Governance

The Board has included **gender balance** as one of the main criteria for appointment of new directors to promote the representation of women in the composition of the Board. Currently, we have four (4) women directors representing 50% of the Board of eight (8) members.

COMMITTED TO THE HIGHEST STANDARDS

Responsibility for good governance lies with the Board. The Board is accountable to shareholders and is committed to the highest standards of corporate governance as set out in the Malaysia Code on Corporate Governance ("the Code"). This Corporate Governance Overview Statement describes how the Board has applied the main practices of good governance, as set out in the Code, during the year under review.

BOARD COMPOSITION AND SUCCESSION

The Board is made up of eight (8) members, comprising the Group Chair, the Group Executive Deputy Chair, the Group Managing Director, two (2) Non-Independent Non-Executive Directors and three (3) Independent Non-Executive Directors. The age of our Board members ranges from 44 to 74 years. The current Directors bring a wide range of business and financial experience, skills and knowledge necessary for the effective stewardship of the Group. Profiles of the Directors are set out on pages 59 to 65 of this Annual Report.

HOW WE GOVERN THE COMPANY

The Board leads the Group's governance framework; it is responsible for setting the strategic targets for the Group, monitoring progress made, approving proposed actions and for ensuring that the appropriate internal controls are in place and that they are operating effectively.

The Board is assisted by four (4) principal committees (Audit, Nomination, Remuneration and Risk Management), each of which is responsible for reviewing and dealing with matters within its own terms of reference. At scheduled Board meetings, the minutes of all committee meetings are circulated. All the non-executive directors are members of all principal committees. The Chair of the Board is not a member of the Audit Committee, Nomination Committee or Remuneration Committee. Individual reports from each principal committee can be found on pages 81 to 91.

The roles and responsibilities of the Board and the Board Committees as well as the relationship with the management are clearly set out and with clear accountability.

BOARD COMPOSITION AND SUCCESSION (continued)

Each of the Independent Non-Executive Directors is considered independent of management and free of any relationship that could materially interfere with the exercise of their independent judgement. The Board considers that each Independent Non-Executive Director brings their own senior level of experience, gained within their field.

Although the Group Chair, Dato' Ahmad Sebi Bakar, is also a major shareholder, the Board believes that the Group Chair has always acted and will continue to act at all times in the best interest of shareholders as a whole and will strive to protect and enhance the long-term shareholder values and the financial performance of the Group.

Succession planning for the Board is an on-going process to ensure the Board's continued effective performance through leadership continuity. The Board assesses the competencies and composition of the Board taking into consideration the challenges faced by the businesses of the Group and also assesses the competencies of each existing director. Succession planning at executive management level is also being reviewed on an on-going process basis and at present is stable.

Diversity and gender balance

The Board recognises diversity in the boardroom as a critical element for efficient functioning of the Board and good governance practices. The Board also believes that diversity leads to the consideration of all facets of an issue and, consequently, better decisions and performance. Hence, the appointment of Board members and senior management not only takes into consideration the objective criteria and merit but also gives due regard for diversity in skills, experience, age, cultural background and gender.

The Board has included gender balance as one of the main criteria for appointment of new directors to promote the representation of women in the composition of the Board. Currently, we have four (4) women directors representing 50% of the Board of eight (8) members.

The remuneration for all Directors including Executive Directors is determined at levels so as to ensure that the Company attracts and retains the right calibre of Directors needed for the successful performance of the Group. The Remuneration Committee Report is set out on pages 89 to 91.

LEADERSHIP AND RESPONSIBILITIES

The Board is committed to ensuring that it provides leadership to the business as a whole, having regards to the interests and views of its shareholders and other stakeholders. It is also responsible for setting the Group's strategy, value and standards.

The Board has a formal schedule of matters reserved for its decision as follows:

- Strategy and management
- Communication
- Board membership and other appointments
- Remuneration
- Financial reporting and controls
- Delegation of authority
- Internal controls
- Corporate governance matters
- Contracts/acquisitions/disposal
- Dividend Policy
- Capital structure
- Other matters

LEADERSHIP AND RESPONSIBILITIES (continued)

The Board together with the Management take responsibility for the governance of sustainability in the Group which may include setting the Group's sustainability strategies, priorities and targets. Material sustainability issues, considerations, risks and opportunities of the Group are set out in the Sustainability Statement on pages 24 to 43 of this Annual Report.

The Board also acknowledges its overall responsibility for maintaining a sound risk management framework and internal control system to safeguard shareholders' investments, the Company's assets, and the need to review the adequacy and integrity of these systems regularly. The effectiveness of the Group's risk management and internal controls framework is reviewed periodically by the RMC and Audit Committee. The Risk Management and Audit Committee reports can be found on pages 44 to 55 and pages 81 to 83 respectively.

The presence of three (3) Independent Non-Executive Directors making up more than one-third (1/3) of the total number of Directors fulfills a pivotal role in ensuring that there is balance of power and authority. Although all the Directors have an equal responsibility for the Group's operations, the role of the Independent Non-Executive Directors is particularly important in ensuring that the strategies proposed by the executive management are fully deliberated upon, and take into account the long term interests of the shareholders, employees, customers, suppliers and the many communities in which the Group conduct sits business. Together, their representations on the Board fairly reflect the investment of the minority shareholders of the Company and in addition carry sufficient weight for decision making.

INDEPENDENCE OF DIRECTORS

The Board, through the Nomination Committee, evaluates the independence of its independent directors annually in accordance with the criteria as prescribed by the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and the Independent Directors are required to affirm their commitment to bring independent and objective judgement upon their appointments and annually thereafter.

During the financial year ended 31 December 2021, the Board, through the Nomination Committee, has conducted such assessment on all the Independent Directors and each Independent Director has confirmed his/her independence to the Nomination Committee. Based on the said assessment, the Board is satisfied with the level of independence demonstrated by all the Independent Directors and their ability to act in the best interest of the Company during deliberation at meetings of the Board and Committees.

The Code stipulates that the tenure of an Independent Director should not exceed a cumulative term of nine (9) years. Upon completion of the nine (9) years, an Independent Director may continue to serve on the Board subject to re-designation as a Non-Independent Director.

That notwithstanding, the Nomination Committee is tasked by the Code, to assess and assist the Board in recommending and providing justification for shareholders' consideration and approval in the event such an Independent Director is to remain independent after serving a cumulative nine-year term.

INDEPENDENCE OF DIRECTORS
(continued)

The shareholders of the Company had at the 97th Annual General Meeting ("AGM") which was held on 30 June 2021 approved to retain Mr Yong Teck Ming as an Independent Non-Executive Director of the Company beyond the twelfth (12th) year through a two-tier voting process (i.e. approval by controlling and non-controlling shareholders). Mr Yong Teck Ming has served more than fourteen (14) years as an Independent Non-Executive Director of the Company since his appointment to the Board on 9 July 2007.

On 25 February 2022, the Nomination Committee resolved that during Mr Yong Teck Ming's long service to the Company, his performance as an Independent Non-Executive Director was excellent and there is no reason to believe that he will not continue to act independently and to contribute to the Company taking into consideration the following:

(a) he has fulfilled the Independent Director criteria under the Listing Requirements of Bursa Securities and thus is able to function as a check and balance and to bring an element of objectivity to the Board;

(b) he is a member of the Institute of Chartered Accountants, Australia, New Zealand and a member of the Chartered Governance Institute (previously known as Institute of Chartered Secretaries and Administrators, United Kingdom). He has vast experience in accounting and diverse range of business which will enable him to provide the Board with constructive opinion;

(c) he has been with the Company for more than fourteen (14) years and is familiar with the Company's business operations which will enable him to contribute actively and effectively during deliberation at meetings of the Board and Board Committees;

(d) he has exercised his objective and independent judgement on all Board deliberations;

(e) he has devoted sufficient time and attention to his professional obligations for informed and balanced decision making;

(f) he has exercised due care during his tenure as Independent Non-Executive Director of the Company and carried out his professional duties in the best interest of the Company and shareholders; and

(g) he has been providing invaluable contributions to the Board in his role as an Independent Non-Executive Director and Chair of the Audit Committee. He also served as Chair of the RMC until 1 August 2021.

