceeds from disposal of assets held for sales		22,500	-
Interest received		8	-
Advances granted to a subsidiary company - net		(4,727)	(4,665)
Purchase of additional shares in an associated company		(3,721)	(2,774)
Addition of other investments - net		(2,495)	-
Net Cash From/(Used In) Investing Activities		11,565	(7,439)
CASH FLOWS USED IN FINANCING ACTIVITIES			
Dividends paid		(18,203)	-
Repayment to subsidiary company - net	35(d)	(11,232)	(7,580)
Repayment of lease liabilities	35(d)	(55)	-
Finance costs paid		(26)	(43)
Repayment of revolving credit		-	(1,000)
Net Cash Used In Financing Activities		(29,516)	(8,623)

(Forward)

	Note	The Company 2021 RM'000	The Company 2020 RM'000
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(180)	1,141
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		280	(861)
CASH AND CASH EQUIVALENTS AT END OF YEAR	35(c)	100	280

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

YEE LEE CORPORATION BHD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia.

The Company is principally involved in investment holding.

The information on the name, place of incorporation, principal activities, and percentage of issued share capital held by the Company in each subsidiary company is as disclosed in Note 13.

The registered office and principal place of business of the Company are located at Lot 85, Jalan Portland, Tasek Industrial Estate, 31400 Ipoh, Perak Darul Ridzuan, Malaysia.

The financial statements of the Group and of the Company were authorised for issue by the Board of Directors in accordance with a resolution of the directors on May 9, 2022.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

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

2.1 Adoption of amendments to MFRSs

In the current year, the Group and the Company adopted all of the amendments to MFRSs issued by the Malaysian Accounting Standards Board ("MASB") that are mandatorily effective for an accounting period that begins on or after January 1, 2021.

The adoption of the amendments to MFRSs has had no material impact on the disclosures or on the amounts recognised in the financial statements.

2.2 Standards in issue but not yet effective

At the date of authorisation of these financial statements, the Group and the Company have not applied the following new and amendments to MFRSs that have been issued but are not yet effective:

MFRS 17	Insurance Contracts[3]
Amendments to MFRS 112	Deferred Tax related to Assets and Liabilities arising from a Single Transaction[3]
Amendments to MFRS 17	Insurance Contracts[3]
Amendments to MFRS 17	Initial Application of MFRS 17 and MFRS 9 - Comparative Information[3]
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current[3]
Amendments to MFRS 3	Reference to the Conceptual Framework[2]
Amendments to MFRS 116	Property, Plant and Equipment - Proceeds before Intended Use[2]
Amendments to MFRS 137	Onerous Contracts - Cost of Fulfilling a Contract[2]

(Forward)

Annual Improvements to MFRS Standards 2018 - 2020 Cycle	Amendments to MFRS 1 *First-time Adoption of Malaysian Financial Reporting Standards*, MFRS 9 *Financial Instruments*, MFRS 16 *Leases*, and MFRS 141 *Agriculture*[2]
Amendments to MFRS 16	COVID-19 Related Rent Concessions beyond June 30, 2021[1]
Amendments to MFRS 10 and 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[4]
Amendments to MFRS 101	Disclosure of Accounting Policies[3]
Amendments to MFRS 108	Definition of Accounting Estimates[3]

[1] Effective for annual periods beginning on or after April 1, 2021, with earlier application permitted.
[2] Effective for annual periods beginning on or after January 1, 2022, with earlier application permitted.
[3] Effective for annual periods beginning on or after January 1, 2023, with earlier application permitted.
[4] Effective for annual periods beginning on or after a date to be determined.

The Group and the Company have not elected for early adoption of the relevant new and amendments to MFRSs above until future periods, at the date of authorisation for issue of these financial statements. The directors anticipate that the adoption of these new and amendments to MFRSs when they become effective will have no material impact on the financial statements of the Group and of the Company in the period of initial application.

3. SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of the Group and of the Company have been prepared on the historical cost basis, except for certain financial instruments as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group and the Company take into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of MFRS 2 *Share-based Payment*, leasing transactions that are within the scope of MFRS 16 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in MFRS 102 *Inventories* or value in use in MFRS 136 *Impairment of Assets*.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

(Forward)

The principal accounting policies are set out below.

Going Concern

The directors have, at the time of approving the financial statements, a reasonable expectation that the Group and the Company have adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the financial statements.

Subsidiary Companies and Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and of the subsidiary companies controlled by the Company. Control is achieved where the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary company begins when the Company obtains control over the subsidiary company and ceases when the Company loses control of the subsidiary company. Specifically, income and expenses of a subsidiary company acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary company.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiary companies is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Where necessary, adjustments are made to the financial statements of subsidiary companies to bring their accounting policies into line with 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.

(Forward)

Changes in the Group's ownership interests in subsidiary companies that do not result in the Group losing control are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary companies. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary company, a gain or a loss is recognised in the consolidated statement of profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary company and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary company are accounted for as if the Group had directly disposed of the relevant assets or liabilities of the subsidiary company (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable MFRS). The fair value of any investment retained in the former subsidiary company at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under MFRS 9 *Financial Instruments* or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

Business Combinations

Acquisitions of subsidiary companies are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and equity instruments issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in the consolidated statement of profit or loss as incurred.

At acquisition date, the identifiable assets acquired and liabilities assumed are recognised at their fair values, except that:

- deferred tax assets or deferred tax liabilities and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with MFRS 112 *Income Taxes* and MFRS 119 *Employee Benefits* respectively;
- liabilities or equity instruments related to the share-based payment arrangements of the acquire or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquire are measured in accordance with MFRS 2 *Share-based Payment* at the acquisition date; and
- assets (or disposal groups) that are classified as held for sale in accordance with MFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any), the excess is recognised immediately in the consolidated statement of profit or loss as a bargain purchase gain.

(Forward)

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another MFRS.

Where the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the "measurement period" (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting periods in accordance with MFRS 139 or MFRS 137 *Provisions, Contingent Liabilities and Contingent Assets*, as appropriate, with the corresponding gain or loss being recognised in the consolidated statement of profit or loss.

Where a business combination is achieved in stages, the Group's previously held equity interests in the acquiree is remeasured to its acquisition date fair value and the resulting gain or loss, if any, is recognised in the consolidated statement of profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in the consolidated statement of profit or loss and other comprehensive income are reclassified to the consolidated statement of profit or loss, where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised at that date.

The policy described above is applied to all business combinations that take place on or after January 1, 2011.

Revenue Recognition

The Group recognises revenue based on the following sources:

- Sale of manufactured products
- Sale of agricultural products
- Sale of consumer products
- Services rendered
- Dividend income
- Interest income
- Rental income
- Royalty income

(Forward)

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control of a product or service to a customer.

Sale of manufactured, agricultural and consumer products

Revenue from sale of manufactured, agricultural and consumer products is recognised when control of the goods has transferred to the customer, being at the point the goods are delivered to the customer. Delivery occurs when the goods have been shipped to the customer's specific location. Rebates and volume discounts are given to eligible customers, and are taken up as variable considerations in determining the transaction prices contracted.

Rendering of services

Revenue from accommodation, entrance fees for tea garden tours and other tourism related services are recognised at the point when services are provided.

Dividend revenue

Dividend income represents gross dividends from quoted and unquoted investments and is recognised when the shareholder's rights to receive payment is established.

Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and to the Company and the amount of revenue can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Rental income

Rental income is recognised on a straight line basis over the term of the relevant agreements.

Royalty income

Royalty income is recognised on an accrual basis when it is probable that the economic benefits will flow to the Group and to the Company and the amount of revenue can be measured reliably.

Employee Benefits

Short-term employee 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. 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.

Defined contribution plans

The Group makes statutory contributions to approved provident funds and the contributions are charged to the consolidated statement of profit or loss as incurred. The approved provident funds are defined contribution plans. Once the contributions have been paid, there are no further payment obligations.

Foreign Currencies

The individual financial statements of each group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each entity are expressed in Ringgit Malaysia, which is the functional currency of the Company, and also the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual entities, transactions in currencies other than the functional currency of the entity (foreign currencies) are recorded at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognised in the statements of profit or loss in the year in which they arise except for exchange differences arising on the retranslation of non-monetary items carried at fair value in respect of which gains and losses are recognised in other comprehensive income. For such non-monetary items, the exchange component of that gain or loss is also recognised in the statements of profit or loss and other comprehensive income.

For the purpose of presenting consolidated financial statements, assets and liabilities of the foreign incorporated subsidiary company of the Group are expressed in Ringgit Malaysia using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the year, unless exchange rates fluctuated significantly during that year, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in the consolidated statement of profit or loss and other comprehensive income and accumulated in the translation reserve of the Group. Such exchange differences are reclassified to the consolidated statement of profit or loss in the year in which the foreign incorporated subsidiary company is disposed of.

Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which require a substantial period of time to get them ready for their intended use, are capitalised and are included as part of the cost of the related assets. Capitalisation of borrowing costs will cease when the assets are ready for their intended use.

All other borrowing costs are recognised as an expense in the year in which they are incurred.

Government Grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants related to income are recognised as income or as a deduction against the related expenses in the consolidated statement of profit or loss in the period in which they become receivable.

Government grants related to assets are deducted against the carrying amount of the assets.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statements of profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The liability of the Group and of the Company for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are generally recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profits will be available against which those deductible temporary differences, unused tax losses and unused tax credits can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and deferred tax liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and deferred tax assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or to settle the carrying amount of its assets and liabilities.

For the purposes of measuring deferred tax liabilities and deferred tax assets for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered entirely through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale. The directors of the Company reviewed the Group's investment property portfolio and concluded that none of the Group's investment properties are held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time, rather than through sale. Therefore, the directors have determined that the "sale" presumption set out in the amendments to MFRS 112 is not rebutted. As a result, the Group has recognised deferred taxes on changes in fair values of investment properties based on the expected tax rate that would apply on disposal of the investment properties.

(Forward)

Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and current tax liabilities on a net basis.

Current and deferred tax for the year

Current and deferred tax are recognised as an expense or an income in the statements of profit or loss, except when they relate to items that are recognised outside the statements of profit or loss (whether in other comprehensive income or directly in equity), in which case the tax is also recognised outside the statements of profit or loss, or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is taken into account in calculating goodwill or determining the excess of the interest of the acquirer in the net fair value of the identifiable assets, liabilities and contingent liabilities over cost of the acquiree.

Property, Plant and Equipment

Land and buildings are stated in the statement of financial position at their deemed costs on date of transition to MFRSs, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Buildings, electricity and water supply system, plant and machinery, motor vehicles, furniture, fixtures and equipment and renovations are stated at cost less accumulated depreciation and any accumulated impairment losses.

Freehold land and capital work-in-progress are not amortised/depreciated. Capital work-in-progress comprises contractors' payments and directly attributable costs incurred in preparing these assets for their intended use. Depreciation on assets under construction commences when the assets are ready for their intended use.

Bearer plants are defined as living plants that are used in the production or supply of agriculture produce and for which there is only a remote likelihood that the plant will also be sold as agriculture produce.

Bearer plants - Oil palm

Bearer plants (before maturity) representing oil palm nursery and immature plantations are measured at cost which consists of the costs incurred in the preparation of the nursery, purchase of seedlings and maintenance of the oil palm plantation less accumulated impairment losses, if any. A plantation is considered mature when it has reached 36 months of age or more at the beginning of the financial year. No depreciation is computed for bearer plants (before maturity). Bearer plants (after maturity) are measured at cost less accumulated depreciation and any accumulated impairment losses. Bearer plants (after maturity) are depreciated over the estimated useful lives of the bearer plants of 25 years.

Bearer plants - Tea

Bearer plants of the Group consist of immature and mature tea bushes. Immature tea bushes are carried at cost less any accumulated impairment losses. Costs include the costs incurred for procurement of new seeds, maintenance of nurseries, land preparation, new planting, fertilising and maintenance of newly planted bushes for a period of three years until maturity. No depreciation is computed for immature tea bushes. On maturity (i.e when the bearer plants are ready for their intended use), these costs are classified under mature tea bushes. Depreciation of matured tea bushes commences when they are ready for their intended use. Estimated useful lives of the bearer plants have been determined to be 50 years.

(Forward)

Bearer plants - Durian

Bearer plants of the Group consist of immature durian and durian nurseries which are carried at cost less any accumulated impairment losses. Costs include the costs incurred for the preparation of the nursery, procurement of new seeds, and maintenance of nurseries for a period of five to seven years until maturity. On maturity (i.e when the bearer plants are ready for their intended use), these costs are classified under mature bearer plants. Depreciation of mature bearer plants commences when they are ready for their intended use. Estimated useful lives of mature durian trees have been determined to be 30 to 50 years.

Leasehold land is amortised over the lease periods ranging from 27 to 870 years. Depreciation of other property, plant and equipment is computed on the reducing balance method to write off the cost of the various property, plant and equipment over their estimated useful lives at the following annual rates:

Buildings	2% to 10%
Electricity and water supply system	10%
Plant and machinery	2% to 50%
Motor vehicles	10% to 50%
Furniture, fixtures and equipment	10% to 20%
Renovations	10%
Infrastructure development	10%

The estimated useful lives, residual values and depreciation method of property, plant and equipment are reviewed at each year end, with the effect of any changes in estimates accounted for prospectively.

Assets held under hire-purchase arrangements are depreciated over their expected useful lives on the same basis as owned assets. However, where there is no reasonable certainty that ownership will be obtained by the end of the borrowing term, assets are depreciated over the shorter of the borrowing term and their useful lives.

The gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in the statements of profit or loss.

Assets acquired under hire-purchase arrangements which transfer substantially all of the risks and rewards incident to ownership of the assets are capitalised under property, plant and equipment. The assets and the corresponding hire-purchase obligations are recorded at their fair values or, if lower, at the present value of the minimum hire-purchase payments of the assets at the inception of the respective arrangements.

Finance costs, which represent the differences between the total hire-purchase commitments and the fair values of the assets acquired, are charged to the statements of profit or loss over the term of the relevant hire-purchase period so as to give a constant periodic rate of charge on the remaining balance of the obligations for each accounting period.

Leases

The Group as a lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the lessee uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the statements of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or a rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

(Forward)

The Group did not make any such adjustments during the periods presented.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group incurs an obligation for costs to dismantle and to remove a leased asset, to restore the site on which it is located or to restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under MFRS 137. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the statements of financial position. Land held under finance lease arrangements continue to be recognised as part of assets of the Group classified under property, plant and equipment and are not separately presented in the statements of financial position.

The Group applies MFRS 136 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the Property, Plant and Equipment policy.

Variable rents that do not depend on an index or a rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in ‘other expenses’ in the statements of profit or loss.

The Group as a lessor

The Group enters into lease agreements as a lessor with respect to some of its investment properties. The Group also rents motor vehicles to third parties.

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

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

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group’s net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group’s net investment outstanding in respect of the leases.

Investment Properties

Investment properties, which are properties held to earn rentals and/or for capital appreciation, are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value. Fair value is arrived at by reference to market evidence of transaction prices for similar properties. Gain or loss arising from changes in the fair values of investment properties are included in statements of profit or loss in the year in which they arise.