In view of the above, the Nomination Committee recommended to the Board that a resolution for the retention of Mr Yong Teck Ming as an Independent Non-Executive Director of the Company be tabled for shareholders' approval to be obtained through a two-tier voting process at the forthcoming 98th AGM of the Company. The Board is unanimous in supporting this recommendation.

SUFFICIENT PROVISIONS

The Company recognises that its Directors may be invited to become directors of other companies and the Directors are therefore at liberty to accept other Board appointments so long as such appointments are not in conflict with the business of the Group and do not adversely affect the Directors' performance as a member of the Board. In maintaining and monitoring the limitation on directorship as required by the Listing Requirements of Bursa Securities, the Directors upon appointment, and from time to time during their tenure, will notify the Company Secretary of their directorship in other companies for disclosure to the Board at Board meetings.

The Board is of the opinion that the provisions of the Companies Act 2016 ("Act") and Listing Requirements of Bursa Securities are sufficient to ensure adequate commitment given by the Directors to perform their duties without it being formally regulated.

To facilitate the Directors' time planning, a planned annual meeting calendar is prepared and circulated to them before the beginning of each year. It provides the scheduled dates for meetings of the Board and Board Committees as well as the AGM.

The Board is satisfied with the level of time commitment given by the Directors towards fulfilling their roles and responsibilities and this is demonstrated by the attendance record of the Directors at the meetings of the Board and Board Committees for the financial year ended 31 December 2021 as set out below:

Name of Directors	Board	Audit Committee	Nomination Committee	Remuneration Committee	Risk Management Committee
Dato' Ahmad Sebi Bakar	7 / 7	-	-	-	-
Anton Syazi Dato' Ahmad Sebi	7 / 7	-	-	-	-
Lee Su Nie	7 / 7	*5 / 5	-	-	*4 / 4
Puan Sri Datin Masri Khaw Abdullah	7 / 7	-	2 / 2	*2 / 2	-
Yong Teck Ming	7 / 7	5 / 5	-	-	**2 / 2
Rali Mohd Nor	7 / 7	5 / 5	2 / 2	2 / 2	*2 / 2 & **2 / 2
Aryati Sasya Dato' Ahmad Sebi	7 / 7	*5 / 5	-	2 / 2	4 / 4
Kam Kin Foong	7 / 7	5 / 5	2 / 2	2 / 2	4 / 4

* *Attended the meetings by invitation.*

** *Mr Rali Mohd Nor was appointed as Chair of the RMC in place of Mr Yong Teck Ming with effect from 1 August 2021.*

CONTINUAL TRAINING FOR DIRECTORS

The Board acknowledges the importance of continual education and training to enhance its competencies, to broaden its perspectives, skills, knowledge and to keep abreast of the relevant changes in law, regulations and the business environment.

CONTINUAL TRAINING FOR DIRECTORS (continued)

The Directors have been regularly updated on developments in corporate governance, relevant laws, regulations and business practices and attending relevant courses/ seminar as a continuing effort to train and equip themselves to effectively discharge their duties. The Board also evaluates the training needs of its members on a continuous basis pursuant to the Listing Requirements of Bursa Securities and is updated on quarterly basis on the training programmes/courses/seminars attended by Directors.

INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

For corporate reporting to our shareholders and stakeholders, our Board ensures that information are complete and accurate and are disseminated in a timely manner. The Company has established a dedicated section for investor on its website. This section provides information relating to corporate governance, annual reports, announcements to Bursa Securities and Board Charter. Contact details are provided on the Company's website to address queries from its shareholders and stakeholders.

The Board acknowledges the importance of establishing a direct line of communication with shareholders and investors through timely dissemination of information on the Group's performance and operations via distribution of annual reports and relevant circulars, and release of quarterly financial results, press releases and announcements.

The AGM is the principal forum for dialogue with shareholders. There is an open 'question and answer' session in which shareholders may pose questions regarding the resolutions being proposed at the meeting and also on matters relating to the Group's businesses and affairs.

The Board members are in attendance at general meetings to provide explanations to all shareholders' queries and shareholders are encouraged to participate in discussions and to give their views to the Directors. The Chair of the Audit, Nomination, Remuneration and Risk Management Committees are also in attendance to provide meaningful response to questions.

Service providers were engaged to provide secured facilities for our fully virtual 96th AGM in 2020 and 97th AGM in 2021, whereby shareholders participated in such meetings remotely, submitted their questions online and carried out the electronic voting using the remote participation and voting facilities. The forthcoming 98th AGM in 2022 will also be conducted in the same manner.

ACTIVITIES AND FOCUS OF THE BOARD DURING THE YEAR AND FOR THE COMING YEAR

During the financial year ended 31 December 2021, seven (7) Board meetings were held where the Board deliberated upon and considered a variety of matters including the Group's corporate developments, financial results, investments, impact on the performance of various business units arising from the COVID-19 outbreak, short and long term plans to deal with such impact to the Group, frameworks, policies and procedures to enhance good governance systems and business behaviour, reports on risk management and internal audits of the Group. For Board meetings, the Directors receive complete meeting materials within a reasonable period prior to the meeting. All proceedings from the Board meetings are minuted and signed by the Chair of the meeting.

ACTIVITIES AND FOCUS OF THE BOARD DURING THE YEAR AND FOR THE COMING YEAR (continued)

The Board, through the Nomination Committee, also reviewed the training programmes attended by the Directors to keep abreast with the current developments in laws, regulations and business practices, management's proposal on changes to the composition of RMC and re-election of Directors as set out in the Nomination Committee Report on pages 84 to 88.

The Remuneration Committee met to review the annual fixed fee structure of members of the Board taking into consideration the increasing responsibilities and time commitment expected from the Directors and the remuneration packages of the Group Chair, Group Executive Deputy Chair, Group Managing Director and Chief Operating Officers of the Company and advised the Board accordingly.

During the financial year ended 31 December 2021, the Audit Committee met with the external auditors twice without the presence of the Executive Directors to discuss the audit plan, audit findings and the Company's audited financial statements.

The RMC assisted the Board in assessing the risk registers, key risk areas and internal controls to ensure that the Group Risk Management Framework was sufficiently robust in addressing and mitigating the various risks of the Group. This includes monitoring the impact of COVID-19 pandemic to the Group businesses and reviewing the risk registers to ensure the controls in place as stated in the risk registers are executed accordingly by the management. Besides, the RMC also assisted the Board in the assessment of anti-bribery and anti-corruption risk and ensuring adequate processes are in place for monitoring of such risk as part of the Group risk management exercise.

The Board will continue with assessment, implementation and monitoring of strategies and plans that are in place for the turnaround and growth of the Group businesses, and pursuing measures to protect the Group's financial position for speedier recovery from the COVID-19 pandemic. This includes on-going assessment of the business risks, effectiveness of the governance, risk management frameworks and internal control systems as well as the material ESG issues against the changing business environment, stakeholder opinions, and emerging global and local trends to keep abreast of critical issues.

The Board has in February 2022 included in the Board Charter which is also available on the Company's website, the Fit and Proper Policy for Appointment and / or Re-appointment / Re-election of Director(s) of the Company which also applies to the appointment, re-appointment / re-election of Directors of the Group. The purpose of this Policy is to provide guidance to Nomination Committee and the Board of the Company and its subsidiary companies when conducting fit and proper assessment on candidates for new appointment and/or existing Directors standing for re-appointment / re-election to ensure that only individual of high calibre and who possesses the right blend of skills, expertise, track record and integrity are appointed and/or re-appointed.

This report is to be read together with the Corporate Governance Report 2021 of the Company which is available on the Company's website. The Corporate Governance Report 2021 provides the details on how the Company has applied each practice as set out in the Code during the financial year 2021.

Audit Committee Report

Key objectives are the provision of effective governance over the appropriateness of the Group's financial reporting, including the adequacy of related disclosures, the performance of both the internal and external audit functions, and the management of the Group's systems of internal control, business risks and related compliance activities.