Investment properties are derecognised when either they have been disposed of or when the investment properties are permanently withdrawn from use and no future economic benefit is expected from its disposal. Gain or loss on the retirement or disposal of an investment property is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in the statements of profit or loss in the year in which the retirement or disposal arise.

Investments in Subsidiary Companies

Investments in subsidiary companies, which are eliminated on consolidation, are stated at deemed costs on date of transition to MFRSs, less any subsequent accumulated impairment losses in the separate financial statements of the Company.

Investment in an Associated Company

An associated company is an entity over which the Group has significant influence and that is neither a subsidiary company nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of the associated company is incorporated in these consolidated financial statements using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for in accordance with MFRS 5 *Non-current Assets Held for Sale and Discontinued Operations.* Under the equity method, investment in an associated company is carried in the consolidated statement of financial position at cost and adjusted for post-acquisition changes in the Group’s share of the net assets of the associated company, less any impairment in the value of individual investments. Losses of an associated company in excess of the Group’s interests in that associated company (which includes any long-term interests that, in substance, form part of the Group’s net investment in the associated company) are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associated company.

Any excess of the cost of acquisition over the Group’s share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associated company recognised at the date of acquisition is recognised as goodwill. The goodwill is included within the carrying amount of the investment and is assessed for impairment as part of that investment. Any excess of the Group’s share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately in the consolidated statement of profit or loss.

When a group entity transacts with an associated company of the Group, profits and losses are eliminated to the extent of the Group’s interest in the relevant associated company.

Investment in an associated company is stated at cost less accumulated impairment losses, in the separate financial statements of the Company.

Investment in a Joint Venture

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of joint ventures are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with MFRS 5. Under the equity method, an investment in a joint venture is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of profit or loss and other comprehensive income of the joint venture. When the Group's share of losses of a joint venture exceeds the Group's interests in that joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the joint venture.

An investment in a joint venture is accounted for using the equity method from the date on which the investee becomes a joint venture. On acquisition of the investment in a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in the consolidated statement of profit or loss in the period in which the investment is acquired.

The requirements of MFRS 136 *Impairment of Assets* are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in a joint venture. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with MFRS 136 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with MFRS 136 to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date when the investment ceases to be a joint venture, or when the investment is classified as held for sale. When the Group retains an interest in the former joint venture and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with MFRS 9. The difference between the carrying amount of the joint venture at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the joint venture is included in the determination of the gain or loss on disposal of the joint venture. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that joint venture on the same basis as would be required if that joint venture had directly disposed of the related assets or liabilities. Therefore, if a gain or a loss previously recognised in other comprehensive income by that joint venture would be reclassified to the consolidated statement of profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to the consolidated statement of profit or loss (as a reclassification adjustment) when the equity method is discontinued.

The Group continues to use the equity method when an investment in a joint venture becomes an investment in an associated company. There is no remeasurement to fair value upon such changes in ownership interests.

(Forward)

When the Group reduces its ownership interest in a joint venture but the Group continues to use the equity method, the Group reclassifies to the consolidated statement of profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to the consolidated statement of profit or loss on the disposal of the related assets or liabilities.

When a group entity transacts with a joint venture of the Group, profits and losses resulting from the transactions with the joint venture are recognised in the Group's consolidated financial statements only to the extent of interests in joint venture that are not related to the Group.

Goodwill

Goodwill acquired in a business combination is initially recognised as an asset at cost and is subsequently measured at cost less accumulated impairment losses. Goodwill arising on consolidation represents the excess of cost of business combination over the interest of the Group in the net fair values of the identifiable assets, liabilities and contingent liabilities recognised of the acquiree at the date of the combination.

Goodwill is not amortised. Instead, it is tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired.

For the purpose of impairment testing, goodwill is allocated to each of the cash-generating units of the Group expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. Any impairment loss is recognised immediately in the consolidated statement of profit or loss and any impairment loss recognised for goodwill is not subsequently reversed.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of profit or loss on disposal.

Any excess of the interest of the Group in the net fair values of the acquiree's identifiable assets, liabilities and contingent liabilities over cost of acquisition (previously known as negative goodwill) is reassessed and is recognised immediately to the statements of profit or loss.

The Group's policies for goodwill arising on the acquisition of an associated company and of a joint venture are described at Investment in an Associated Company and Investment in a Joint Venture policies above separately.

Biological Assets

Biological assets of the Group comprise oil palm fresh fruit bunches ("FFB") and tea leaves prior to harvesting.

Unharvested oil palm fresh fruit bunches and tea leaves are measured at fair value less costs to sell. Fair values are measured using prices and other relevant information generated by market transactions involving identical or comparable assets.

Any gains or losses arising on initial recognition of biological assets and from subsequent changes in fair value less costs to sell are recognised in the consolidated statement of profit or loss in the year in which they arise.

Impairment of Non-Financial Assets excluding Goodwill

At the end of each reporting period, the Group and the Company review the carrying amounts of their assets (other than inventories, biological assets, financial assets and investment properties which are dealt with in their respective policies) to determine if there is any indication that those assets may be impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the expert of the impairment loss (if any).

Where it is not possible to estimate the recoverable amount of an individual asset, the Group and the Company estimate the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognised in the statements of profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease to the extent that the impairment loss does not exceed the amount held in the asset revaluation reserve for the same asset. An impairment loss is reversed if there has been a change in the estimate used to determine the recoverable amount.

An impairment loss is only reversed to the extent that the carrying amount of the asset does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, had no impairment loss been recognised for the asset in prior years. A reversal is recognised immediately in the statements of profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of impairment loss is treated as a revaluation increase.

Inventories

Inventories are valued at the lower of cost and net realisable value. Cost is determined principally on the “First-in, First-out” and “Weighted Average” methods. Costs of trading merchandise, raw materials, consumables, factory supplies, fertilisers and goods-in-transit comprise the original purchase price plus cost incurred in bringing the inventories to their present location and condition. Costs of finished goods and work-in-progress comprise the cost of raw materials, direct labour and a proportion of production overheads. Net realisable value represents the estimated selling price in the ordinary course of business less selling and distribution costs and all other estimated costs to completion.

Non-current Assets Classified as Held For Sale

Non-current assets classified as held for sale are measured at the lower of carrying amount and fair value less cost to sell.

Non-current assets are classified as held for sale when the carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition. Management must be committed to the sale which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

When the Group is committed to a sale plan involving loss of control of a subsidiary company, all of the assets and liabilities of the subsidiary company are classified as held-for-sale when the criteria described above are met, regardless of whether the Group retains a non-controlling interest in its former subsidiary company after the sale.

Research and Development Costs

Research costs relating to the original and planned investigation undertaken with the prospect of gaining new technical knowledge and understanding, are recognised as an expense when incurred.

Development costs represent costs incurred in the application of research findings or other knowledge to a plan or a design for the production of new or substantially improved materials, devices, products, processes, systems, or services prior to the commencement of commercial production or use. Development costs are charged to the statements of profit or loss in the year in which it is incurred except where a clearly-defined project is undertaken and it is probable that the development costs will give rise to future economic benefits. Such development costs are recognised as an intangible asset and amortised on a straight-line method over the life of the project from the date of commencement of commercial operation.

Provisions

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

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

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

Financial Instruments

Financial assets and financial liabilities are recognised in the statements of financial position when and only when, the Group become a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss (“FVTPL”)) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in in the statements of profit or loss.

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

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

Classification of financial assets

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

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

(Forward)

Debt instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income ("FVTOCI"):

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

By default, all other financial assets are measured subsequently at FVTPL.

Despite the foregoing, the Group may make the following irrevocable election/designation at initial recognition of a financial asset:

- the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met (see (ii) below); and
- the Group may irrevocably designate a debt investment that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch (see (iii) below).

(i) Amortised cost and effective interest method

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

For financial assets other than purchased or originated credit-impaired financial assets (i.e. assets that are credit-impaired on initial recognition), the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses ("ECL"), through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including ECL, to the amortised cost of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost or at FVTOCI. For financial assets other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

(Forward)

For purchased or originated credit-impaired financial assets, the Group recognises interest income by applying the credit-adjusted effective interest rate to the amortised cost of the financial asset from initial recognition. The calculation does not revert to the gross basis even if the credit risk of the financial asset subsequently improves so that the financial asset is no longer credit-impaired.

Interest income is recognised in the statements of profit or loss and is included in the 'investment revenue - interest income' line item.

(ii) Equity instruments designated as at FVTOCI

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

A financial asset is held for trading if:

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

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs.

Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in the statements of profit or loss and other comprehensive income and accumulated in the investment revaluation reserve. The cumulative gain or loss is not to be reclassified to the statements of profit or loss on disposal of the equity investments, instead, it is transferred to retained earnings.

Dividends on these investments in equity instruments are recognised in the statements of profit or loss in accordance with MFRS 9, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in the 'investment revenue' line item in the statements of profit or loss.

The Group has designated all investments in equity instruments that are not held for trading as at FVTOCI on initial recognition.

(iii) Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or at FVTOCI (see (i) to (ii) above) are measured at FVTPL. Specifically, investments in equity instruments are classified as at FVTPL, unless the Group designates an equity investment that is neither held for trading nor a contingent consideration arising from a business combination as at FVTOCI on initial recognition (see (ii) above).

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in the statements of profit or loss to the extent they are not part of a designated hedging relationship. The net gain or loss recognised in the statements of profit or loss is included in the 'other gains and losses' line item. Fair value is determined in the manner described in Note 34.

Impairment of financial assets

The Group recognises a loss allowance for ECL on investments in debt instruments that are measured at amortised cost or at FVTOCI, trade receivables and financial guarantee contracts. The amount of ECL is updated at the end of each reporting period to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognises lifetime ECL for trade receivables. The ECL on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the end of the reporting period, including time value of money where appropriate.

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the end of the reporting period.

(i) Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument at the end of the reporting period with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Group's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the Group's core operations.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- significant increases in credit risk on other financial instruments of the same debtor; and
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

(Forward)

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 to 60 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the end of the reporting period. A financial instrument is determined to have low credit risk if:

(1) The financial instrument has a low risk of default;
(2) The debtor has a strong capacity to meet its contractual cash flow obligations in the near term; and
(3) Adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Group considers a financial asset to have low credit risk when the asset has external credit rating of ‘investment grade’ in accordance with the globally understood definition or if an external rating is not available, the asset has an internal rating of ‘performing’. Performing means that the counterparty has a strong financial position and there are no past due amounts.

For financial guarantee contracts, the date that the Group becomes a party to the irrevocable commitment is considered to be the date of initial recognition for the purposes of assessing the financial instrument for impairment. In assessing whether there has been a significant increase in the credit risk since initial recognition of a financial guarantee contracts, the Group considers the changes in the risk that the specified debtor will default on the contract.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

(ii) Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that financial assets that meet either of the following criteria are generally not recoverable:

- when there is a breach of financial covenants by the debtor; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collateral held by the Group).

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 90,120 and 150 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

(a) significant financial difficulty of the issuer or the borrower;
(b) a breach of contract, such as a default or past due event (see (ii) above);
(c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
(d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
(e) the disappearance of an active market for that financial asset because of financial difficulties.

(iv) Write-off policy

The Group writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in the statements of profit or loss.

(v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the end of the reporting period; for financial guarantee contracts, the exposure includes the amount drawn down as at the end of the reporting period, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Group's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

For financial assets, the ECL is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

For a financial guarantee contract, as the Group is required to make payments only in the event of a default by the debtor in accordance with the terms of the instrument that is guaranteed, the expected loss allowance is the expected payments to reimburse the holder for a credit loss that it incurs less any amounts that the Group expects to receive from the holder, the debtor or any other party.

(Forward)

If the Group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the end of the current reporting period that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12-month ECL at the end of the current reporting period, except for assets for which simplified approach was used.

The Group recognises an impairment gain or loss in the statements of profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognised in the statements of profit or loss and other comprehensive income and accumulated in the investment revaluation reserve, and does not reduce the carrying amount of the financial asset in the statements of financial position.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in the statements of profit or loss. In addition, on derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the investment revaluation reserve is reclassified to the statements of profit or loss. In contrast, on derecognition of an investment in equity instrument which the Group has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investment revaluation reserve is not reclassified to the statements of profit or loss, but is transferred to retained earnings.

Financial liabilities and equity

Classification as debt or equity

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

Equity instruments

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

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in the statements of profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities

All financial liabilities are measured subsequently at amortised cost using the effective interest method or at FVTPL. (The Group does not have any financial liabilities measured at FVTPL).

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, and financial guarantee contracts issued by the Group, are measured in accordance with the specific accounting policies set out below.

Fair value is determined in the manner described in Note 34.

Financial liabilities measured subsequently at amortised cost

Financial liabilities that are not (i) contingent consideration of an acquirer in a business combination, (ii) held-for-trading, or (iii) designated as at FVTPL, are measured subsequently at amortised cost using the effective interest method.

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

Financial guarantee contract liabilities

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contract liabilities are measured initially at their fair values and, if not designated as at FVTPL and do not arise from a transfer of an asset, are measured subsequently at the higher of:

- the amount of the loss allowance determined in accordance with MFRS 9 (see financial assets above); and
- the amount recognised initially less, where appropriate, cumulative amortisation recognised in accordance with the revenue recognition policies set out above.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the statements of profit or loss.

Statements of Cash Flows

The Group and the Company adopt the indirect method in the preparation of the statements of cash flows.

Cash and cash equivalents consist of cash and bank balances, deposits with licensed banks, bank overdrafts and highly liquid investments which are readily convertible to cash with insignificant risks of changes in value. For the purpose of the statements of cash flows, cash and cash equivalents are presented net of bank overdrafts.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the accounting policies of the Group and of the Company, the directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

4.1 Critical judgements in applying the Group's accounting policies

The following are the critical judgements, apart from those involving estimations (which are presented separately below), that the directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in financial statements.

(a) Deferred tax on investment properties

For the purposes of measuring deferred tax liabilities and deferred tax assets arising from investment properties that are measured using the fair value model, the directors have reviewed the Group's investment properties portfolio and concluded that the Group's investment properties are not being held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time, rather than through sale. Therefore, in determining the Groups' deferred tax on investment properties, the directors have determined that the presumption that the carrying amounts of the investment properties measured using the fair value model are recovered entirely through sale is not rebutted. As a result, the Group has recognised deferred taxes on changes in fair value of investment properties based on the expected rate that would apply on disposal of the investment properties.

(b) Business model assessment

Classification and measurement of financial assets depends on the results of the SPPI and the business model test (please see financial assets sections of Note 3). The Group and the Company determine the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Group and the Company monitor financial assets measured at amortised cost or at FVTOCI that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Group's and of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets. No such changes were required during the periods presented.

(Forward)

(c) <u>Control over joint venture</u>

The Group recognises its investment in YLTC Sdn Bhd as an investment in a joint venture rather than as an investment in a subsidiary company even though the Group holds 60 percent of the equity interest in the investee. The judgement is made based on the assessment of whether the Group has the practical ability to direct the relevant activities of YLTC Sdn Bhd unilaterally. The directors have concluded that the Group does not have this ability, as all decisions about the relevant activities of the investee require unanimous consent of the parties sharing control. As such, the Group only possesses joint control over YLTC Sdn Bhd and it is therefore not recognised as a subsidiary company of the Group.