COMPOSITION

The Audit Committee comprises a Chair, and two (2) members, all of whom are independent non-executive directors duly appointed by the Board following recommendations by the Nomination Committee after the annual Board performance evaluation.

Each member of the Audit Committee brings an appropriate balance of senior level financial and commercial experience, combined with a good understanding of the Company's business and is therefore considered by the Board to be competent. Members of the Audit Committee also undertake ongoing training as required.

OBJECTIVES

The Audit Committee's key objectives are the provision of effective governance over the appropriateness of the Group's financial reporting, including the adequacy of related disclosures, the performance of both the internal and external audit functions, and the management of the Group's systems of internal control, business risks and related compliance activities.

TERMS OF REFERENCE ("TOR") OF AUDIT COMMITTEE

The duties and functions of the Audit Committee are set out in its TOR under Schedule 1 of the Board Charter. The Board Charter is accessible via the Company's website at *www.asb.com.my* by referring to the 'Corporate Governance' section under the 'Investors' section.

MEETINGS AND ATTENDANCE

The Audit Committee met five (5) times during the year under review and members' attendance at the meetings is set out in the table below:

Name of Directors	Attended
Yong Teck Ming *Chair*	5 / 5
Rali Mohd Nor *Member*	5 / 5
Kam Kin Foong *Member*	5 / 5

SUMMARY OF ACTIVITIES

During the financial year ended 31 December 2021, the principal activities of the Audit Committee comprised:

(a) Financial Reporting

(i) Reviewed the quarterly unaudited financial results and turnaround plan for non-performing subsidiaries prior to tabling of the same to the Board for approval.

(ii) Reviewed the draft announcements on quarterly and yearly unaudited financial results of the Group prior to tabling the same to the Board for approval.

(iii) Reviewed the annual audited financial statements for the financial year ended 31 December 2020 prior to submission to the Board for approval.

(iv) Reviewed the applicability of the new accounting standards and new financial reporting regime issued by the Malaysian Accounting Standards Board.

(b) Internal Audit

(i) Reviewed and approved the objectives, adequacy and coverage of the internal audit ("IA") activities of the IA Plan for 2021 after taking into consideration the risk based approach based on the Group businesses and activities. A total of nine (9) IA assignments were approved for the 2021 IA Plan.

(ii) Reviewed on a quarterly basis the IA reports and follow-up audits presented by the Internal Auditors (outsourced).

(iii) Reviewed the resource requirements of the IA function.

(iv) Reviewed a subsidiary's compliance on AML/CFT polices, process and procedures.

(c) External Audit

(i) Convened meetings with the external auditors on 3 March 2021 and 24 November 2021 without the presence of the management to review and deliberated on various matters including Directors' statement on risk management and internal control, audit planning memorandum, audit review memorandum and Audit Oversight Board Annual Inspection Report 2019 and the findings of the Audit Oversight Board of the Securities Commission in 2019 which entailed consideration for improvements or remedial action required in respect of the Company's audit. These audit memorandums include significant audit findings, auditing and accounting issues, fraud related matters, adequacy of management's response and other key matters arising from the statutory audit for the financial years ended 31 December 2019 and 2020.

SUMMARY OF ACTIVITIES (continued)

(c) External Audit (continued)

(ii) Reviewed the audit fees payable to the external auditors.

(iii) Considered and recommended to the Board the re-appointment of external auditors.

(d) Related Party Transactions and Recurrent Related Party Transactions

Reviewed the Group's related party transactions and recurrent related party transactions as well as conflict of interest situations that may arise within the Company or the Group and to ensure that the transactions are conducted in the best interest of the Company, on fair and reasonable as well as on normal commercial terms and are not detrimental to the interest of the minority shareholders.

(e) Audit Committee Report

Reviewed the Audit Committee Report and recommended to the Board for inclusion in the Annual Report for the financial year ended 31 December 2020.

(f) TOR

Reviewed the TOR of Audit Committee and recommended to the Board to update the same under Schedule 1 of the Board Charter of the Company.

INTERNAL AUDIT FUNCTION

The Audit Committee has adopted a top-down, risk-based approach in the implementation and monitoring of internal controls of the Group. This approach was achieved through critical in-depth review and deliberation of the reports and relevant issues presented during the Audit Committee meetings. This top-down, risk-based approach has enabled the Audit Committee to identify any major breakdown in the risk management and internal controls of the Group and to make the necessary recommendations to address the issues.

The Audit Committee is assisted by the Internal Auditors (outsourced) to provide an independent appraisal and assurance to ensure the maintaining of a sound system of internal control to safeguard shareholders' investment. The Internal Auditors conducts regular systematic reviews of the system of controls in accordance with the IA Plan approved by the Audit Committee and independently reports directly to the Audit Committee.

During the financial year ended 31 December 2021, the Internal Auditors carried out various operational, system and risk assessment reviews to review and appraise the effectiveness of the risk management and internal control processes within the Group. Follow-up audits were also performed by the Internal Auditors to ensure that audit recommendations and corrective action plans were implemented accordingly. A total of six (6) IA reports in relation to IA Plan for year 2021 were presented to the Audit Committee during the financial year ended 31 December 2021. The Internal Auditors also reviewed the related party transactions entered into by the Company and its subsidiaries to ensure that the transactions were carried out on an arm's length basis.

The costs incurred for the internal audit function of the Group in respect of the financial year ended 31 December 2021 was RM35,000.00.

Nomination Committee Report

The Nomination Committee considers candidates for directorship proposed by existing Board members, management or major shareholders, and when appropriate, utilises independent sources to identify suitably candidates.

COMPOSITION

For financial year ended 31 December 2021, the Nomination Committee consists of three (3) Non-Executive Directors:

Kam Kin Foong
Chair, Independent Non-Executive Director

Puan Sri Datin Masri Khaw Abdullah
Member, Non-Independent Non-Executive Director

Rali Mohd Nor
Member, Independent Non-Executive Director

The Nomination Committee's role is to review the structure, size and composition of the Board, considers succession planning, and makes recommendations to the Board for approval on suitably qualified candidates for new appointment and/or re-appointment/re-election of director(s) and/or senior management. Its key objective is to ensure that the Board comprises individuals with the necessary skill, experience, expertise, knowledge, professionalism, integrity, competencies, time commitment, and other qualities (including diversity in gender, age, cultural background and ethnicity and meeting the fit and proper criteria as set out in Schedule 7 of the Board Charter) to ensure that the Board is effective in discharging its responsibilities. The Nomination Committee also assists to assess the independence of all the independent directors, and the contribution of each Director on an on-going basis.

The Chair of our Nomination Committee is an Independent Non-Executive Director. The Board believes that the existing Chair of the Nomination Committee is competent to chair the Nomination Committee by virtue of her vast experience and is capable to lead the Nomination Committee in ensuring that the Board composition meets the needs of the Company.

COMPOSITION (continued)

With the establishment of the Nomination Committee, a formal transparent procedure is in place for the appointment of new Directors to the Board. The Nomination Committee is responsible for making recommendations on any nomination to the Board and to Committees of the Board. The Nomination Committee considers candidates for directorship proposed by existing Board members, management or major shareholders, and when appropriate, utilises independent sources to identify suitably candidates. This procedure involves identification of candidates for directorship, evaluation of suitability of candidates, deliberation by the Nomination Committee and recommendation to the Board.

DUTIES AND FUNCTIONS

The duties and functions of the Nomination Committee are set out in its TOR which is reviewed annually by the Nomination Committee and approved by the Board before the same was uploaded to the Company's website under Schedule 1 of the Board Charter.

The Nomination Committee will assess annually, the effectiveness of the Board as a whole, the Committees of the Board and the contribution of each individual Director.

The Board, through the Nomination Committee, reviews annually its required mix of skills, knowledge, experience, independent element and other qualities, including core competencies, which Directors should bring to the Board.

The Nomination Committee will also review the term of office and performance of the Audit Committee and each of its members annually to ensure that the Audit Committee has carried out their duties in accordance with their TOR.

SUMMARY OF ACTIVITIES

During the financial year ended 31 December 2021, the Nomination Committee assisted the Board to carry out the following principal activities:

(i) Assessed the independence of independent directors including a director who has served on the Board for a cumulative term of more than fourteen (14) years and to recommend to the Board for approval to retain the said director as independent director.

(ii) Assessed the effectiveness of the Board, Board Committee, and Individual Directors including the Directors standing for re-election and to recommend to the Board for approval of retiring Directors to be re-elected as they meet the criteria of characters, experience, integrity, competence and time commitment that enable them to discharge their respective role as Director of the Company effectively.

SUMMARY OF ACTIVITIES (continued)

(iii) Reviewed the structure, size and composition of the Board to ensure that the Board comprises individuals with necessary skill, experience, expertise, knowledge, professionalism, integrity, competencies, time commitment, and other quality (including diversity in gender, age, cultural background and ethnicity).

(iv) Reviewed the proposal of management to reconstitute the composition of the Risk Management Committee and recommended to the Board for approval to appoint Mr Rali Mohd Nor as Chair of the Risk Management Committee in place of Mr Yong Teck Ming.

(v) Reviewed the term of office and performance of the Audit Committee and each of its members to ensure that the Audit Committee carried out their duties in accordance with their TOR.

(vi) Reviewed the TOR of Nomination Committee and recommended to the Board for approval to include the same in Schedule 1 of the Board Charter of the Company.

(vii) Reviewed the draft Nomination Committee Report and recommended to the Board for approval to include in the Company's 2021 Annual Report.

The Nomination Committee also reviewed the following training programmes/courses/seminars attended by Directors and concluded that all Directors have attended programmes/courses/seminars to keep abreast with the current developments in laws, regulations, corporate governance and business practices to aid them in discharging their duties:

Directors	Date	Programmes/courses/seminars/ conferences attended	Organiser
Dato' Ahmad Sebi Bakar	04.08.2021	Webinar on "Business Transformation Post Covid"	Boardroom Corporate Services Sdn Bhd
Anton Syazi Dato' Ahmad Sebi Bakar	22 - 23.06.2021	Virtual Conference on "Finovate Asia Digital"	Informa Connect
	09 - 11.11.2021	Virtual Conference on "Wild Digital Southeast Asia 2021"	Catcha Group
Lee Su Nie	25.05.2021	Webinar on "Tax Audit and Tax Investigation : Checkmate for Tax Payers?"	FPLC
	04.08.2021	Webinar on "Business Transformation Post Covid"	Boardroom Corporate Services Sdn Bhd

SUMMARY OF ACTIVITIES (continued)

Directors	Date	Programmes/courses/seminars/ conferences attended	Organiser
Lee Su Nie (continued)	12.08.2021	Webinar on "Important Updates on Transfer Pricing Requirements in Malaysia"	Crowe Malaysia PLT
	17.11.2021	Webinar on "Baker Tilly Tax & Budget"	Baker Tilly Malaysia
Puan Sri Datin Masri Khaw Abdullah	04.08.2021	Webinar on "Business Transformation Post Covid"	Boardroom Corporate Services Sdn Bhd
	10.12.2021	Webinar on "Climate Change Risk and ESG Reporting"	Baker Tilly Malaysia
Yong Teck Ming	26.03.2021	Webinar on "LEAP : Thriving After a Crisis"	IMD
	09.04.2021	Webinar on "New Retail : The Beginning of Endless Disruption"	IMD
	21.05.2021	Webinar on "Rolling Out and Scaling Agile Methods (More) Successfully"	IMD
	17.06.2021	Webinar on "Policies That Succeed in Pandemic Times"	IMD
	18.06.2021	Webinar on "Accelerating Transitions to Sustainable Business Models after Covid-19"	IMD
	09.07.2021	Webinar on "Environmental, Social, and Governance — Making Sense of the Madness"	IMD
	17.09.2021	Webinar on "Relevance Strategy : How to Create and Rejuvenate What Matters Most"	IMD
Rali Mohd Nor	01.06.2021	Webinar on "Implementing Amendments in the Malaysian Code on Corporate Governance"	Asia School of Business
	09.07.2021	Webinar on "People Insights Using AI : Narrative Analytics for People Management"	MyFinB Group
	04.08.2021	Webinar on "Business Transformation Post Covid"	Boardroom Corporate Services Sdn Bhd
	06.12.2021	Webinar on "AOB Conversation with Audit Committees"	The Securities Commission Malaysia's Audit Oversight Board ("AOB")

SUMMARY OF ACTIVITIES (continued)

Directors	Date	Programmes/courses/seminars/ conferences attended	Organiser
Aryati Sasya Dato' Ahmad Sebi	12.05.2021 (10 weeks online course & completed in July 2021)	Online Course on "Digital Disruption : Digital Transformation Strategies"	Cambridge Judge Business School Executive Education collaborating with online education provider, Emeritus
	23 - 25.08.2021	Webinar on "Education and Research in the Covid-19 Era"	DESE Australian High Commission KL
	24 - 25.11.2021	Virtual Conference on "The Disrupted Labor : Lifelong Learning Revolution"	LEARNTech Asia
	06 - 08.12.2021	Virtual Conference on "Empowering Learners for the Age of AI"	Empowering Learners.AI
Kam Kin Foong	25.05.2021	Webinar on "Tax Audit and Tax Investigation : Checkmate for Tax Payers?"	FPLC
	01.06.2021	Webinar on "Implementing Amendments in the Malaysian Code on Corporate Governance"	Asia School of Business
	06.12.2021	Webinar on "AOB Conversation with Audit Committees"	The Securities Commission Malaysia's AOB

DIVERSITY

The Nomination Committee and the Board have sought to ensure that the best and suitable candidates are appointed to promote the success of the Group and the appointments are based on objective criteria, merit and with due regard for diversity in skills, experience, age, cultural background and gender for the benefits of the Board.

Further information regarding Board diversity can be found on page 75 and gender diversity in the Group as a whole on page 75.

LOOKING AHEAD

In the year ahead, the Nomination Committee will continue to assess the Board composition and how it may be enhanced.

Remuneration Committee Report

The policy for variable compensation is to recognise corporate performance and individual achievement of objectives through discretionary bonus.

COMPOSITION

For the financial year ended 31 December 2021, the Remuneration Committee consists of three (3) Non-Executive Directors:

Rali Mohd Nor
Chair, Independent Non-Executive Director

Aryati Sasya Dato' Ahmad Sebi
Member, Non-Independent Non-Executive Director

Kam Kin Foong
Member, Independent Non-Executive Director

The Remuneration Committee is responsible for setting the remuneration policy framework for directors and senior management. The Remuneration Committee ensures that the Directors and senior management are fairly remunerated or rewarded for the contributions or individual roles and level of responsibilities. Additionally, the Remuneration Committee is responsible for determining the overall remuneration policy framework applied to the Group, including the quantum of variable remuneration and the method of delivery. In carrying out its delegated responsibilities, the Remuneration Committee receives advice, when they consider it to be appropriate, on remuneration, tax, accounting and regulatory issues from external advisers and internally from the Human Resources, Compliance, Risk and Finance departments.

REMUNERATION POLICY FRAMEWORK FOR EXECUTIVES

The Remuneration Committee believes strongly that total remuneration should take into account the competition for talent in an industry where successful people are rewarded and mobile. The Group compensates employees through both fixed and variable compensation.

Fixed compensation comprises principally base salaries and the Remuneration Committee reviews these as part of their overall annual review taking into account the performance of the individual, comparisons with peer group companies within the industry, the experience of the individual and their roles and level of responsibilities. Other elements related to base salary include an employer's contribution to the Employees Provident Fund.

REMUNERATION POLICY FRAMEWORK FOR EXECUTIVES (continued)

The policy framework for variable compensation is to recognise corporate performance and individual achievement of objectives through discretionary bonus. Discretionary variable compensation can be delivered in two main forms:

- Annual cash bonus; and
- Long-term incentive award.