4.2 Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

(a) <u>Calculation of loss allowance</u>

ECL on trade receivables is calculated based on historical loss rates on the respective outstanding balances which are grouped by the number of days past due. Historical loss rates are calculated based on total credit loss from the prior year’s revenue and repayment trends of the prior year’s revenue multiplied by the number of days past due. The carrying amounts of trade receivables and the related ECL are as disclosed in Note 20.

(b) <u>Income taxes</u>

The Group is subject to income taxes of numerous jurisdictions. Judgement is required in determining the capital allowances and deductibility of certain expenses during the estimation of the provision for income taxes. There are certain transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. The carrying amounts of current tax assets/liabilities and the related tax expenses are as disclosed in Note 9.

(c) <u>Deferred tax assets</u>

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. This involves judgement regarding the future financial performance of the particular entity in which the deferred tax asset has been recognised. The carrying amount of deferred tax liabilities is as disclosed in Note 30.

(Forward)

(d) Fair value of biological assets

The fair values of oil palm fresh fruit bunches and tea leaves growing on trees are measured using prices and other relevant information generated by market transactions involving identical or comparable assets. In estimating the quantity of biological assets growing on trees, the Group:

(i) determines the average age of biological assets growing on trees at any one time and uses a risk adjustment factor based on past experience to account for the effects of adverse weather conditions, diseases, crop failure and other inherent operational risks; and

(ii) considers the average historical productivity measure of biological assets to estimate their quantities growing on trees at any one point in time.

The carrying amount of biological assets is as disclosed in Note 18.

5. REVENUE

	The Group		The Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Sale of goods	1,222,720	1,100,103	-	-
Tourism related services	2,059	1,886	-	-
Dividend income:				
Subsidiary companies	-	-	15,100	15,060
Associated company	-	-	2,908	2,860
	-	-	18,008	17,920
	1,224,779	1,101,989	18,008	17,920

6. INVESTMENT REVENUE

	The Group		The Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Interest income from:				
Subsidiary company	-	-	8	-
Fixed and short-term deposits	367	470	-	-
Rental income from investment properties	323	240	-	-
Dividend income from:				
Money market fund	164	106	21	-
Quoted shares	1	1	-	-
	855	817	29	-

(Forward)

The following is an analysis of investment revenue by category of assets:

	The Group		The Company	
	2021 **RM'000**	**2020** **RM'000**	**2021** **RM'000**	**2020** **RM'000**
Investment revenue from financial instruments measured at amortised cost	359	470	8	-
Investment revenue from financial instruments measured at FVTPL	8	-	-	-
Dividend income received from investments designated as at FVTPL	164	106	21	-
Dividend income received from equity investment designated as at FVTOCI	1	1	-	-
Investment revenue earned on non-financial assets	323	240	-	-
	855	817	29	-

7. OTHER GAINS AND LOSSES, CHANGES IN INVENTORIES OF FINISHED GOODS, TRADING MERCHANDISE AND WORK-IN-PROGRESS, RAW MATERIALS AND CONSUMABLES USED, OTHER EXPENSES AND EMPLOYEE BENEFIT EXPENSES

Included in other gains and losses and other expenses are the following:

	The Group		The Company	
	2021 **RM'000**	**2020** **RM'000**	**2021** **RM'000**	**2020** **RM'000**
Unrealised gain/(loss) on foreign exchange - net	1,085	(161)	-	-
Changes in fair values of biological assets - net	1,051	387	-	-
Realised gain on foreign exchange - net	353	37	-	-
Government grant received - wage subsidies	321	1,185	-	-
Gain on disposal of non-current assets classified as held for sale (Note 37)	250	-	14,366	-
Rental income:				
Premises	99	99	-	-
Motor vehicles	2	2	-	-
Reversal of impairment losses recognised on receivables	58	116	-	-
Bad debts recovered	39	31	-	-
Royalty income	27	48	-	-
Gain on lease modification	1	-	-	-
Credit loss allowances - net	(41)	370	-	-
Changes in fair values of investment properties (Note 12)	-	66	-	-
Net gain arising from financial assets designated as at FVTPL	-	4	-	-
Inventories written down - net (Note 19)	-	(51)	-	-

(Forward)

	The Group		The Company	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Directors' remuneration:				
Directors of the Company:				
Fees	(204)	(357)	(90)	(243)
Other emoluments	(6,671)	(5,722)	(310)	(32)
Directors of the subsidiary companies:				
Fees	(87)	(87)	-	-
Other emoluments	(3,194)	(3,039)	-	-
Inventories written off (Note 19)	(1,744)	(1,994)	-	-
Property, plant and equipment written off	(1,671)	(344)	-	-
Impairment losses recognised on receivables	(554)	(520)	-	-
Auditors' remuneration:				
Statutory audit:				
Current year	(388)	(396)	(46)	(46)
Prior year	-	(1)	-	-
Non-audit services:				
Prior year	-	-	-	(3)
Bad debts written off	(219)	(356)	-	-
Rental expense:				
Photostat machine	(54)	(37)	-	-
Hire of machinery	(35)	(19)	-	-
Factory equipment	(29)	(32)	-	-
Premises	(23)	(18)	-	-
Motor vehicles	-	(133)	-	-
Research and development expenses	(41)	(45)	-	-
Loss on disposal of property, plant and equipment	(33)	(4)	-	-
Loss on lease termination	(2)	-	-	-
Preliminary expenses	(2)	-	-	-

Included in raw materials and consumables used are subsidies received and receivable from the Government by a subsidiary company under the Cooking Oil Price Stabilization Scheme and Cooking Oil Price Control Mechanism Program amounting to RM34,773,225 (2020: RM7,151,430) and RM5,049,342 (2020: Nil) respectively.

Included in employee benefit expenses and directors' remuneration are the following:

	The Group	
	2021	2020
	RM'000	RM'000
Contributions to the EPF:		
Employee benefit expenses	8,091	8,034
Directors' remuneration	647	722

The estimated monetary value of benefits-in-kind received and receivable by the directors other than in cash from the Group amounted to RM62,559 (2020: RM72,333).

8. FINANCE COSTS

	The Group		The Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Interest on:				
Bankers' acceptances	2,058	2,680	-	-
Term loans	1,401	1,412	-	-
Revolving credits	397	671	3	32
Bank overdrafts	144	257	-	-
Hire-purchase	81	159	-	-
Lease liabilities	85	122	5	-
Overdue accounts	43	-	-	-
Bank charges and commitment fees	519	454	18	11
	4,728	5,755	26	43

9. TAX EXPENSE

	The Group	
	2021 RM'000	2020 RM'000
Income tax:		
Current year:		
Malaysian	10,003	9,096
Foreign	337	269
	10,340	9,365
Prior year:		
Malaysian	(150)	165
Tax discharged	(16)	-
Foreign	-	(4)
	(166)	161
	10,174	9,526
Deferred tax (Note 30):		
Relating to origination and reversal of temporary differences	385	1,372
Relating to investment properties	-	7
Non-current assets classified as held for sale	-	(129)
Prior years	644	(336)
	1,029	914
Real Property Gains Tax	-	140
	11,203	10,580

The Group's and the Company's income tax rate remained at 24% for the year of assessment 2021 (2020: 24%).

(Forward)

The total tax expense for the year can be reconciled to the accounting profit as follows:

	The Group		The Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Profit before tax	54,247	49,061	31,569	17,093
Tax at the applicable statutory income tax rate of 24% (2020: 24%)	13,019	11,775	7,576	4,102
Tax effects of:				
Expenses that are not deductible in determining taxable profit	1,687	1,513	200	199
Current year unabsorbed capital allowances and unutilised tax losses not recognised as deferred tax assets during the year	1,150	975	-	-
Loss not available for offset against future taxable profit	2	1	-	-
Share of profit of an associated company	(1,825)	(2,618)	-	-
Share of profit of an Joint venture	(169)	-		
Utilisation of tax losses previously not recognised	(1,909)	-	-	-
Income that is not taxable in determining taxable profit	(564)	(503)	(7,776)	(4,301)
Reinvestment allowance recognised as deferred tax assets	(438)	-	-	-
Effect of difference in tax rate of a subsidiary company operating in other jurisdiction	(166)	(269)	-	-
Non-current assets classified as held for sale	-	(129)	-	-
Revenue expenses capitalised	(35)	(78)	-	-
Reinvestment allowances claimed and utilised	(42)	(42)	-	-
Effect of changes in tax rate on investment properties	-	(9)	-	-
Double deduction of expenses in determining taxable profit	(1)	(1)	-	-
Real Property Gains Tax	-	140	-	-
Prior years:				
Income tax	(150)	161	-	-
Deferred tax	644	(336)	-	-
Tax expense recognised in the statements of profit or loss	11,203	10,580	-	-

(Forward)

As of December 31, 2021, the Company has tax-exempt accounts of approximately RM37,216,590 (2020: RM37,216,590). The tax-exempt accounts arose from income exempted under Section 37(1) of the Promotion of Investment Act, 1986, income exempted under Para. 3 Schedule 7A of the Income Tax Act, 1967, dividend income exempted under Para. 5(3) Schedule 7A of the Income Tax Act, 1967, and dividend income exempted under Section 12 of the Income Tax (Amendment) Act, 1999. The tax-exempt accounts are available for distribution as tax-exempt dividends to the shareholders of the Company.

As of December 31, 2021, certain subsidiary companies have tax-exempt accounts balances of approximately RM5,694,167 (2020: RM9,184,073). The tax-exempt accounts arose from reinvestment allowances claimed and utilised under Schedule 7A of the Income Tax Act, 1967 and chargeable income waived in 1999 in accordance with the Income Tax (Amendment) Act, 1999. The tax-exempt accounts are available for distribution as tax-exempt dividends to the Company.

As of December 31, 2021, certain subsidiary companies also have unabsorbed capital allowances and unutilised tax losses, and unabsorbed reinvestment allowances of approximately RM65,295,000 (2020: RM72,373,000) and RM1,825,000 (2020: RM8,995,000) respectively that are available for offset against future taxable profits. Deferred tax assets at the applicable tax rate of approximately RM3,281,000 (2020: RM4,225,000) and RM438,000 (2020: Nil) have been recognised in respect of the unabsorbed capital allowances and unutilised tax losses; and unabsorbed reinvestment allowances by way of offset against taxable temporary differences arising from property, plant and equipment.

The unutilised tax losses and unabsorbed reinvestment allowances will be disregarded by the following years of assessment:

	The Group	
	2021	**2020**
	RM'000	**RM'000**
Unutilised tax losses:		
2025	1,035	507
2026	36,596	39,862
2027	4,058	4,152
2028	3,108	2,390
2029	3,600	-
	48,397	46,911

	The Group	
	2021	**2020**
	RM'000	**RM'000**
Unabsorbed reinvestment allowances:		
2025	1,825	8,995

Current tax assets and liabilities

	The Group		The Company	
	2021	**2020**	**2021**	**2020**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Current tax assets				
Tax refund receivables	5,939	4,602	178	176
Current tax liabilities				
Income tax payables	1,275	117	-	-

In 2020, the current tax assets transferred to non-current assets classified as held for sale amounted to RM412,807 (Note 24).

10. PROPERTY, PLANT AND EQUIPMENT

The Group
2021

	← Cost →								
	At beginning of year RM'000	**Additions RM'000**	**Disposals RM'000**	**Write offs RM'000**	**Currency translation reserve RM'000**	**Transferred to non-current assets classified as held for sale RM'000 (Note 24)**	**Reclassification RM'000**	**Reversal RM'000**	**At end of year RM'000**
Freehold land	137,879	-	-	-	-	-	(11,868)	-	126,011
Long-term leasehold land and improvements	108,819	25,068	-	-	-	-	29,502	-	163,389
Short-term leasehold land and improvements	40,083	2,694	-	-	255	-	(17,634)	-	25,398
Buildings	115,039	3,778	-	(120)	544	-	3,860	(445)*	122,656
Electricity and water supply system	1,077	6	-	-	-	-	-	-	1,083
Plant and machinery	159,381	2,844	(517)	(10,406)	1,062	-	399	-	152,763
Motor vehicles	24,597	1,244	(1,153)	-	58	-	3,866	-	28,612
Motor vehicles under hire-purchase	5,806	92	-	-	-	-	(3,866)	-	2,032
Furniture, fixtures and equipment	26,222	1,721	(96)	(1,571)	49	-	11	-	26,336
Infrastructure development	10,699	-	-	-	-	-	210	-	10,909
Bearer plants - immature	1,019	126	-	(5)	-	-	(265)	-	875
Bearer plants - mature	12,715	-	-	-	-	-	265	-	12,980
Renovations	4,354	265	-	(18)	7	-	670	-	5,278
Capital work-in-progress	12,296	4,627	-	(17)	208	-	(5,150)	-	11,964
Total	659,986	42,465	(1,766)	(12,137)	2,183	-	-	(445)	690,286

* During the year, the building cost was reversed against accrued expenses due to discount given by constructor.