The executive directors and other senior management assess individual performance through clearly defined objectives and structured process of review and feedback. In particular, the aggregate fixed and variable remuneration by individual is determined with regard to the complexity of the business, performance in managing material sustainability risks and opportunities, performance of the individual, performance of the area or function of the business in which the individual works or for which the individual is responsible, the profitability of the Group and levels of reward for comparable roles in the external market.

Executive directors and members of the senior management team do not participate in decisions concerning their own remuneration.

REMUNERATION FOR THE YEAR

The remuneration breakdown of individual Directors and senior management which includes fees, allowance, salary, bonus, benefits-in-kind and other emoluments for the financial year ended 31 December 2021 are as follows:

(a) Remuneration of Directors received from the Company:

Name of Director	Fees RM	Allowance RM	Salary RM	Bonus RM	Benefits-in-kind RM	Other Emoluments RM	Total RM
Executive							
Anton Syazi Dato' Ahmad Sebi	-	96,000	534,000	-	-	75,600	705,600
Lee Su Nie	-	96,000	630,000	-	7,200	87,120	820,320
Sub-total	-	192,000	1,164,000	-	7,200	162,720	1,525,920
Non-Executive							
Dato' Ahmad Sebi Bakar	150,000	-	-	-	15,500	-	165,500
Puan Sri Datin Masri Khaw Abdullah	-	-	-	-	-	-	-
Yong Teck Ming	44,917	-	-	-	-	-	44,917
Rali Mohd Nor	45,083	-	-	-	-	-	45,083
Aryati Sasya Dato' Ahmad Sebi	30,000	-	-	-	-	-	30,000
Kam Kin Foong	45,000	-	-	-	-	-	45,000
Sub-total	315,000	-	-	-	15,500	-	330,500
Grand total	315,000	192,000	1,164,000	-	22,700	162,720	1,856,420

REMUNERATION FOR THE YEAR (continued)

(b) Remuneration of Directors received from the Group:

Name of Director	Fees RM	Allowance RM	Salary RM	Bonus RM	Benefits-in-kind RM	Other Emoluments RM	Total RM
Executive							
Anton Syazi Dato' Ahmad Sebi	-	138,000	534,000	338,373	-	121,665	1,132,038
Lee Su Nie	-	96,000	630,000	-	7,200	87,120	820,320
Sub-total	-	234,000	1,164,000	338,373	7,200	208,785	1,952,358
Non-Executive							
Dato' Ahmad Sebi Bakar	248,399	-	240,000	-	22,700	45,600	556,699
Puan Sri Datin Masri Khaw Abdullah	142,390	-	205,985	-	-	30,960	379,335
Yong Teck Ming	44,917	-	-	-	-	-	44,917
Rali Mohd Nor	45,083	-	-	-	-	-	45,083
Aryati Sasya Dato' Ahmad Sebi	30,000	-	37,500	-	-	4,875	72,375
Kam Kin Foong	45,000	-	-	-	-	-	45,000
Sub-total	555,789	-	483,485	-	22,700	81,435	1,143,409
Grand total	555,789	234,000	1,647,485	338,373	29,900	290,220	3,095,767

(c) Remuneration of top five (5) senior management:

In view of the competitive nature of the human resource market, the remuneration of the top five (5) senior management which includes salary, bonus, benefits in-kind and other emoluments for the financial year ended 31 December 2021 is disclosed in bands of RM50,000:

Remuneration Range	Number of Senior Management staff
Between RM350,001 - RM400,000	3
Between RM500,001 - RM550,000	1
Between RM1,200,001 - RM1,250,000	1

Directors' responsibility statement
in respect of the audited financial statements

In presenting the annual financial statements and quarterly announcement of results, the Board aims to present a balanced and understandable assessment of the Group's position and prospects. This also applies to other price sensitive public reports and reports to regulators. The Audit Committee assists the Board in scrutinising such reports to ensure accuracy and adequacy. The Audit Committee meets on a quarterly basis to review the integrity and reliability of the quarterly announcement of results. At least twice a year, the Audit Committee will meet to review the integrity and reliability of the Group's annual financial results in the presence of the external auditors without the management, prior to recommending them for the Board's approval and issuance to shareholders.

As part of the Directors' responsibility for preparing financial statements, the Directors are required by the Act to prepare financial statements for each financial year which have been made out in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Act in Malaysia so as to give a true and fair view of the financial position of the Group and the Company as at the end of the financial year and the financial performance and cash flows of the Group and the Company for the financial year. The Directors have the responsibility for ensuring that the Company keeps accounting records which disclose with reasonable accuracy the financial position of the Group and the Company and which enable them to ensure that the financial statements comply with the Act.

In preparing the financial statements, the Directors have:

- Selected suitable accounting policies and applied them consistently;
- Made judgments and estimates that are reasonable and prudent;
- Ensured that all applicable financial reporting standards have been followed; and
- Prepared financial statements on a going concern basis as the Directors have a reasonable expectation, having made enquiries that the Group and the Company have adequate resources to continue in operational existence for the foreseeable future.

The Directors are responsible for taking such steps as are reasonably open to them to safeguard the assets of the Group and of the Company, and to detect and prevent fraud and other irregularities.

Additional Compliance Information

1. UTILISATION OF PROCEEDS

a. As at 31 December 2021, the status of utilisation of proceeds raised from the disposal of Helenium Holdings Limited is as follows:

	Proposed Utilisation GBP'000	Utilisation to-date GBP'000	Balance Unutilised GBP'000	Intended timeframe for Utilisation from 18.07.2019	Extended timeframe for Utilisation
Refurbishment of hotels and working capital	3,000	1,843	1,157	Within 12 months	Additional 24 months
Operating expenses of the Group	1,600	1,600	-	Within 12 months	-
Expenses for the disposal	150	145	5	Within 12 months	-
	4,750	3,588	1,162		

b. As at 31 December 2021, the status of utilisation of proceeds raised from the disposal of a property, Wisma Synergy, by AESBI Power Systems Sdn Bhd, an indirect wholly-owned subsidiary of the Company is as follows:

	Proposed Utilisation RM'000	Utilisation to-date RM'000	Balance Unutilised RM'000	Intended timeframe for Utilisation from 08.11.2019	Extended timeframe for Utilisation
Repayment of borrowings	61,340	61,336	4	Within 3 months	-
Working capital of the Group	51,900	35,124	16,776	Within 12 months	Additional 24 months
Expenses for the disposal	10,760	10,760	-	Within 3 months	-
	124,000	107,220	16,780		

c. As at 31 December 2021, the status of utilisation of proceeds raised from the disposal of a land in Arosa by Posthotel Arosa AG, an indirect 65%-owned subsidiary of the Company is as follows:

	Proposed Utilisation CHF'000	Utilisation to-date CHF'000	Balance Unutilised CHF'000	Intended timeframe for Utilisation from 04.12.2020
Working capital of the Group	5,300	1,778	3,522	Within 24 months
Expenses for the disposal	650	650	-	Within 12 months
	5,950	2,428	3,522	

1. UTILISATION OF PROCEEDS (continued)

d. As at 31 December 2021, the status of utilisation of proceeds raised from the disposal of management services agreements, licensing agreements and trademarks of Alangka-Suka Hotels and Resorts Sdn Bhd Group is as follows:

	Proposed Utilisation RM'000	Utilisation to-date RM'000	Balance Unutilised RM'000	Timeframe for Utilisation from 03.12.2021
Working capital of the Group	6,844	348	6,496	Proceeds of RM4.844 million - Within 24 months Proceeds of RM200,000 per quarter totaling RM2.0 million for Remaining Balance - Within 3 months from the receipt of the quarterly payment
Expenses for the disposal	156	143	13	Within 12 months
	7,000	491	6,509	

2. AUDIT AND NON-AUDIT FEES PAID OR PAYABLE TO EXTERNAL AUDITORS

For the financial year ended 31 December 2021, the following audit and non-audit fees are paid or payable by the Company and the Group:

Description	Company	Group
Audit Fees paid or payable to the external auditors, Messrs Baker Tilly Monteiro Heng PLT ("BTMH")	RM100,300	RM391,400
Non-Audit Fees paid or payable to BTMH, or a firm or corporation affiliated to BTMH (Note 1)	RM9,000	RM9,000

Note 1 The amount disclosed included non-audit fees incurred for reviewing the statement on risk management and internal control and other information included in the annual report.

3. MATERIAL CONTRACTS INVOLVING THE INTERESTS OF THE DIRECTORS, CHIEF EXECUTIVE WHO IS NOT A DIRECTOR OR MAJOR SHAREHOLDERS

Save as disclosed below, there were no material contracts entered into by the Group which involved the interest of the directors, chief executive who is not a director or major shareholders, either still subsisting at the end of the financial year ended 31 December 2021 or entered into since the end of the previous financial year:

On 7 May 2021, the below-mentioned direct or indirect subsidiaries of Alangka-Suka Hotels & Resorts Sdn Bhd ("ASHR"), a wholly-owned subsidiary of the Company, have on 7 May 2021 entered into the following agreements with Holiday Villa Hotels and Resorts Sdn Bhd ("HVHR") and/or Holiday Villas Hotels and Resorts Limited ("HVHRL") for disposal of management services agreements, licensing agreements and trademarks of ASHR Group ("Proposed Disposal") on "willing-buyer willing-seller" basis:

Antara Holiday Villas Sdn Bhd, Holiday Villas International Limited and Holiday Villa Middle East Limited each entered into an agreement relating to the transfer of their respective contracts and/or trademarks and Cherating Holiday Villa Berhad entered into an agreement relating to the transfer of its trademarks, with HVHR or HVHRL (collectively referred to as "Agreements") for total cash consideration of RM7.0 million only, subject to the terms and conditions as stipulated in the Agreements. The Proposed Disposal was completed on 3 December 2021. Puan Sri Datin Masri Khaw Abdullah, a Non-Independent Non-Executive Director of the Company, is regarded as having interest in the Proposed Disposal by virtue of her family members' directorships in HVHR and HVHRL and their shareholdings in HVHR as well as her and her spouse's indirect shareholding in HVHRL and their directorships in the above-mentioned direct or indirect subsidiaries of ASHR.

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FINANCIAL STATEMENTS

Contents

Directors' Report

The Directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2021.

PRINCIPAL ACTIVITIES

The principal activities of the Company are that of investment holding and the provision of full corporate and financial support to its subsidiaries. The principal activities of the subsidiaries are disclosed in Note 10 to the financial statements.

There have been no significant changes in the nature of these principal activities during the financial year.

RESULTS

	Group RM'000	Company RM'000
(Loss)/Profit for the financial year, net of tax	(1,409)	2,990
Attributable to:		
Owners of the Company	(11,269)	2,990
Non-controlling interests	9,860	-
	(1,409)	2,990

DIVIDENDS

Since the end of the previous financial year, a first and final single tier dividend of 0.15 sen per ordinary share totalling RM1,393,788 in respect of the financial year ended 31 December 2020 was paid on 18 August 2021.

At the forthcoming Annual General Meeting, a first and final single tier dividend of 0.15 sen per ordinary share in respect of the financial year ended 31 December 2021 will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 December 2022.

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.

BAD AND DOUBTFUL DEBTS

Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and had satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts.

At the date of this report, the Directors are not aware of any circumstances which would render the amount written off for bad debts or the amount of allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent.

CURRENT ASSETS

Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps to ensure that any current assets which were unlikely to be realised in the ordinary course of business including their values as shown in the accounting records of the Group and of the Company had been written down to an amount which they might be expected so to realise.

At the date of this report, the Directors are not aware of any circumstances which would render the values attributed to the current assets in the financial statements of the Group and of the Company misleading.

VALUATION METHODS

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

CONTINGENT AND OTHER LIABILITIES

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

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

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

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

CHANGE OF CIRCUMSTANCES

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

ITEMS OF MATERIAL AND UNUSUAL NATURE

In the opinion of the Directors,

(i) the results of the operations of the Group and of the Company for the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and

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

ISSUE OF SHARES AND DEBENTURES

During the financial year, no new issue of shares or debentures were made by the Company.

OPTIONS GRANTED OVER UNISSUED SHARES

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

DIRECTORS

The Directors 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:

Dato’ Ahmad Sebi Bakar
Anton Syazi Dato’ Ahmad Sebi
Lee Su Nie
Puan Sri Datin Masri Khaw Abdullah
Aryati Sasya Dato’ Ahmad Sebi
Yong Teck Ming
Rali Mohd Nor
Kam Kin Foong

The Directors of the Company’s subsidiaries in office during the financial year and during the period from the end of the financial year to the date of this report are:

Dato' Ahmad Sebi Bakar
Anton Syazi Dato’ Ahmad Sebi
Lee Su Nie
Tan Sri Dato’ Azman Shah Haron
Puan Sri Datin Masri Khaw Abdullah
Rali Mohd Nor
Aryati Sasya Dato’ Ahmad Sebi
Ahmad Kamal Ali Merican
Alain Cheseaux
Ann Wan Kuan
Arneda Haji Udin
Chee Chong Fatt
Chew Lee Fong
Chin Wei Li
Chuah Seong Phaik
Cheah Foo Choong

DIRECTORS (CONTINUED)

The Directors of the Company's subsidiaries in office during the financial year and during the period from the end of the financial year to the date of this report are (Continued):

Datuk Hardew Kaur a/p Hazar Singh	
Frank Michael Turrisi	
Ho Ting Sai	
Ir. Haji Mansor Salleh @ Md Salleh	
Karen Khoo Kah Mei	
Lee Buck Chye	
Lee Chien Siong	
Lim Hong Hoo	
Md Nazirul Mubin Julkiflee	
Ng Sai Kit	
Phang Deng Sheng	
Phuah Peng Hock	
Sng Ngiap Koon	
Triandi Putranta Soewando	
Wong Kwai Yim, Woo	
Wong Tze Leng	
Yap Chee Kong	
Yap Wai Shoong	(resigned on 30 November 2021)
Yong Choon Vooi	

REMUNERATION COMMITTEE

The Remuneration Committee is responsible for setting the remuneration policy for all directors including the executive directors and other senior executives in the Group. The Remuneration Committee ensures that the Directors are fairly remunerated and rewarded for the contributions or individual level of responsibilities. Additionally, the Remuneration Committee is responsible for determining the overall Remuneration Policy applied to the Group, including the quantum of variable remuneration and the method of delivery.

The members of the Remuneration Committee at the end of the financial year ended 31 December 2021 are as follows:

Rali Mohd Nor	(Chair, Independent Non-Executive Director)
Aryati Sasya Dato' Ahmad Sebi	(Member, Non-Independent Non-Executive Director)
Kam Kin Foong	(Member, Independent Non-Executive Director)

DIRECTORS' INTERESTS

According to the Register of Directors' Shareholdings required to be kept by the Company under Section 59 of the Companies Act 2016 in Malaysia, the interests of the Directors in office at the end of the financial year in the shares of Advance Synergy Berhad ("ASB") and its related corporations during the financial year ended 31 December 2021 are as follows:

	Number of ordinary shares			
	At 1.1.2021	**Bought**	**Sold**	**At 31.12.2021**
The Company				
Direct Interests				
Dato' Ahmad Sebi Bakar #	76,810,009	-	-	76,810,009
Aryati Sasya Dato' Ahmad Sebi	22,308,000	-	-	22,308,000
Deemed Interests				
Dato' Ahmad Sebi Bakar #	*1 139,391,853	-	-	*1 139,391,853
Anton Syazi Dato' Ahmad Sebi	*2 30,467,000	-	-	*2 30,467,000
Lee Su Nie	*3 365,000	-	-	*3 365,000
Puan Sri Datin Masri Khaw Abdullah	*4 11,500,000	500,000	-	*4 12,000,000
Subsidiary				
Captii Limited ("Captii")				
Direct Interests				
Anton Syazi Dato' Ahmad Sebi	517,600	-	-	517,600
Lee Su Nie	20,000	-	-	20,000
Deemed Interests				
Kam Kin Foong	*5 55,000	-	-	*5 55,000
Segi Koleksi Sdn. Bhd. ("SKSB")				
Deemed Interests				
Dato' Ahmad Sebi Bakar	*6 105,000	-	-	*6 105,000
Anton Syazi Dato' Ahmad Sebi	*7 105,000	-	-	*7 105,000
Aryati Sasya Dato' Ahmad Sebi	*7 105,000	-	-	*7 105,000