(Forward)

The Group 2021	Accumulated depreciation								Accumulated impairment loss		
	At beginning of year RM'000	Charge for the year RM'000	Disposals RM'000	Write offs RM'000	Currency translation reserve RM'000	Transferred to non-current assets classified as held for sale RM'000 (Note 24)	Reclassification RM'000	At end of year RM'000	At beginning of year RM'000	Disposals RM'000	At end of year RM'000
Freehold land	-	-	-	-	-	-	-	-	345	-	345
Long-term leasehold land and improvements	8,456	1,954	-	-	-	-	209	10,619	-	-	-
Short-term leasehold land and improvements	3,423	969	-	-	62	-	(209)	4,245	-	-	-
Buildings	10,780	2,707	-	(13)	114	-	-	13,588	361	-	361
Electricity and water supply system	598	56	-	-	-	-	-	654	-	-	-
Plant and machinery	107,103	5,600	(388)	(9,246)	616	-	-	103,685	-	-	-
Motor vehicles	18,723	731	(979)	-	33	-	2,705	21,213	-	-	-
Motor vehicles under hire-purchase	2,103	1,361	-	-	-	-	(2,705)	759	-	-	-
Furniture, fixtures and equipment	12,692	1,668	(71)	(1,192)	24	-	-	13,121	-	-	-
Infrastructure development	1,822	889	-	-	-	-	-	2,711	-	-	-
Bearer plants - immature	-	-	-	-	-	-	-	-	-	-	-
Bearer plants - mature	7,940	362	-	-	-	-	-	8,302	-	-	-
Renovations	2,051	323	-	(15)	6	-	-	2,365	-	-	-
Capital work-in-progress	-	-	-	-	-	-	-	-	-	-	-
Total	175,691	16,620	(1,438)	(10,466)	855	-	-	181,262	706	-	706

(Forward)

The Group
2020

	Cost							
	At beginning of year RM'000	**Additions RM'000**	**Disposals RM'000**	**Write offs RM'000**	**Currency translation reserve RM'000**	**Transferred to non-current assets classified as held for sale RM'000 (Note 24)**	**Reclassification RM'000**	**At end of year RM'000**
Freehold land	126,011	11,868	-	-	-	-	-	137,879
Long-term leasehold land and improvements	111,319	-	-	-	-	(2,500)	-	108,819
Short-term leasehold land and improvements	21,458	18,699	-	-	(74)	-	-	40,083
Buildings	108,434	1,812	-	-	(166)	(4,516)	9,475	115,039
Electricity and water supply system	1,149	26	-	-	-	(98)	-	1,077
Plant and machinery	174,070	1,499	(65)	(602)	(298)	(15,831)	608	159,381
Motor vehicles	23,784	207	(868)	(113)	(17)	(530)	2,134	24,597
Motor vehicles under hire-purchase	6,838	1,304	-	-	-	-	(2,336)	5,806
Furniture, fixtures and equipment	27,377	1,486	(61)	(1,281)	(14)	(1,201)	(84)	26,222
Infrastructure development	9,308	309	-	-	-	-	1,082	10,699
Bearer plants - immature	635	128	-	(1)	-	-	257	1,019
Bearer plants - mature	12,971	1	-	-	-	-	(257)	12,715
Renovations	4,177	191	-	(14)	-	-	-	4,354
Capital work-in-progress	8,447	14,730	-	(2)	-	-	(10,879)	12,296
Total	635,978	52,260	(994)	(2,013)	(569)	(24,676)	-	659,986

(Forward)

The Group
2020

	Accumulated depreciation								Accumulated impairment loss		
	At beginning of year RM'000	**Charge for the year RM'000**	**Disposals RM'000**	**Write offs RM'000**	**Currency translation reserve RM'000**	**Transferred to non-current assets classified as held for sale RM'000 (Note 24)**	**Reclassification RM'000**	**At end of year RM'000**	**At beginning of year RM'000**	**Disposals RM'000**	**At end of year RM'000**
Freehold land	-	-	-	-	-	-	-	-	345	-	345
Long-term leasehold land and improvements	6,931	1,640	-	-	-	(212)	97	8,456	-	-	-
Short-term leasehold land and improvements	2,606	937	-	-	(23)	-	(97)	3,423	-	-	-
Buildings	8,706	2,550	-	-	(46)	(430)	-	10,780	361	-	361
Electricity and water supply system	618	62	-	-	-	(82)	-	598	-	-	-
Plant and machinery	112,038	6,633	(54)	(544)	(204)	(10,823)	57	107,103	-	-	-
Motor vehicles	17,599	1,351	(795)	(89)	(11)	(453)	1,121	18,723	-	-	-
Motor vehicles under hire-purchase	2,219	1,066	-	-	-	-	(1,182)	2,103	-	-	-
Furniture, fixtures and equipment	12,764	1,691	(38)	(1,024)	(9)	(696)	4	12,692	-	-	-
Infrastructure development	930	892	-	-	-	-	-	1,822	-	-	-
Bearer plants - immature	-	-	-	-	-	-	-	-	-	-	-
Bearer plants - mature	7,585	355	-	-	-	-	-	7,940	-	-	-
Renovations	1,810	253	-	(12)	-	-	-	2,051	-	-	-
Capital work-in-progress	-	-	-	-	-	-	-	-	-	-	-
Total	173,806	17,430	(887)	(1,669)	(293)	(12,696)	-	175,691	706	-	706

(Forward)

The Group	Carrying amounts 2021 RM'000	2020 RM'000
Freehold land, at cost	125,666	137,534
Long-term leasehold land and improvements	152,770	100,363
Short-term leasehold land and improvements	21,153	36,660
Buildings, at cost	108,707	103,898
Electricity and water supply system	429	479
Plant and machinery	49,078	52,278
Motor vehicles	7,399	5,874
Motor vehicles under hire-purchase	1,273	3,703
Furniture, fixtures and equipment	13,215	13,530
Infrastructure development	8,198	8,877
Bearer plants - immature	875	1,019
Bearer plants - mature	4,678	4,775
Renovations	2,913	2,303
Capital work-in-progress	11,964	12,296
Total	508,318	483,589

11. RIGHT-OF-USE ASSETS

The Group	Warehouse RM'000	Office RM'000	Forklift RM'000	Shoplot and parking space RM'000	Hostel RM'000	Total RM'000
Cost						
As of January 1, 2020	1,607	559	115	85	805	3,171
Additions	881	12	-	-	47	940
Written off	-	(20)	-	-	-	(20)
Reversal due to expiry of lease	(562)	(8)	-	-	(49)	(619)
Lease modification	639	-	-	-	93	732
Transferred to non-current assets classified as held for sale (Note 24)	-	-	-	-	(49)	(49)
Reclassification	410	-	-	-	(410)	-
As of December 31, 2020	2,975	543	115	85	437	4,155
Additions	268	383	45	-	42	738
Written off	-	-	-	-	(4)	(4)
Reversal due to expiry of lease	(1,748)	(43)	-	-	(261)	(2,052)
Lease modification	-	-	-	-	33	33
Termination	-	-	-	(65)	-	(65)
As of December 31, 2021	1,495	883	160	20	247	2,805

(Forward)

The Group	Warehouse RM'000	Office RM'000	Forklift RM'000	Shoplot and parking space RM'000	Hostel RM'000	Total RM'000
Accumulated depreciation						
As of January 1, 2020	897	222	45	24	573	1,761
Charge during the year	890	222	45	19	201	1,377
Reversal due to expiry of lease	(562)	(8)	-	-	(49)	(619)
Transferred to non-current assets classified as held for sale (Note 24)	-	-	-	-	(45)	(45)
Reclassification	379	-	-	-	(379)	-
As of December 31, 2020	1,604	436	90	43	301	2,474
Charge during the year	1,087	213	45	14	155	1,514
Reversal due to expiry of lease	(1,748)	(43)	-	-	(261)	(2,052)
Termination	-	-	-	(40)	-	(40)
As of December 31, 2021	943	606	135	17	195	1,896
Carrying amount						
As of December 31, 2021	552	277	25	3	52	909
As of December 31, 2020	1,371	107	25	42	136	1,681

The Company	Office RM'000
Cost	
As of December 31, 2020/January 1, 2021	-
Additions	171
As of December 31, 2021	171
Accumulated depreciation	
As of December 31, 2020/January 1, 2021	-
Charge during the year	57
As of December 31, 2021	57
Carrying amount	
As of December 31, 2021	114
As of December 31, 2020	-

(Forward)

The average lease terms of the right-of-use assets of the Group and of the Company ranges from 2 to 4 years (2020: 2 to 4 years) and 3 years (2020: Nil) respectively. The maturity analysis of lease liabilities is presented in Note 29.

	The Group		The Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Amounts recognised in the statements of profit or loss				
Depreciation expense on right-of-use assets	1,514	1,377	57	-
Interest expense on lease liabilities	85	122	5	-
Expense relating to short-term leases	141	239	-	-
Gain on lease modification	(1)	-	-	-
Loss on lease termination	2	-	-	-

The total cash outflows from leases of the Group and of the Company amounted to RM1,624,080 (2020: RM1,474,241) and RM60,000 (2020: Nil) respectively.

12. INVESTMENT PROPERTIES

The Group 2021	**At beginning of year RM'000**	**Additions RM'000**	**Changes in fair value RM'000**	**Reclassification RM'000**	**Transferred to non-current assets classified as held for sale (Note 24) RM'000**	**At end of year RM'000**
At fair value:						
Freehold land	1,905	-	-	-	-	1,905
Long-term leasehold land	-	-	-	560	(560)	-
Short-term leasehold land	1,059	-	-	(560)	-	499
Buildings	4,006	-	-	-	(440)	3,566
As of December 31, 2021	6,970	-	-	-	(1,000)	5,970

The Group 2020	**At beginning of year RM'000**	**Additions RM'000**	**Changes in fair value RM'000**	**Reclassification RM'000**	**Transferred to non-current assets classified as held for sale (Note 24) RM'000**	**At end of year RM'000**
At fair value:						
Freehold land	1,905	-	-	-	-	1,905
Long-term leasehold land	-	-	-	-	-	-
Short-term leasehold land	753	53	253	-	-	1,059
Buildings	4,193	-	(187)	-	-	4,006
As of December 31, 2020	6,851	53	66	-	-	6,970

The fair values of investment properties of certain subsidiary companies of the Group were revalued by the director in 2019 based on valuations carried out by independent qualified valuers, who have the appropriate qualification and recent experience in the fair value measurement of properties in the relevant location.

The fair values of the investment properties were determined based on the market comparable approach that reflects recent transacted prices for similar properties. In estimating the fair values of the properties, the most significant input is the price per square foot of comparable properties.

During the financial year ended December 31, 2021, direct operating expenses incurred relating to the investment properties of the Group amounted to RM18,192 (2020: RM16,112).

(Forward)

Details of the Group's investment properties and information about the fair value hierarchy as of December 31, 2021 and December 31, 2020 are as follows:

The Group	Fair Value		
2021	**Level 1 RM'000**	**Level 2 RM'000**	**Level 3 RM'000**
Freehold land	-	1,905	-
Short-term leasehold land	-	499	-
Buildings	-	3,566	-
	-	5,970	-
The Group 2020			
Freehold land	-	1,905	-
Short-term leasehold land	-	1,059	-
Buildings	-	4,006	-
	-	6,970	-

There were no transfers between Levels 1 and 2 during the year.

13. INVESTMENTS IN SUBSIDIARY COMPANIES

The Company	**2021 RM'000**	**2020 RM'000**
Unquoted shares - at deemed cost	452,328	460,462
Add: Addition	2,000	-
Less: Transfer to assets classified as held for sale (Note 24)	-	(8,134)
	454,328	452,328

The subsidiary companies are as follows:

Name of Company	**Place of Incorporation**	**Proportion of ownership interest and voting power held by the Group 2021 %**	**2020 %**	**Principal Activities**
Direct Subsidiary Companies				
Yee Lee Trading Co Sdn Bhd	Malaysia	100.00	100.00	Marketing and distribution of edible oils and other consumer products.
Yee Lee Palm Oil Industries Sdn Bhd	Malaysia	100.00	100.00	Milling and selling of crude palm oil and kernel.
Yee Lee Edible Oils Sdn Bhd	Malaysia	100.00	100.00	Manufacturing of cooking oil, margarine and shortening and trading of consumer products.
SEA Paper Industries Sdn Bhd*	Malaysia	-	100.00	Manufacturing and selling of corrugated paper cartons.

(Forward)

Name of Company	Place of Incorporation	Proportion of ownership interest and voting power held by the Group 2021 %	2020 %	Principal Activities
Canpac Sdn Bhd	Malaysia	100.00	100.00	Manufacturing and trading of general line tin cans.
Intanwasa Sdn Bhd	Malaysia	100.00	100.00	Investment holding.
Yee Lee Marketing Sdn Bhd	Malaysia	100.00	100.00	Marketing, distribution and trading of consumer products.
Sementra Resort Sdn Bhd	Malaysia	100.00	100.00	Resort and tourist attraction management, selling and reselling of tourism products, package and services.
YL Brands Sdn Bhd^	Malaysia	100.00	-	Marketing and distribution of edible oils and other consumer products.
Indirect Subsidiary Companies				
Held through Yee Lee Trading Co Sdn Bhd				
Mini Motors Sdn Bhd	Malaysia	100.00	100.00	Investment holding.
Held through Yee Lee Palm Oil Industries Sdn Bhd				
Sementra Plantations Sdn Bhd	Malaysia	100.00	100.00	Oil palm cultivation.
Held through Canpac Sdn Bhd				
Canpac Vietnam Pte Ltd#	Vietnam	100.00	100.00	Manufacturing and trading of general line tin cans.
Held through Intanwasa Sdn Bhd				
Desa Tea Sdn Bhd	Malaysia	100.00	100.00	Planting, processing and distribution of tea.
Sabah Tea Sdn Bhd	Malaysia	100.00	100.00	Oil palm cultivation.
Sabah Tea Resort Sdn Bhd	Malaysia	100.00	100.00	Tourism related services including providing accommodation.

* Ceased to be a subsidiary company of the Company with effective from March 1, 2021.

^ On March 30, 2021, the Company acquired 2 issued and fully-paid shares in YL Brands Sdn Bhd ("YLB") representing 100% equity interests in YL Brands Sdn Bhd. On December 29, 2021, the Company subscribed for 1,999,998 new ordinary shares in the share capital of YLB by way of part settlement of book debts owing to the Company. The effective equity interest of the Company in YLB remained at 100%.

\# The financial statements of this company are examined by a member firm of the auditors of the Company.

Composition of the Group

Information about composition of the Group at the end of the reporting period is as follows:

Principal activity	Place of incorporation and operation	Number of wholly-owned subsidiary companies 2021	2020
Marketing and distribution of edible oils and other consumer products	Malaysia	3	2
Oil palm cultivation, milling and selling of crude palm oil and kernel	Malaysia	3	3
Manufacturing of cooking oil, margarine and shortening and trading of consumer products	Malaysia	1	1
Manufacturing and selling of corrugated paper cartons and general line tin cans	Malaysia	1	2
	Vietnam	1	1
Investment holding	Malaysia	2	2
Planting, processing and distribution of tea	Malaysia	1	1
Tourism related services	Malaysia	2	2
		14	14

14. INVESTMENT IN AN ASSOCIATED COMPANY

	The Group 2021 RM'000	The Group 2020 RM'000	The Company 2021 RM'000	The Company 2020 RM'000
Quoted shares, at cost	71,920	68,199	71,920	68,199
Share of post-acquisition results, net of dividends received	69,798	65,100	-	-
Share of post-acquisition reserves	17,878	16,597	-	-
	87,676	81,697	-	-
	159,596	149,896	71,920	68,199
Market value of: Quoted shares	138,276	127,438	138,276	127,438

The interests in the associated company of the Group is analysed as follows:

	The Group 2021 RM'000	The Group 2020 RM'000
Share of net assets	145,121	135,421
Goodwill on acquisition	14,475	14,475
	159,596	149,896

(Forward)

The associated company of the Group is as follows:

Name of Company	Place of Incorporation	Proportion of ownership interest 2021 %	Proportion of ownership interest 2020 %	Principal Activity	Financial Year End
Spritzer Bhd	Malaysia	31.36	30.50	Investment holding.	December 31

Summarised financial information in respect of the associated company of the Group is set out below:

	The Group 2021 RM'000	The Group 2020 RM'000
Current assets	234,920	191,224
Non-current assets	323,027	325,325
Current liabilities	74,127	54,816
Non-current liabilities	21,070	17,730
Revenue	331,026	308,450
Profit for the year	24,239	35,660
Other comprehensive loss	(246)	(145)
Total comprehensive income for the year	23,993	35,515
Dividends received from the associated company	2,908	2,860

A reconciliation of the above summarised financial information to the carrying amount of the interests in Spritzer Bhd recognised in the consolidated financial statements is as follows:

	The Group 2021 RM'000	The Group 2020 RM'000
Net assets of the associated company	462,750	444,003
Proportion of the Group's ownership interest in Spritzer Bhd*	31.36%	30.50%
	145,121	135,421
Other adjustments:		
Goodwill on acquisition	14,475	14,475
Carrying amount of the Group's interests in Spritzer Bhd	159,596	149,896

* Rounded to nearest 2 decimal point.