DIRECTORS' INTERESTS (CONTINUED)

	Number of ordinary shares			
	At 1.1.2021	**Bought**	**Sold**	**At 31.12.2021**
Subsidiary (Continued)				
Metroprime Corporation Sdn. Bhd. ("MCSB")				
Deemed Interests				
Dato' Ahmad Sebi Bakar	[*8]350,000	-	-	[*8]350,000
Anton Syazi Dato' Ahmad Sebi	[*9]350,000	-	-	[*9]350,000
Aryati Sasya Dato' Ahmad Sebi	[*9]350,000	-	-	[*9]350,000
Temasya House Sdn. Bhd.				
Deemed Interests				
Anton Syazi Dato' Ahmad Sebi	[*10]150,000	-	-	[*10]150,000
Aryati Sasya Dato' Ahmad Sebi	[*10]150,000	-	-	[*10]150,000
Yap Ah Shak House Sdn. Bhd.				
Deemed Interests				
Anton Syazi Dato' Ahmad Sebi	[*10]15,000	-	-	[*10]15,000
Aryati Sasya Dato' Ahmad Sebi	[*10]15,000	-	-	[*10]15,000
Primo Espresso Sdn. Bhd.				
Deemed Interests				
Anton Syazi Dato' Ahmad Sebi	[*10]600,000	-	-	[*10]600,000
Aryati Sasya Dato' Ahmad Sebi	[*10]600,000	-	-	[*10]600,000
Osteria Gamberoni Sdn. Bhd.				
Deemed Interests				
Anton Syazi Dato' Ahmad Sebi	[*10]345,000	-	-	[*10]345,000
Acrylic Synergy Sdn. Bhd.				
Direct Interests				
Anton Syazi Dato' Ahmad Sebi	1	-	-	1

DIRECTORS' INTERESTS (CONTINUED)

	Number of ordinary shares of CHF500.00 each			
	At 1.1.2021	Bought	Sold	At 31.12.2021
Subsidiary (Continued)				
Posthotel Arosa AG ("Arosa")				
Anton Syazi Dato' Ahmad Sebi	*[10]3,150	-	-	*[10]3,150
Aryati Sasya Dato' Ahmad Sebi	*[10]3,150	-	-	*[10]3,150

	Number of ordinary shares of GBP1.00 each			
	At 1.1.2021	Bought	Sold	At 31.12.2021
57-59 Philbeach Gardens Limited ("PGL")				
Deemed Interests				
Anton Syazi Dato' Ahmad Sebi	*[11]100	-	-	*[11]100
Aryati Sasya Dato' Ahmad Sebi	*[11]100	-	-	*[11]100
Beaver Hotels Limited ("BHL")				
Deemed Interests				
Anton Syazi Dato' Ahmad Sebi	*[12]1,100	-	-	*[12]1,100
Aryati Sasya Dato' Ahmad Sebi	*[12]1,100	-	-	*[12]1,100

By virtue of his interest in ASB, Dato' Ahmad Sebi Bakar is also deemed to be interested in the shares of all investee companies (including subsidiaries) to the extent that ASB has an interest.

*1 By virtue of his interest in Bright Existence Sdn. Bhd. ("BESB") and Suasana Dinamik Sdn. Bhd. ("SDSB"), Dato' Ahmad Sebi Bakar is also deemed to be interested in the ordinary shares of ASB to the extent that BESB and SDSB have an interest respectively.

*2 By virtue of his interest in Eighth Review (M) Sdn. Bhd. ("ERSB"), he is also deemed to be interested in the ordinary shares of ASB to the extent that ERSB has an interest.

*3 This is her spouse's interest in the ordinary shares of ASB which shall be treated as her interest in the ordinary shares of ASB pursuant to Section 59(11)(c) of the Companies Act 2016 in Malaysia.

DIRECTORS' INTERESTS (CONTINUED)

*4 By virtue of her interest in ASH Holdings Sdn. Bhd. ("ASH"), Puan Sri Datin Masri Khaw Abdullah is also deemed to be interested in the ordinary shares of ASB to the extent that ASH has an interest.

*5 This is her spouse's interest in the ordinary shares of Captii which shall be treated as her interest in the ordinary shares of Captii pursuant to Section 59(11)(c) of the Companies Act 2016 in Malaysia.

*6 This is the interest of his children (Ms Aryati Sasya Dato' Ahmad Sebi and Mr Anton Syazi Dato' Ahmad Sebi) in SKSB which shall be treated as his interest in the ordinary shares of SKSB pursuant to Section 59(11)(c) of the Companies Act 2016 in Malaysia.

*7 By virtue of their interest in Pacific Existence Sdn. Bhd. ("PESB"), Ms Aryati Sasya Dato' Ahmad Sebi and Mr Anton Syazi Dato' Ahmad Sebi are also deemed to be interested in the shares to the extent that PESB has an interest in SKSB.

*8 By virtue of his interest in SKSB pursuant to Section 8 of the Companies Act 2016 in Malaysia, Dato' Ahmad Sebi Bakar is also deemed to be interested in the shares to the extent that SKSB has an interest in MCSB.

*9 By virtue of their interest in SKSB via PESB, Ms Aryati Sasya Dato' Ahmad Sebi and Mr Anton Syazi Dato' Ahmad Sebi are also deemed to be interested in the shares to the extent that SKSB has an interest in MCSB.

*10 By virtue of their interest in Kibar Konsep Sdn. Bhd. ("KKSB"), Ms Aryati Sasya Dato' Ahmad Sebi and Mr Anton Syazi Dato' Ahmad Sebi are also deemed to be interested in the shares to the extent that KKSB has an interest in Temasya House Sdn. Bhd., Yap Ah Shak House Sdn. Bhd., Primo Espresso Sdn. Bhd., Osteria Gamberoni Sdn. Bhd. and Arosa.

*11 By virtue of their interest in Arosa via KKSB, Ms Aryati Sasya Dato' Ahmad Sebi and Mr Anton Syazi Dato' Ahmad Sebi are also deemed to be interested in the shares to the extent that Arosa has an interest in PGL.

*12 By virtue of their interest in PGL via Arosa, Ms Aryati Sasya Dato' Ahmad Sebi and Mr Anton Syazi Dato' Ahmad Sebi are also deemed to be interested in the shares to the extent that PGL has an interest in BHL.

Other than as disclosed above, none of the other directors in office at the end of the financial year had any interest in the shares of the Company and its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director of the Company has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the Directors shown in the Directors' Remuneration and Note 28 to the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest other than any deemed benefit which may arise from transactions as disclosed in Note 34 to the financial statements.

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

INDEMNITY TO DIRECTORS AND OFFICERS

During the financial year, the total amount of indemnity insurance coverage and insurance premium paid for the Directors and officers of the Company were RM30 million and RM42,039 respectively.

DIRECTORS' REMUNERATION

The details of Directors' remuneration are disclosed in Note 28 to the financial statements.

SUBSIDIARIES

The details of the Company's subsidiaries are disclosed in Note 10 to the financial statements.

The available auditors' reports on the accounts of the subsidiaries did not contain any qualification.

SIGNIFICANT EVENTS DURING AND SUBSEQUENT TO THE FINANCIAL YEAR

Details of the significant events during and subsequent to the financial year are disclosed in Note 39 to the financial statements.

AUDITORS

The auditors, Messrs Baker Tilly Monteiro Heng PLT, have expressed their willingness to continue in office.