15. INVESTMENT IN A JOINT VENTURE

Details of the Group's joint venture at the end of the reporting period is as follows:

Name of joint venture	Place of incorporation and principal place of business	Proportion of ownership interest and voting rights held by the Group 2021 %	2020 %	Principal Activity
YLTC Sdn Bhd	Malaysia	60.00	60.00	Trading, distribution and logistics of consumer products.

The above joint venture is accounted for using the equity method in these consolidated financial statements.

Summarised financial information in respect of the Group's joint venture is set out below.

YLTC Sdn Bhd

	The Group 2021 RM'000	2020 RM'000
Current assets	25,237	20,614
Non-current assets	571	418
Current liabilities	23,627	20,060
Non-current liabilities	88	53
Revenue	92,136	93,355
Profit for the year	1,176	397
Total comprehensive income for the year	1,176	397

A reconciliation of the above summarised financial information to the carrying amount of the interest in the joint venture recognised in the consolidated financial statements is as follows:

	The Group 2021 RM'000	2020 RM'000
Net assets of the joint venture	2,093	919
Proportion of the Group's ownership interests in YLTC Sdn Bhd	60%	60%
Carrying amount of the Group's interests in YLTC Sdn Bhd	1,256	551

Carrying amount of the Group's interests in the joint venture, had the equity method of accounting been applied.

	The Group 2021 RM'000	2020 RM'000
Represented by:		
Investment cost in joint venture	600	600
Share of post-acquisition profit/(losses)	656	(49)
	1,256	551

16. OTHER INVESTMENTS

	The Group 2021 RM'000	The Group 2020 RM'000
Non-current assets		
Investments in equity instruments designated as at FVTOCI:		
Shares quoted in Malaysia	46	33
Warrants quoted in Malaysia	-	1
	46	34
Investments in equity instruments designated as at FVTOCI:		
At beginning of year	34	27
Net fair value gain	12	7
At end of year	46	34

	The Group 2021 RM'000	The Group 2020 RM'000	The Company 2021 RM'000	The Company 2020 RM'000
Current assets				
Investments measured at FVTPL:				
Money market fund	2,783	10,484	2,516	-
Investments measured at FVTPL:				
At beginning of year	10,484	22,061	-	-
Additions	58,000	9,304	8,500	-
Net fair value gain	-	4	-	-
Dividend income	164	99	21	-
Redemption	(65,865)	(20,984)	(6,005)	-
At end of year	2,783	10,484	2,516	-

The market values of the quoted shares, warrants and money market fund as of the end of the reporting period approximate their fair values.

17. GOODWILL ON CONSOLIDATION

	The Group 2021 RM'000	The Group 2020 RM'000
At beginning of year and at end of year	1,612	1,612

Impairment tests for cash-generating units ("CGU") containing goodwill

Carrying amount of goodwill is allocated to the following CGU:

	The Group 2021 RM'000	The Group 2020 RM'000
Canpac Sdn Bhd (manufacturing operations)	1,612	1,612

(Forward)

The recoverable amount of the CGU is determined based on value-in-use calculations. These calculations use cash flow projections based on a financial forecast, approved by management, covering a period of five years from financial year 2022 to 2026. The following key assumptions are used to generate the financial forecast:

	Year 2022	Year 2023 - 2026
Growth rate	2.00% per annum	6.00% per annum
Discount rate	8.32% per annum	8.32% per annum

Receivables and payables turnover periods are estimated to be consistent with the current financial year.

The above key assumptions were determined based on past business performance and management's expectations of market development.

18. BIOLOGICAL ASSETS

The Group 2021	**Unharvested tea leaves RM'000**	**Fresh fruit bunches RM'000**	**Total RM'000**
At the beginning of year	-	778	778
Changes in fair value less costs to sell	-	3,640	3,640
Decrease in fair value due to harvesting	-	(2,589)	(2,589)
	-	1,829	1,829

The Group 2020	**Unharvested tea leaves RM'000**	**Fresh fruit bunches RM'000**	**Total RM'000**
At the beginning of year	11	380	391
Changes in fair value less costs to sell	(11)	1,742	1,731
Decrease in fair value due to harvesting	-	(1,344)	(1,344)
	-	778	778

Measurement of Fair Values of Biological Assets

(a) FFBs

To arrive at the fair values, management of the Group has considered the productivity measure as a basis to estimate the quantity of fruits growing on trees. FFBs typically take 6 months to grow up to maturity for harvesting. The FFBs on a tree are formed continuously ranging from one month to six months. Thus, the average age attribute of all the FFBs on trees at any point in time, assuming a 6-month cycle, is 3 months. The yield per acre by planting area are determined by reference to past experience of harvested FFBs. The estimated quantity of fruits growing on trees will be determined by assuming a six-month transformation cycle and the average age of fruits growing on trees is three months. The estimated fair value of FFBs on trees will be determined using current market price with risk adjustment in the estimated quantities for the effects of adverse weather conditions, diseases, crop failure and other inherent operational risks ranging from 5% to 36% (2020: 10% to 26%).

(Forward)

(b) Unharvested tea leaves

The fair values of the Group's unharvested tea leaves have been measured using selling prices of tea leaves less costs of harvesting and transport. To arrive at the fair values, the Group has also considered the average historical productivity measure as a basis to estimate the quantity of tea leaves growing on tea bushes at any point in time. The average harvest cycle of tea leaves has been determined to be 30 days.

19. INVENTORIES

	The Group	
	2021	**2020**
	RM'000	**RM'000**
At cost:		
Finished goods and trading merchandise	67,782	61,848
Raw materials	74,112	27,876
Work-in-progress	15,019	15,418
Factory supplies and consumables	2,668	2,855
Goods-in-transit	3,426	616
Fertilisers	101	1
	163,108	108,614
At net realisable value:		
Finished goods	144	150
	163,252	108,764

In 2020, inventories transferred to non-current assets classified as held for sale amounted to RM3,806,731 (Note 24).

The cost of inventories recognised as an expense during the year for the Group was RM1,002,853,538 (2020: RM1,123,624,828).

Inventories written off recognised as an expense for the Group during the financial year amounted to RM1,744,298 (2020: RM1,994,233).

Inventories written down by the Group amounted to Nil (2020: RM50,934).

20. TRADE AND OTHER RECEIVABLES

	The Group		The Company	
	2021	**2020**	**2021**	**2020**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Trade receivables	186,871	167,857	-	-
Less: Loss allowances	(1,125)	(684)	-	-
	185,746	167,173	-	-
Amount owing by subsidiary companies (Note 21)	-	-	37,466	34,739
Amount owing by other related companies (Note 21)	2,956	4,992	-	-
Amount owing by other related parties (Note 21)	1,226	314	-	-
Amount owing by a joint venture (Note 21)	3,600	4,620	-	-
Other receivables	23,240	21,591	-	3
Net	216,768	198,690	37,466	34,742

(Forward)

In 2020, trade and other receivables transferred to non-current assets classified as held for sale amounted to RM4,205,926 (Note 24).

Trade receivables of the Group comprise amounts receivable for the sale of goods and for tourism related services rendered.

The credit periods granted on sale of goods ranged from cash to 135 days (2020: cash to 120 days) whilst the credit periods for tourism related services rendered ranged from 30 to 90 days (2020: 30 to 90 days). No interest was charged on overdue outstanding trade receivables.

The Group	**Amount owing by other related companies**		**Amount owing by other related parties**	
	2021 RM'000	**2020 RM'000**	**2021 RM'000**	**2020 RM'000**
Trade account	2,755	4,960	414	67
Current account	201	32	812	247
	2,956	4,992	1,226	314

Trade account comprises amounts receivable for sale of goods. The credit periods granted by the Group for sale of goods range from cash to 180 days (2020: cash to 120 days). No interest was charged on overdue outstanding balances. Current accounts of amount owing by other related companies and other related parties comprise mainly outstanding professional and transportation fees.

The Group does not hold any collateral over balances which are past due nor does it have a legal right to offset against any amounts owed by the Group to the counterparty.

The Group seeks to maintain strict control over its outstanding trade receivables and has a credit period policy to minimise credit risk. Overdue balances are reviewed regularly by management and there has not been a significant change in credit quality and the amounts are still considered recoverable.

Other receivables of the Group comprise mainly subsidies receivable from the Government by a subsidiary company under the Cooking Oil Price Stabilisation Scheme, claims receivable from suppliers for promotion expenses incurred and advance payments to suppliers for trade purchases.

Other receivables of the Group also include Goods and Services Tax and Sales and Services Tax receivable amounting to RM12,858 (2020: RM51,126) and Nil (2020: RM47) respectively.

Transactions with related parties are disclosed in Note 21.

Analysis of currency profile of trade and other receivables is as follows:

	The Group		**The Company**	
	2021 RM'000	**2020 RM'000**	**2021 RM'000**	**2020 RM'000**
Ringgit Malaysia	190,844	179,457	37,466	34,742
Vietnamese Dong	17,651	11,237	-	-
Australian Dollar	1,899	5,450	-	-
United States Dollar	6,192	2,404	-	-
Singapore Dollar	182	142	-	-
	216,768	198,690	37,466	34,742

(Forward)

The Group and the Company measure the loss allowance for trade receivables and amounts owing by related companies and amount owing by other related parties at an amount equal to lifetime ECL. The ECL on trade receivables and trade amounts owing by other related companies and related parties (trade) 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 debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the end of the reporting period.

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

The Group writes off a trade receivable and trade amounts owing by related companies and related parties (trade) when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or when the trade receivables and trade amounts owing by related companies and related parties are over one year past due, whichever occurs earlier. None of the amounts that have been written off is subject to enforcement activities.

The following table details the risk profile of trade receivables and amounts owing by related companies and related parties based on the Group's provision matrix. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished between the Group's different customer base.

2021				**Trade receivables - days past due**			
	Not past due RM'000	**1 - 30 RM'000**	**31 - 60 RM'000**	**61 - 90 RM'000**	**91 - 120 RM'000**	**>120 RM'000**	**Total RM'000**
Estimated credit loss rate	0.05%	0.55%	1.33%	7.56%	12.94%	11.08%	
Estimated total gross carrying amount at default	142,946	31,002	8,700	659	268	3,296	186,871
Lifetime ECL	(16)	(170)	(116)	(50)	(35)	(365)	(752)
Impairment losses	-	(25)	(2)	(2)	(41)	(303)	(373)
							185,746

2021				**Amount owing by other related companies and related parties - days past due**			
	Not past due RM'000	**1 - 30 RM'000**	**31 - 60 RM'000**	**61 - 90 RM'000**	**91 - 120 RM'000**	**>120 RM'000**	**Total RM'000**
Estimated credit loss rate	-	-	-	-	-	-	
Estimated total gross carrying amount at default	396	-	18	-	-	2,755	3,169
Lifetime ECL	-	-	-	-	-	-	-
							3,169

(Forward)

2020	**Trade receivables - days past due**						
	Not past due RM'000	**1 - 30 RM'000**	**31 - 60 RM'000**	**61 - 90 RM'000**	**91 - 120 RM'000**	**>120 RM'000**	**Total RM'000**
Estimated credit loss rate	-	0.30%	0.81%	3.84%	5.56%	8.19%	
Estimated total gross carrying amount at default	132,892	24,409	7,136	1,335	839	1,246	167,857
Lifetime ECL	-	(73)	(58)	(50)	(47)	(102)	(330)
Impairment losses	-	(47)	(29)	(12)	(7)	(259)	(354)
							167,173

2020	**Amount owing by other related companies and related parties - days past due**						
	Not past due RM'000	**1 - 30 RM'000**	**31 - 60 RM'000**	**61 - 90 RM'000**	**91 - 120 RM'000**	**>120 RM'000**	**Total RM'000**
Estimated credit loss rate	-	-	-	-	-	-	
Estimated total gross carrying amount at default	2,102	298	69	81	-	2,477	5,027
Lifetime ECL	-	-	-	-	-	-	-
							5,027

Movements in loss allowances for trade receivables and trade amounts owing by related companies and related parties are as follows:

The Group	**Trade receivables**		**Amounts owing by related companies and related parties (trade)**	
	2021 RM'000	**2020 RM'000**	**2021 RM'000**	**2020 RM'000**
Balance at beginning of year	684	1,003	-	-
Amounts written off	(106)	(351)	-	-
Impairment losses (Note 7)	554	520	-	-
Credit losses - net (Note 7)	41	(370)	-	-
Amounts recovered (Note 7)	(58)	(116)	-	-
Translation reserve	10	(2)	-	-
Balance at end of year	1,125	684	-	-

There were no significant changes in loss allowances provided during the year. The composition of the receivables remained relatively consistent with no material change in credit periods and expected credit loss rates.

21. HOLDING COMPANIES AND RELATED PARTY TRANSACTIONS

During the financial year, the Company became a subsidiary company of Langit Makmur Sdn Bhd. The ultimate holding company of the Company is Yee Lee Organization Bhd. Both of these companies were incorporated in Malaysia.

Loan granted to a subsidiary company bore interest at a rate of 3.10% per annum (2020: Nil). The loan was fully settled during the year.

(Forward)

Other than as disclosed elsewhere in the financial statements, the related parties and their relationship with the Company and its subsidiary companies are as follows:

Names of related companies	Relationships
Yew Lee Chiong Tin Factory Sdn Bhd Practical Advanced Technology Sdn Bhd Yee Lee Oils & Foodstuffs (Singapore) Pte Ltd Multisafe Sdn Bhd	Subsidiary companies of Yee Lee Organization Bhd

Related party transactions

Transactions with related parties are as follows:

	The Group		The Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Ultimate holding company				
Rental paid	60	-	60	-
Subsidiary companies				
Dividends received (gross)	-	-	15,100	15,060
Advances received	-	-	8,418	10,080
Advances granted	-	-	4,727	4,665
Loan granted	-	-	3,000	-
Interest received	-	-	8	-
Purchase of goods	-	-	-	3
Acquisition of additional shares	-	-	2,000	-
Associated company				
Dividends received (gross)	-	-	2,908	2,860
Joint venture				
YLTC Sdn Bhd				
Sale of goods	1,931	1,623	-	-
Transportation fees received/receivable	166	-	-	-
Purchase of property, plant and equipment	-	11	-	-
Unloading fee paid/payable	1	2	-	-
Purchase of goods	1,982	-	-	-
Other related companies				
Yew Lee Chiong Tin Factory Sdn Bhd				
Sale of goods	883	4,412	-	-
Purchase of goods	52	79	-	-
Practical Advanced Technology Sdn Bhd				
Maintenance of networking systems, training and management services rendered	5,666	4,741	-	-
Rental received	70	50	-	-
Sale of goods	-	1	-	-
Purchase of property, plant and equipment	18	-	-	-

(Forward)

	The Group		The Company	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Other related companies				
Multisafe Sdn Bhd				
Sale of goods	390	1,313	-	-
Vehicle weighing fees received/receivable	34	35	-	-
Rental received	12	12	-	-
Professional fees received/receivable	1	8	-	-
Purchase of goods	59	-	-	-
Yee Lee Oils & Foodstuffs (Singapore) Pte Ltd				
Sale of goods	47	54	-	-
Transactions with other related parties being companies in which certain directors/persons connected with certain directors are directors and/or have substantial interests are as follows:				
Chuan Sin Sdn Bhd				
Purchase of goods	142,970	136,167	-	-
Sale of goods	189	2,143	-	-
Rental of premises received/ receivable	18	-	-	-
Professional fees received/receivable	11	20	-	-
Room charges paid	4	-	-	-
Transportation fees paid	-	2	-	-
Golden PET Industries Sdn Bhd				
Purchase of goods	8,258	7,630	-	-
Sale of goods	2	65	-	-
Professional fees received/receivable	18	21	-	-
Transportation fees received	13	7	-	-
Rework charges received/receivable	-	2	-	-
Angenet Sdn Bhd				
Purchase of goods	2,226	2,555	-	-
Professional fees received/receivable	-	8	-	-
Unikampar Credit And Leasing Sdn Bhd				
Hire-purchase loans obtained	176	1,057	-	-
Interest on hire-purchase loans paid	80	157	-	-
Sale of goods	1	-	-	-

(Forward)

	The Group 2021 RM'000	The Group 2020 RM'000	The Company 2021 RM'000	The Company 2020 RM'000
Transactions with other related parties being companies in which certain directors/persons connected with certain directors are directors and/or have substantial interests are as follows:				
Cactus Marketing Sdn Bhd				
Sale of goods	-	18	-	-
Sabah Tea Garden Sdn Bhd				
Sale of goods	106	104	-	-
Catering services	8	6	-	-
Chuan Sin Cactus Sdn Bhd				
Purchase of drinking water for staff	24	32	-	-
Rental received	-	2	-	-
Professional fees received/ receivable	8	-	-	-
Spritzer Resources Sdn Bhd				
Sale of goods	-	1	-	-
Spritzer EcoPark Sdn Bhd				
Sale of goods	3	10	-	-
Nova Liquids Sdn Bhd				
Provision of Palm Oil Mill Effluent treatment services	1,071	806	-	-
Multibase Systems Sdn Bhd				
Secretarial fees paid/payable	38	40	10	10
Sale of goods	-	1	-	-
Preliminary expenses	2	-	-	-
Uniyelee Service Agencies Sdn Bhd				
Handling charges paid/payable	13	11	-	-
Uniyelee Insurance Agencies Sdn Bhd				
Handling charges paid/payable	20	20	-	-
PET Master Sdn Bhd				
Sale of goods	-	5	-	-
Cranberry International Sdn Bhd				
Purchase of goods	-	9	-	-
Sale of goods	2	6	-	-
Uniyelee Risk Management Sdn Bhd				
Handling charges paid/payable	2	-	-	-

(Forward)

	The Group		The Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Spritzer (Guangzhou) Trading Limited				
Sale of goods	18	39	-	-

The outstanding balances arising from related party transactions are disclosed in Notes 20, 28 and 31.

The amounts owing by/(to) subsidiary companies, an associated company, a joint venture, other related companies, ultimate holding company and other related parties were unsecured, interest-free, repayable on demand and will be settled in cash.

Compensation of key management personnel

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel of the Group include members of senior management of the Group.

The remuneration of directors is disclosed in Note 7. The remuneration of other members of key management personnel of the Group during the year are as follows:

	The Group	
	2021 RM'000	2020 RM'000
Short-term employee benefits	1,966	1,878
Post-employment benefits - Defined contribution plan	202	180
	2,168	2,058

The estimated monetary value of benefits-in-kind received and receivable by the members of key management personnel other than in cash from the Group amounted to RM18,792 (2020: RM24,596).

22. OTHER ASSETS

	The Group		The Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Deposits	4,081	3,424	2	2
Prepaid expenses	4,537	7,359	2	2
	8,618	10,783	4	4

In 2020, other assets transferred to non-current assets classified as held for sale amounted to RM68,224 (Note 24).

23. DEPOSITS, CASH AND BANK BALANCES

	The Group		The Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Deposits with licensed banks	7,769	5,959	-	-
Cash on hand and at banks	50,403	39,710	100	280
	58,172	45,669	100	280

In 2020, cash and bank balances transferred to non-current assets classified as held for sale amounted to RM3,097,518 (Note 24).

The effective interest rates for deposits ranged from 0.70% to 1.85% (2020: 0.70% to 2.10%) per annum. The deposits have maturity periods ranging from 1 day to 365 days (2020: 1 day to 365 days).

Analysis of currency profile of deposits, cash and bank balances are as follows:

	The Group		The Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Ringgit Malaysia	51,371	39,181	100	280
Vietnamese Dong	4,481	3,509	-	-
Australian Dollar	21	814	-	-
United States Dollar	2,299	2,165	-	-
	58,172	45,669	100	280

24. NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE/LIABILITIES DIRECTLY ASSOCIATED WITH NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

Non-current assets classified as held for sale are as follows:

	The Group		The Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Property, plant and equipment (Note 10)	-	11,980	-	-
Rights-of-use assets (Note 11)	-	4	-	-
Investment properties (Note 12)	1,000	-	-	-
Investments in subsidiary companies (Note 13)	-	-	-	8,134
Inventories (Note 19)	-	3,807	-	-
Trade and other receivables (Note 20)	-	4,205	-	-
Other assets (Note 22)	-	68	-	-
Current tax assets (Note 9)	-	413	-	-
Cash and bank balances (Note 23)	-	3,098	-	-
	1,000	23,575	-	8,134

(Forward)

Liabilities directly associated with non-current assets classified as held for sale are as follows:

	The Group	
	2021 RM'000	2020 RM'000
Trade and other payables (Note 31)	-	1,692
Borrowings (Note 27)	-	2,184
Lease liabilities (Note 29)	-	4
Deferred tax liabilities (Note 30)	-	1,102
Other liabilities (Note 32)	-	497
	-	5,479

During the year, the directors resolved to dispose an investment property of the Group. The investment property, which is expected to be sold within 12 months, has been transferred to non-current assets classified as held for sale and presented separately in the statement of financial position. The proceeds of disposal are expected to substantially exceed the fair value of the investment property and accordingly no fair value loss has been recognised on the classification of the asset as held for sale.

During the financial year, the Group and the Company have entered into a sale and purchase agreement for the disposal of a subsidiary company, SEA Paper Industries Sdn Bhd (Note 13) for a total consideration of RM22,500,000. The Group's interests in the assets and liabilities of the subsidiary company and the carrying amount of the Company's investment in the subsidiary company in its separate financial statements had been reclassified to non-current assets classified as held for sale and liabilities directly associated with non-current assets classified as held for sale as of the end of the previous financial year.

25. SHARE CAPITAL

	The Group and The Company			
	2021 Number of ordinary shares '000	2020 Number of ordinary shares '000	2021 RM'000	2020 RM'000
Issued and fully paid:				
Ordinary shares:	191,604	191,604	108,400	108,400

26. RESERVES

	The Group		The Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Non-distributable reserves:				
Investment revaluation reserve	9	(3)	-	-
Translation reserve	1,456	(510)	-	-
Capital reserves	16,002	14,721	-	-
	17,467	14,208	-	-
Distributable reserve:				
Retained earnings	591,570	563,256	457,297	443,931
	609,037	577,464	457,297	443,931

(Forward)

(a) Investment revaluation reserve

The investment revaluation reserve of the Group arises from changes in fair values of investments designated as at FVTOCI.

(b) Translation reserve

Exchange differences relating to the translation from the functional currency of the foreign subsidiary company of the Group into Ringgit Malaysia are recognised directly in the consolidated statement of profit or loss and other comprehensive income and accumulated in the translation reserve.

(c) Capital reserves

Capital reserves relate to the share of reserves of the associated company.

(d) Retained earnings

The entire retained earnings of the Company as of December 31, 2021 is available for distribution as single-tier dividend to the shareholders of the Company.

27. BORROWINGS

	The Group		The Company	
	2021 RM'000	**2020 RM'000**	**2021 RM'000**	**2020 RM'000**
Unsecured:				
Bankers' acceptances	105,473	89,789	-	-
Term loans	64,554	42,125	-	-
Revolving credits	13,000	12,000	-	-
Bank overdrafts	438	2,985	-	-
Secured:				
Hire-purchase payables (Note 28)	641	1,643	-	-
	184,106	148,542	-	-
Less: Amount due within 12 months (shown under current liabilities)	(127,358)	(114,058)	-	-
Non-current portion	56,748	34,484	-	-

The non-current portion is repayable as follows:

	The Group		The Company	
	2021 RM'000	**2020 RM'000**	**2021 RM'000**	**2020 RM'000**
Financial years ending December 31:				
2022	-	6,917	-	-
2023	7,642	6,353	-	-
2024	9,614	6,956	-	-
2025	8,108	5,591	-	-
2026	7,425	5,198	-	-
2027 and above	23,959	3,469	-	-
	56,748	34,484	-	-

(Forward)

The Group has the following term loans:

(a) A seven (7) year term loan of RM6,200,000 (2020: RM6,200,000) which is repayable by 84 equal monthly instalments commencing June, 2015;

(b) A five (5) year term loan of RM1,540,000 (2020: RM1,540,000) which is repayable by 60 equal monthly instalments commencing June, 2016. The term loan was fully repaid during the year;

(c) A ten (10) year term loan of RM4,980,000 (2020: RM4,980,000) which is repayable by 120 equal monthly instalments commencing September, 2017;

(d) A ten (10) year term loan of RM3,800,000 (2020: RM3,800,000) which is repayable by 120 equal monthly instalments commencing October, 2017;

(e) An eleven (11) year term loan of RM12,000,000 (2020: RM12,000,000) which is repayable by 90 equal monthly instalments commencing October, 2019;

(f) A seven (7) year term loan of RM4,505,000 (2020: RM4,505,000) which is repayable by 84 equal monthly instalments commencing July, 2020;

(g) A seven (7) year term loan of RM12,300,000 (2020: RM12,300,000) which is repayable by 84 equal monthly instalments commencing April, 2020;

(h) A seven (7) year term loan of RM4,190,000 (2020: RM4,190,000) which is repayable by 84 equal monthly instalments commencing November, 2020;

(i) A seven (7) year term loan of RM2,000,000 (2020: RM2,000,000) which is repayable by 84 equal monthly instalments commencing October, 2020;

(j) A four (4) year term loan of RM6,641,000 (2020: RM6,641,000) which is repayable by 42 equal monthly instalments commencing April, 2021;

(k) A seven (7) year term loan of RM4,000,000 (2020: Nil) which is repayable by 84 equal monthly instalments commencing May, 2021; and

(l) A ten (10) year term loan of RM21,500,000 (2020: Nil) which is repayable by 120 equal monthly instalments commencing January, 2022.

The average effective interest rates per annum are as follows:

	The Group		**The Company**	
	2021	**2020**	**2021**	**2020**
	%	**%**	**%**	**%**
Revolving credits	2.69	3.36	-	3.52
Term loans	3.60	3.11	-	-
Bankers' acceptances	2.40	2.12	-	-
Bank overdrafts	3.83	6.73	-	7.01

In 2020, borrowings transferred to liabilities directly associated with non-current assets classified as held for sale amounted to RM2,184,000 (Note 24).

The credit facilities of the Group of RM322,064,000 (2020: RM306,241,000) are guaranteed by the Company.

The credit facilities of the Company of RM2,000,000 (2020: RM2,000,000) are secured by a negative pledge over the assets of the Company.

28. HIRE-PURCHASE PAYABLES

The Group	Minimum hire-purchase payments 2021 RM'000	Minimum hire-purchase payments 2020 RM'000	Present value of minimum hire-purchase payments 2021 RM'000	Present value of minimum hire-purchase payments 2020 RM'000
Amounts payable under hire-purchase arrangements:				
Within one year	433	1,170	403	1,098
In the second to fifth year inclusive	253	576	238	545
	686	1,746	641	1,643
Less: Future finance charges	(45)	(103)	-	-
Present value of hire-purchase payables	641	1,643	641	1,643
Less: Amount due within 12 months (shown under current liabilities)			(403)	(1,098)
Non-current portion			238	545

The non-current portion is repayable as follows:

	The Group 2021 RM'000	The Group 2020 RM'000
Financial years ending December 31:		
2022	-	379
2023	139	120
2024	58	37
2025	31	9
2026	10	-
	238	545

As of December 31, 2021, hire-purchase obligations of the Group payable to a related party amounted to RM640,935 (2020: RM1,614,013).

The terms for hire-purchase ranged from 2 to 3 years (2020: 2 to 3 years). For the financial year ended December 31, 2021, the effective hire-purchase interest rates ranged from 3.68% to 7.71% (2020: 4.64% to 7.05%) per annum. Interest rates are fixed at the inception of the hire-purchase arrangements.

The Group's hire-purchase payables are secured by the assets under hire-purchase as disclosed in Note 10 and are guaranteed by the Company.

29. LEASE LIABILITIES

	The Group		The Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Maturity analysis:				
Year 1	684	1,421	60	-
Year 2	225	381	60	-
Year 3	54	7	-	-
	963	1,809	120	-
Less: Unearned interest	(30)	(80)	(4)	-
	933	1,729	116	-
Analysed as:				
Non-current	272	378	59	-
Current	661	1,351	57	-
	933	1,729	116	-

The Group and the Company do not face a significant liquidity risk with regard to its lease liabilities. Lease liabilities are monitored within the Group's and the Company's management.

In 2020, lease liabilities transferred to liabilities directly associated with non-current assets classified as held for sale amounted to RM3,805 (Note 24).

30. DEFERRED TAX LIABILITIES

The Group 2021	At beginning of year RM'000	Recognised in statements of profit or loss RM'000	Translation reserve RM'000	Reclassified to liabilities directly associated with non-current assets classified as held for sale RM'000 (Note 24)	Reclassification RM'000	At end of year RM'000
Deferred tax liabilities						
Property, plant and equipment - deemed cost	(28,970)	487	-	-	-	(28,483)
Property, plant and equipment	(16,812)	(699)	(7)	-	-	(17,518)
Plantation development expenditure	(63)	-	-	-	-	(63)
Investment properties	(312)	-	-	-	-	(312)
Biological assets	(93)	(78)	-	-	-	(171)
Hire-purchase payables	-	(4)	-	-	-	(4)
Unrealised gain on foreign exchange	-	-	-	-	(321)	(321)
Classified as held for sale	-	-	-	-	-	-
	(46,250)	(294)	(7)	-	(321)	(46,872)
Deferred tax assets						
Unrealised loss on foreign exchange	50	(371)	-	-	321	-
Unabsorbed capital allowances and unutilised tax losses	4,225	(944)	-	-	-	3,281
Unabsorbed reinvestment allowances	-	438	-	-	-	438
Inventories	19	-	-	-	-	19
Trade and other receivables	94	(52)	-	-	-	42
Provision	256	194	-	-	-	450
	4,644	(735)	-	-	321	4,230

(Forward)

The Group 2020	At beginning of year RM'000	Recognised in statements of profit or loss RM'000	Translation reserve RM'000	Reclassified to liabilities directly associated with assets classified as held for sale RM'000 (Note 24)	Reclassification RM'000	At end of year RM'000
Deferred tax liabilities						
Property, plant and equipment - deemed cost	(30,660)	577	-	1,113	-	(28,970)
Property, plant and equipment	(17,434)	(614)	2	1,244	(10)	(16,812)
Plantation development expenditure	(314)	251	-	-	-	(63)
Investment properties	(305)	(7)	-	-	-	(312)
Biological assets	-	(25)	-	-	(68)	(93)
Assets classified as held for sale	(129)	129	-	-	-	-
	(48,842)	311	2	2,357	(78)	(46,250)
Deferred tax assets						
Unrealised loss on foreign exchange	77	(27)	-	-	-	50
Unabsorbed capital allowances and unutilised tax losses	6,898	(1,496)	-	(1,255)	78	4,225
Inventories	19	-	-	-	-	19
Trade and other receivables	52	42	-	-	-	94
Provision	-	256	-	-	-	256
	7,046	(1,225)	-	(1,255)	78	4,644

Deferred tax balances are presented in the statements of financial position after appropriate offsetting as follows:

	The Group	
	2021 RM'000	2020 RM'000
Net deferred tax liabilities	(42,642)	(41,606)

Unrecognised deferred tax assets

	The Group	
	2021 RM'000	2020 RM'000
Deferred tax assets not recognised at the end of the reporting period:		
Unutilised tax losses and unabsorbed agricultural and tax capital allowances	12,392	11,889

As mentioned in Note 3, the effects of unutilised tax losses and unabsorbed agricultural and tax capital allowances which would give rise to deferred tax assets are only recognised to the extent that it is probable that future taxable profits will be available against which these unutilised tax losses and unabsorbed agricultural and tax capital allowances can be utilised.

31. TRADE AND OTHER PAYABLES

	The Group		The Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Trade payables	97,267	85,266	-	-
Amount owing to ultimate holding company (Note 21)	3	3	-	-
Amount owing to subsidiary companies (Note 21)	-	-	-	11,232
Amount owing to other related companies (Note 21)	562	368	-	-
Amount owing to other related parties (Note 21)	43,989	29,485	-	-
Other payables	18,973	21,474	672	5
	160,794	136,596	672	11,237

Analysis of currency profile of trade and other payables is as follows:

	The Group		The Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Ringgit Malaysia	158,195	133,669	672	11,237
Vietnamese Dong	2,490	2,634	-	-
United States Dollar	70	280	-	-
European Euro	12	7	-	-
Singapore Dollar	27	6	-	-
	160,794	136,596	672	11,237

The Group	Amount owing to other related companies		Amount owing to other related parties	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Trade account	-	203	43,912	29,415
Current account	562	165	77	70
	562	368	43,989	29,485

In 2020, trade and other payables transferred to liabilities directly associated with assets classified as held for sale amounted to RM1,692,223 (Note 24).

Trade payables and trade account owing to other related companies and other related parties comprise amounts outstanding for trade purchases. The credit periods granted to the Group for trade purchases ranged from cash term to 120 days (2020: cash term to 120 days). No interest is charged on overdue outstanding trade payables. Current accounts comprise amounts outstanding for ongoing costs that are unsecured, interest-free and are repayable on demand.

Other payables comprise amounts outstanding for ongoing costs. The amounts owing to other payables of the Group and of the Company are unsecured, interest-free and are repayable on demand.

Other payables of the Group also include Goods and Services Tax, Sales and Service Tax and tourism tax payable amounting to RM352,725 (2020: RM222,063), RM31,113 (2020: Nil) and Nil (2020: RM20) respectively.

Transactions with related parties are disclosed in Note 21.

32. OTHER LIABILITIES

	The Group 2021 RM'000	The Group 2020 RM'000	The Company 2021 RM'000	The Company 2020 RM'000
Deposits received	1,879	1,893	-	-
Accrued expenses	27,002	25,852	141	295
	28,881	27,745	141	295

In 2020, other liabilities transferred to liabilities directly associated with non-current assets classified as held for sale amounted to RM496,967 (Note 24).

33. DIVIDENDS

	The Group and The Company 2021 RM'000	The Group and The Company 2020 RM'000
First interim dividend paid:		
- 4.5 sen, single-tier per share (Nil for 2020)	8,622	-
Second interim dividend paid:		
- 5.0 sen, single-tier per share (Nil for 2020)	9,581	-
	18,203	-

A first interim dividend of 4.5 sen per share, under the single-tier system, amounting to RM8,622,193 was paid on April 19, 2021 in respect of ordinary shares in current financial year.

A second interim dividend of 5.0 sen per share, under the single-tier system, amounting to RM9,580,215 was paid on October 18, 2021 in respect of the current financial year.

34. FINANCIAL INSTRUMENTS, FINANCIAL RISK AND CAPITAL RISK MANAGEMENT

Categories of financial instruments

	The Group 2021 RM'000	The Group 2020 RM'000	The Company 2021 RM'000	The Company 2020 RM'000
Financial assets				
At amortised cost:				
Trade and other receivables	216,755	198,639	37,466	34,742
Refundable deposits	1,597	1,825	2	2
Deposits, cash and bank balances	58,172	45,669	100	280
At fair value through profit or loss:				
Other investments:				
- Current	2,783	10,484	2,516	-
At fair value through other comprehensive income:				
Other investments:				
- Non-current	46	34	-	-
Financial liabilities				
At amortised cost:				
Trade and other payables	160,410	136,374	672	11,237
Borrowings	184,106	148,542	-	-
Lease liabilities	933	1,729	116	-
Accrued expenses	27,002	25,852	141	295

(Forward)

Financial Risk Management Objectives and Policies

Risk management is integral to the whole business of the Group and of the Company. Management continually monitors the Group's and the Company's risk management process to ensure that an appropriate balance between risk and control is achieved. Risk management policies and systems are reviewed regularly to reflect changes in the market conditions on the Group's and the Company's activities.

There have been no changes to the Group's and the Company's exposure to these financial risks or the manner in which they manage and measure the risk.

(a) Market risk

(i) Foreign currency risk

The Group transacts business in various foreign currencies including United States Dollar ("USD"), Australian Dollar ("AUD"), Singapore Dollar ("SGD"), European Euro ("EURO") and Vietnamese Dong ("VND") and therefore, is exposed to foreign exchange risk. The Group enters into foreign currency forward contracts to manage its exposure against foreign currency fluctuations on foreign receipts and payments. The Company is not exposed to foreign currency risk as it mainly transacts in RM.

The carrying amounts of the foreign currency denominated monetary assets and liabilities of the Group at the end of the reporting period are disclosed in Notes 20, 23 and 31.

Foreign currency sensitivity analysis

The Group is mainly exposed to fluctuation in exchange rates for the currencies of USD, AUD and VND. Management considers the impact of other currencies to be minimal.

The following table details the sensitivity of the Group to a 1% (2020: 2%) increase and decrease in RM against the relevant foreign currencies. The sensitivity rate of 1% (2020: 2%) is used when reporting foreign currency risk internally to key management and represents management's assessment of the reasonably possible change in foreign exchange rates in the next 12 months.

The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the end of the reporting period for a 1% (2020: 2%) change in foreign currency rates. A positive number below indicates an increase in profit after tax/other comprehensive income where RM weakens by 1% (2020: 2%) against the respective currencies. For a 1% (2020: 2%) strengthening of RM against the respective currencies, there would be a decrease in the profit after tax/other comprehensive income, and the balances below would be negative.

The Group	**Statements of profit or loss**		**Other equity**	
	2021 RM'000	**2020 RM'000**	**2021 RM'000**	**2020 RM'000**
USD impact	64	56	-	-
AUD impact	15	82	-	-
VND impact	-	-	149	157

(Forward)

The above impacts are mainly attributable to the exposure on the respective currencies on receivables and payables outstanding at the end of the reporting period in the Group. In the opinion of the management, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk as the year end exposure does not reflect the exposure of the Group during the year.

(ii) Equity price risk

The Group and the Company are exposed to equity price risks arising from equity investments. Equity investments are held for strategic rather than trading purposes.

Equity price sensitivity analysis - quoted equity investments

Management does not consider the Group's exposure to price risk significant at the end of the reporting period due to the immaterial value of quoted equity investments held as shown in Note 16. Therefore, sensitivity analysis for price risk of quoted equity investments is not disclosed.

(iii) Money market funds

If market price had been Nil (2020: 0.01%) higher/lower, the Group's and the Company's profit for the year ended December 31, 2021 would increase/decrease by Nil (2020: RM9,000) as a result of the changes in fair value of the investment in money market funds.

(iv) Interest rate risk

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

The Group and the Company finance their operations by a mixture of internal funds and bank and other borrowings. The Group and the Company regularly review the interest rate profile of borrowings against prevailing and anticipated market rates. The repayment and maturity profiles of borrowings are structured after taking into consideration the cash inflows expected to be generated from the underlying assets or operations and the economic life of the assets or operations being financed.

The policy of the Group and of the Company is to borrow both on the fixed and floating rate basis. The objective for the mix between fixed and floating rate borrowings is set to reduce the impact of an upward change in interest rates while enabling benefits to be enjoyed if interest rates fall.

Sensitivity analysis for interest rate risk

At the end of the reporting period, if interest rates increase/decrease in the range of 2 to 72 basis points (2020: 28 to 80 basis points), with all other variables held constant, the Group's profit net of tax respectively would have been RM727,165 (2020: RM575,045) lower/higher arising mainly as a result of higher/lower interest expenses on floating rate borrowings. The Company did not have borrowings as at the end of the current financial year. The assumed movement in the interest rates for interest rate sensitivity analysis is based on the currently observable market environment.

(b) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group and to the Company. The Group and the Company have adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The exposure of the Group to credit risk arises principally from its receivables, amount due from related companies and other related parties and other financial assets. The credit risk exposure of the Company arises from financial guarantees given to licensed banks and credit and leasing companies for credit and hire-purchase facilities granted to subsidiary companies and other financial assets.

Receivables

The Group's established policies on credit control involves comprehensive credit evaluations, setting up appropriate credit limits, ensuring the sales are made to customers with good credit history and regular review of customers' outstanding balances and payment trends. The Group considers the risk of material loss in the event of non-performance by the customers to be unlikely.

At the end of the reporting period, the Group is not subject to significant concentration of credit risk.

As the Group does not hold any collateral, the maximum exposure to credit risk arising from receivables is represented by the carrying amounts in the statements of financial position. The Group uses ageing analysis to monitor the credit quality of the trade receivables.

In order to minimise credit risk, the Group has developed and has maintained credit risk gradings to categorise exposures according to their degree of risk of default. The credit rating information is supplied by independent rating agencies where available and, if not available, the Group uses other publicly available financial information and its own trading records to rate its major customers and other debtors. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

For other receivables, management does not foresee any credit risk due to the nature of other receivables which comprise mainly claims receivable from suppliers for promotion expenses incurred, subsidies receivable from the Government under the Cooking Oil Price Stabilisation and Standardisation Schemes and advance payments made to suppliers.

Amount Due From Related Companies and Other Related Parties

The Group undertook trade transactions with other related companies and other related parties and credit periods ranging from cash to 180 days (2020: cash to 120 days) were set. The Company provided unsecured advances to subsidiary companies and there are no fixed repayment terms imposed on amounts due from subsidiary companies as the credit risk is managed on a Group basis by the management of the Company to ensure that risk of losses incurred by the Company due to non-repayment by subsidiary companies is minimised.

(Forward)

At the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position.

At the end of the reporting period, there was no indication that the balances due from subsidiary companies, other related companies and other related parties are not recoverable.

Financial Guarantees

The Company provides unsecured financial guarantees to licensed banks and credit and leasing companies in respect of credit and hire-purchase facilities granted to subsidiary companies. The Company also provided unsecured financial guarantee to external suppliers of the joint venture. The Company monitors on an ongoing basis the trend of repayments made by the subsidiary companies and its joint venture.

The maximum exposure to credit risk of the Group and of the Company amounting to RM11,705,000 (2020: RM14,130,000) and RM334,409,000 (2020: RM321,985,000) respectively represents the limit of financial guarantees provided to external suppliers and banking facilities of the joint venture, and credit and hire-purchase facilities of the subsidiary companies as of the end of the reporting period. The Group and the Company have unutilised financial guarantees of approximately RM138,598,000 and RM2,000,000 (2020: RM157,158,000 and RM2,000,000) respectively at the end of the reporting period.

At the end of the reporting period, there was no indication that the subsidiary companies and the joint venture would default on repayment.

Other Financial Assets

The credit risk on liquid funds and money market funds are limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

(c) Liquidity and cash flow risks

The Group and the Company practice prudent liquidity risk management to minimise the mismatch of financial assets and financial liabilities and to maintain sufficient credit facilities for contingent funding requirement of working capital.

The Group’s and the Company’s principal source of liquidity has historically been cash flows from operations and funds obtained from long and short-term borrowings.

The Group and the Company expect that the cash generated from their operations, their existing credit facilities and the trade terms provided by suppliers will be sufficient to meet the Group’s and the Company’s currently anticipated capital expenditure and working capital needs for at least the next 12 months.

(Forward)

The Group and the Company have credit facilities of approximately RM138,598,000 and RM2,000,000 (2020: RM157,158,000 and RM2,000,000) respectively which are unused at the end of the reporting period. The Group and the Company expect to meet their financial obligations from their operating cash flows and proceeds from maturing financial assets.

The maturity profile of the Group's and of the Company's non-derivative financial assets and financial liabilities at the end of the reporting period based on contractual undiscounted repayment obligations are as follows:

The Group 2021	**On demand or within one year RM'000**	**One year to five years RM'000**	**Over five years RM'000**	**Total RM'000**
Non-derivative financial assets:				
Investment in money market fund	2,783	-	-	2,783
Trade and other receivables	216,755	-	-	216,755
Refundable deposits	1,597	-	-	1,597
Deposits, cash and bank balances	58,209	-	-	58,209
Total undiscounted non-derivative financial assets	279,344	-	-	279,344
Non-derivative financial liabilities:				
Trade and other payables	160,410	-	-	160,410
Borrowings	129,699	40,075	26,888	196,662
Lease liabilities	684	279	-	963
Accrued expenses	27,002	-	-	27,002
Financial guarantee contracts	11,705	-	-	11,705
Total undiscounted non-derivative financial liabilities	329,500	40,354	26,888	396,742
Total net undiscounted non-derivative financial liabilities	(50,156)	(40,354)	(26,888)	(117,398)

(Forward)

The Group 2020	On demand or within one year RM'000	One year to five years RM'000	Over five years RM'000	Total RM'000
Non-derivative financial assets:				
Investment in money market fund	10,528	-	-	10,528
Other investments	34	-	-	34
Trade and other receivables	198,639	-	-	198,639
Refundable deposits	1,825	-	-	1,825
Deposits, cash and bank balances	45,740	-	-	45,740
Total undiscounted non-derivative financial assets	256,766	-	-	256,766
Non-derivative financial liabilities:				
Trade and other payables	136,374	-	-	136,374
Borrowings	116,266	34,929	3,514	154,709
Lease liabilities	1,422	387	-	1,809
Accrued expenses	25,852	-	-	25,852
Financial guarantee contracts	14,130	-	-	14,130
Total undiscounted non-derivative financial liabilities	294,044	35,316	3,514	332,874
Total net undiscounted non-derivative financial liabilities	(37,278)	(35,316)	(3,514)	(76,108)
The Company **2021**				
Non-derivative financial assets:				
Trade and other receivables	37,466	-	-	37,466
Other investment	2,516	-	-	2,516
Refundable deposit	2	-	-	2
Cash and bank balances	100	-	-	100
Total undiscounted non-derivative financial assets	40,084	-	-	40,084
Non-derivative financial liabilities:				
Trade and other payables	672	-	-	672
Accrued expenses	141	-	-	141
Lease liabilities	60	60	-	120
Financial guarantee contracts	197,170	-	-	197,170
Total undiscounted non-derivative financial liabilities	198,043	60	-	198,103
Total net undiscounted non-derivative financial liabilities	(157,959)	(60)	-	(158,019)

(Forward)

The Company 2020	On demand or within one year RM'000	One year to five years RM'000	Over five years RM'000	Total RM'000
Non-derivative financial assets:				
Trade and other receivables	34,742	-	-	34,742
Refundable deposit	2	-	-	2
Cash and bank balances	280	-	-	280
Total undiscounted non-derivative financial assets	35,024	-	-	35,024
Non-derivative financial liabilities:				
Trade and other payables	11,237	-	-	11,237
Accrued expenses	295	-	-	295
Financial guarantee contracts	165,243	-	-	165,243
Total undiscounted non-derivative financial liabilities	176,775	-	-	176,775
Total net undiscounted non-derivative financial liabilities	(141,751)	-	-	(141,751)

The amounts included above for financial guarantee contracts are the maximum amounts that the Group and the Company could be forced to settle under the arrangement for the full guaranteed amount if that amount is claimed by the counterpart to the guarantee. Based on expectations at the end of the reporting period, the Group and the Company consider that it is more likely than not that such an amount will not be payable under the arrangement. The management does not consider the fair value of financial guarantee contracts significant enough to be adjusted in the financial statements.

The following table details the Group's liquidity analysis for its derivative financial instruments based on contractual maturities. The table has been drawn up based on the undiscounted gross inflows and outflows on those derivatives that require gross settlement.

The Group 2021	On demand or within one year RM'000	One year to five years RM'000	Over five years RM'000	Total RM'000
Gross settled:				
Foreign exchange forward contracts - gross outflows	-	-	-	-
The Group 2020				
Gross settled:				
Foreign exchange forward contracts - gross outflows	2,479	-	-	2,479

(d) Capital risk management

The Group and the Company manage their capital to ensure the Group and the Company will be able to continue as going concerns while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Group's and the Company's overall strategy remains unchanged from 2020.

The capital structure of the Group and of the Company consist of net debts and equity.

Fair Values of Financial Instruments

Foreign exchange forward contracts

The notional amounts and estimated fair values of the Group's foreign currency forward contracts outstanding at the end of the reporting period are as follows:

	Contract value		Notional value		Fair value - Net	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Outstanding contracts denominated in:						
AUD	-	2,404	-	2,479	-	(75)
	-	2,404	-	2,479	-	(75)

The fair values, which were classified as Level 2 in the fair value hierarchy, were calculated by reference to the current rates for contracts with similar maturity profiles. The management did not consider the above fair values of foreign exchange forward contracts significant enough to be adjusted in the financial statements.

Financial instruments carried at amortised cost

The carrying amounts of short-term financial assets and financial liabilities recognised at amortised cost in the financial statements approximate their respective fair values due to the relatively short-term maturity of these financial instruments.

The fair values of term loans, which are classified as Level 2 in the fair value hierarchy, have been estimated using discounted cash flow analysis based on the current borrowing rates for similar types of term loan arrangements. There is no material difference between the carrying amounts and the estimated fair values of term loans.

The fair values of hire-purchase payables, which are classified as Level 2 in the fair value hierarchy, have been estimated using discounted cash flow analysis based on the current borrowing rates for similar types of hire-purchase arrangements and approximate their carrying amounts.

The fair values of quoted and unquoted investments classified as FVTOCI and FVTPL are disclosed in Note 16.

Fair value measurements recognised in the statement of financial position

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

The Group 2021	**Level 1 RM'000**	**Level 2 RM'000**	**Level 3 RM'000**	**Total RM'000**
Other investments:				
Non-current	46	-	-	46
Current	2,783	-	-	2,783
	2,829	-	-	2,829

(Forward)

The Group 2020	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Other investments:				
Non-current	34	-	-	34
Current	10,484	-	-	10,484
	10,518	-	-	10,518

There were no transfers between Level 1 and Level 2 during the financial year.

35. STATEMENTS OF CASH FLOWS

(a) Purchase of property, plant and equipment

The details of additions to property, plant and equipment were as follows:

	The Group 2021 RM'000	The Group 2020 RM'000
Cash payments	14,082	25,610
Hire-purchase financing	176	1,057
Term loan financing	25,796	20,962
Amount included in prior year - deposit paid	617	2,762
Amount included in prior year - prepaid expenses	-	53
Outstanding included in accrued expenses	-	1,199
Outstanding included in other payables	1,794	617
	42,465	52,260

The principal amounts of instalment repayments for property, plant and equipment acquired by hire-purchase and term loan are reflected as cash outflows from financing activities.

(b) Purchase of investment properties

The details of addition to investment properties was as follow:

	The Group 2021 RM'000	The Group 2020 RM'000
Outstanding included in accrued expenses	-	53

(c) Cash and cash equivalents

Cash and cash equivalents at the end of the reporting period as shown in the statements of cash flows can be reconciled to the related items in the statements of financial position as follows:

	The Group 2021 RM'000	The Group 2020 RM'000	The Company 2021 RM'000	The Company 2020 RM'000
Deposits	7,769	5,959	-	-
Cash and bank balances	50,403	39,710	100	280
Bank overdrafts	(438)	(2,985)	-	-
	57,734	42,684	100	280
Less: Fixed deposits with maturity period more than 1 year	(78)	(76)	-	-
	57,656	42,608	100	280

(d) Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's and the Company's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's and the Company's statements of cash flows as cash flows from financing activities.

The Group 2021	**Term loans (Note 27) RM'000**	**Bankers' acceptances (Note 27) RM'000**	**Revolving credits (Note 27) RM'000**	**Hire-purchase payables (Note 28) RM'000**	**Lease liabilities (Note 29) RM'000**
Balance as of 1.1.2021	42,125	89,789	12,000	1,643	1,729
Financing cash flows	(3,367)	15,684	1,000	(1,178)	(1,539)
Non-cash changes:					
New leases	-	-	-	-	734
New hire-purchase arrangement	-	-	-	176	-
Additions of property, plant and equipment	25,796	-	-	-	-
Termination of lease	-	-	-	-	(23)
Lease modification	-	-	-	-	32
Balance as of 31.12.2021	64,554	105,473	13,000	641	933

The Company 2021	**Amount owing to subsidiary companies (Note 31) RM'000**	**Lease liabilities (Note 29) RM'000**
Balance as of 1.1.2021	11,232	-
Financing cash flows	(11,232)	(55)
Non-cash changes:		
New leases	-	171
Balance as of 31.12.2021	-	116

The Group 2020	**Term loans (Note 27) RM'000**	**Bankers' acceptances (Note 27) RM'000**	**Revolving credits (Note 27) RM'000**	**Hire-purchase payables (Note 28) RM'000**	**Lease liabilities (Note 29) RM'000**
Balance as of 1.1.2020	20,531	91,211	17,000	2,300	1,434
Financing cash flows	272	762	(5,000)	(1,714)	(1,352)
Non-cash changes:					
Reclassification to other payables	-	-	-	-	(1)
Arising from application of MFRS 16 Leases	-	-	-	-	940
New hire-purchase arrangement	-	-	-	1,057	-
Additions of property, plant and equipment	20,962	-	-	-	-
Interest accrued	360	-	-	-	-
Transferred to liabilities directly associated with assets classified as held for sale (Note 24)	-	(2,184)	-	-	(4)
Termination of lease	-	-	-	-	(20)
Lease modification	-	-	-	-	732
Balance as of 31.12.2020	42,125	89,789	12,000	1,643	1,729

The Company 2020	**Amount owing to subsidiary companies (Note 31) RM'000**
Balance as of 1.1.2020	18,812
Financing cash flows	(7,580)
Balance as of 31.12.2020	11,232

36. COMMITMENTS

As of December 31, 2021, the Group has the following commitments in respect of property, plant and equipment:

	The Group	
	2021 RM'000	2020 RM'000
Capital expenditure:		
Contracted by not provided for	155	-
Approved and contracted for	2,362	10,842
	2,517	10,842

37. DISPOSAL OF NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

On March 1, 2021, the Group and the Company completed the disposal of its interests in SEA Paper Industries Sdn Bhd. The net assets at the date of disposal were as follows:

	The Group RM'000	The Company RM'000
Investment in subsidiary companies	-	8,134
Property, plant and equipment	11,533	-
Right-of-use assets	52	-
Inventories	3,807	-
Trade and other receivables	4,897	-
Current tax assets	413	-
Other assets	68	-
Deposits, cash and bank balances	3,097	-
Lease liabilities	(52)	-
Deferred tax liabilities	(655)	-
Trade and other payables	(1,702)	-
Borrowings	(2,184)	-
Other liabilities	(497)	-
Net assets disposed of	18,777	8,134
Effect of disposal of non-current assets classified as held for sale	3,473	-
Gain on disposal	250	14,366
Total consideration	22,500	22,500

38. SUBSEQUENT EVENT

On April 4, 2022, the Company declared that an interim dividend of 4.5 sen per share, under the single-tier system, amounting to RM8,622,193 for the financial year ending December 31, 2022 to be paid out of the profit of the Company on April 18, 2022 to its shareholders.

YEE LEE CORPORATION BHD
(Incorporated in Malaysia)

STATEMENT BY DIRECTORS

The directors of **YEE LEE CORPORATION BHD** state that, in their opinion, the accompanying financial statements 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 of December 31, 2021 and of the financial performance and the cash flows of the Group and of the Company for the year ended on that date.

Signed in accordance with a resolution of the Directors,

Y BHG DATO' LIM A HENG @
LIM KOK CHEONG, DPMP, JSM, JP
Executive Chairman

MR CHOK HOOA @ CHOK YIN FATT, PMP
Executive Director

Ipoh,
May 9, 2022

YEE LEE CORPORATION BHD
(Incorporated in Malaysia)

DECLARATION BY THE OFFICER PRIMARILY RESPONSIBLE FOR THE FINANCIAL MANAGEMENT OF THE COMPANY

I, **YAP SIN KHEONG (IC No. 680520-08-5581)**, the officer primarily responsible for the financial management of **YEE LEE CORPORATION BHD**, do solemnly and sincerely declare that the accompanying financial statements 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.

MR YAP SIN KHEONG
MIA 22814

Subscribed and solemnly declared by the abovenamed
YAP SIN KHEONG at **IPOH** this 9th day of May, 2022.

Before me,

MR LAM YING WOH
NO.: A209
COMMISSIONER FOR OATHS

YEE LEE CORPORATION BHD
Registration No: 197301000057 (13585-A)
(Incorporated in Malaysia)

Form of Proxy

Number of shares held	
CDS Account Number	

I/We, ____ Tel: ______________________
(Full name, NRIC No or Registration No)

of ____
(Address)

being member(s) of **YEE LEE CORPORATION BHD**, hereby appoint:

Full Name (in Block)	NRIC/Passport No	Proportion of Shareholdings	
		No of Shares	%
Address			

* and/or

Full Name (in Block)	NRIC/Passport No	Proportion of Shareholdings	
		No of Shares	%
Address			

or failing him, the Chairperson of the Meeting, as *my/our proxy/proxies to vote for *me/us and on *my/our behalf at the Forty-Ninth Annual General Meeting of the Company to be held on Monday, June 27, 2022 at 10.30 a.m. at STG Ipoh Old Town of No. 18A & 20A, Jalan Tun Sambanthan, 30000 Ipoh, Perak Darul Ridzuan, and at any adjournment thereof in the manner as indicated with an "x" in the space provided below. If no specific direction as to voting is given, the proxy will vote or abstain from voting at his discretion.

RESOLUTION	DESCRIPTIONS	FOR	AGAINST
ORDINARY BUSINESS			
1	To re-elect Dato' Lim A Heng @ Lim Kok Cheong as Director		
2	To approve the payment of Directors' fees		
3	To approve the payment of other benefits (excluding Director's fee) to Non-Executive Director		
4	To re-appoint Deloitte PLT as Auditors of the Company and to authorise the Directors to fix their remuneration		
SPECIAL BUSINESS			
5	To authorise the Directors to issue shares pursuant to Sections 75 and 76 of the Companies Act 2016		

Dated this __________ day of ______________________ 2022.

____
Signature^
Member

* Delete whichever is inapplicable

^ Manner of execution:
(a) If you are an individual member, please sign where indicated.
(b) If you are corporate member which has a common seal, this proxy form should be executed under common seal in accordance with the constitution of your corporation.
(c) If you are a corporate member which does not have a common seal, this proxy form should be affixed with the rubber stamp of your company (if any) and executed by:
(i) at least two (2) authorised officers, one (1) of whom shall be a director; or
(ii) any director and/or authorised officers in accordance with the laws of the country under which your corporation is incorporated.

Notes:-

(i) A member of the Company entitled to attend and vote at this meeting is entitled to appoint not more than two (2) proxies to attend and vote on his behalf. A proxy may but need not be a member of the Company.

(ii) The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing or, if the appointor is a corporation, either under its Common Seal or under the hand of two (2) authorised officer, one of whom shall be a director, or of its attorney duly authorised in writing.

(iii) Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportion of his shareholding to be represented by each proxy.

(iv) Where a member of the Company is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 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 hold.

(v) The instrument appointing a proxy must be deposited at the Registered Office of Lot 85, Jalan Portland, Tasek Industrial Estate, 31400 Ipoh, Perak Darul Ridzuan not less than forty-eight (48) hours before the time appointed for holding the meeting or send by electronic mail to cs@yeelee.com.my follow by posting the original Form of Proxy to the Registered Office not later than June 25, 2022 at 10.30 a.m.

(vi) In respect of deposited securities, only Members whose name appears on the Record of Depositors as at June 20, 2022 shall be entitled to attend the Meeting or appoint proxies to attend and/or vote on his behalf.

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STAMP

The Company Secretary
YEE LEE CORPORATION BHD
Registration No: 197301000057 (13585-A)
Lot 85, Jalan Portland
Tasek Industrial Estate
31400 Ipoh
Perak Darul Ridzuan
MALAYSIA

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