The details of the auditors' remuneration are disclosed in the Note 28 to the financial statements.

The Company has agreed to indemnify the auditors of the Company as permitted under Section 289 of the Companies Act 2016 in Malaysia.

This report was approved and signed on behalf of the Board of Directors in accordance with a resolution of the Directors.

LEE SU NIE
Director

YONG TECK MING
Director

Selangor
Date: 11 April 2022

Statements of Financial Position

as at 31 December 2021

		Group			Company	
		31.12.2021	31.12.2020	1.1.2020	31.12.2021	31.12.2020
	Note	RM'000	RM'000	RM'000	RM'000	RM'000
			(Restated)			
ASSETS						
Non-current assets						
Property, plant and equipment	5	243,305	199,018	179,132	62	79
Right-of-use assets	6	41,416	47,153	47,329	4,455	5,030
Investment properties	7	18,630	44,935	54,572	-	-
Intangible assets	8	89,949	92,684	93,724	-	-
Investment in subsidiaries	10	-	-	-	617,425	617,802
Investment in associates	11	3,858	12,757	12,971	-	-
Investment in a joint venture	12	-	-	-	-	-
Investment securities	13	106,306	57,797	55,789	-	-
Deferred tax assets	14	5,189	4,841	5,864	-	-
Inventories	15	4,634	4,632	4,631	-	-
Total non-current assets		513,287	463,817	454,012	621,942	622,911
Current assets						
Inventories	15	37,295	40,593	46,458	-	-
Trade and other receivables	16	78,912	59,207	102,461	6,249	3,024
Other assets	17	10,298	18,244	16,702	-	-
Current tax assets		2,662	2,401	3,721	-	-
Investment securities	13	4,189	5,162	1,400	530	1,085
Financial assets held for trading	18	-	8	462	-	-
Cash and bank balances and short term deposits	19	126,693	121,017	127,820	1,319	6,829
Total current assets		260,049	246,632	299,024	8,098	10,938
TOTAL ASSETS		773,336	710,449	753,036	630,040	633,849

as at 31 December 2021 (continued)

		Group			Company	
	Note	31.12.2021 RM'000	31.12.2020 RM'000 (Restated)	1.1.2020 RM'000	31.12.2021 RM'000	31.12.2020 RM'000
EQUITY AND LIABILITIES						
Equity attributable to owners of the Company						
Share capital	20	381,377	381,377	381,377	381,377	381,377
Other reserves	21	28,346	24,843	19,941	-	-
Retained earnings	21	43,626	46,498	80,378	13,687	12,091
Shareholders' funds		453,349	452,718	481,696	395,064	393,468
Non-controlling interests	10(e)	83,837	70,266	69,072	-	-
Total equity		537,186	522,984	550,768	395,064	393,468
Non-current liabilities						
Borrowings	22	61,631	38,347	38,614	-	-
Lease liabilities	23	45,069	50,506	48,847	4,030	4,548
Deferred tax liabilities	14	4,358	4,017	5,146	-	-
Provision for retirement benefits obligations	24	1,413	1,386	1,923	-	-
Trade and other payables	25	8,945	9,294	9,753	-	-
Total non-current liabilities		121,416	103,550	104,283	4,030	4,548

		Group			Company	
		31.12.2021	31.12.2020	1.1.2020	31.12.2021	31.12.2020
	Note	RM'000	RM'000	RM'000	RM'000	RM'000
			(Restated)			
EQUITY AND LIABILITIES (CONTINUED)						
Current liabilities						
Borrowings	22	43,719	19,111	10,163	-	-
Lease liabilities	23	7,058	6,339	8,090	519	501
Current tax liabilities		1,697	5,013	5,545	2	2
Trade and other payables	25	58,230	48,918	67,461	230,425	235,330
Other liabilities	17	4,030	4,534	6,726	-	-
Total current liabilities		114,734	83,915	97,985	230,946	235,833
Total liabilities		236,150	187,465	202,268	234,976	240,381
TOTAL EQUITY AND LIABILITIES		773,336	710,449	753,036	630,040	633,849

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

Statements of Comprehensive Income

for the financial year ended 31 December 2021

		Group		Company	
		2021	2020	2021	2020
	Note	RM'000	RM'000 (Restated)	RM'000	RM'000
Revenue	26	116,285	117,240	13,556	10,701
Cost of sales	27	(70,964)	(72,294)	-	-
Gross profit		45,321	44,946	13,556	10,701
Other operating income		43,181	32,363	195	250
Distribution costs		(4,996)	(4,526)	-	-
Administrative expenses		(38,628)	(52,709)	(4,144)	(4,628)
Other operating expenses		(35,534)	(37,577)	(4,626)	(3,442)
Operating profit/(loss)	28	9,344	(17,503)	4,981	2,881
Finance costs	29	(7,368)	(5,175)	(1,935)	(1,267)
Share of results of associates		101	142	-	-
Profit/(Loss) before tax		2,077	(22,536)	3,046	1,614
Income tax expense	30	(3,486)	(4,358)	(56)	(66)
(Loss)/Profit for the financial year		(1,409)	(26,894)	2,990	1,548
Other comprehensive income, net of tax					
Items that will not be reclassified subsequently to profit or loss					
Fair value gain/(loss) on equity instruments designated at fair value through other comprehensive income		2,825	(2,203)	-	-
Revaluation gain on land and buildings, net of deferred tax		1,687	1,067	-	-
		4,512	(1,136)	-	-

	Note	Group 2021 RM'000	Group 2020 RM'000 (Restated)	Company 2021 RM'000	Company 2020 RM'000
Items that may be reclassified subsequently to profit or loss					
Exchange differences on translation of foreign operations		(1,003)	4,986	-	-
Other comprehensive income for the financial year		3,509	3,850	-	-
Total comprehensive income/(loss) for the financial year		2,100	(23,044)	2,990	1,548
(Loss)/Profit attributable to:					
Owners of the Company		(11,269)	(30,628)	2,990	1,548
Non-controlling interests		9,860	3,734	-	-
		(1,409)	(26,894)	2,990	1,548
Total comprehensive income/(loss) attributable to:					
Owners of the Company		(7,629)	(25,726)	2,990	1,548
Non-controlling interests		9,729	2,682	-	-
		2,100	(23,044)	2,990	1,548
Loss per ordinary share attributable to the owner of the Company (sen)					
- Basic	31	(1.21)	(3.30)		
- Diluted	31	(1.21)	(3.30)		

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

Statements of Changes In Equity

for the financial year ended 31 December 2021

Group	Share Capital RM'000	Revaluation Reserve RM'000	Foreign Currency Translation Reserve RM'000	Fair Value Reserve RM'000	Retained Earnings RM'000	Total RM'000	Non-Controlling Interests RM'000	Total Equity RM'000
At 1 January 2021								
- as previously reported	381,377	15,614	12,793	(3,537)	42,827	449,074	67,659	516,733
- prior year adjustments	-	-	(27)	-	3,671	3,644	2,607	6,251
At 1 January 2021, as restated	381,377	15,614	12,766	(3,537)	46,498	452,718	70,266	522,984
(Loss)/Profit for the financial year	-	-	-	-	(11,269)	(11,269)	9,860	(1,409)
Fair value of equity instruments through other comprehensive income	-	-	-	2,825	-	2,825	-	2,825
Crystalisation of revaluation reserve	-	(137)	-	-	137	-	-	-
Revaluation gain on land and buildings, net of deferred tax	-	1,687	-	-	-	1,687	-	1,687
Exchange differences on translation of foreign operations	-	-	(872)	-	-	(872)	(131)	(1,003)
Total comprehensive income/(loss) for the financial year	-	1,550	(872)	2,825	(11,132)	(7,629)	9,729	2,100

for the financial year ended 31 December 2021 (continued)

Group	Share Capital RM'000	Revaluation Reserve RM'000	Foreign Currency Translation Reserve RM'000	Fair Value Reserve RM'000	Retained Earnings RM'000	Total RM'000	Non-Controlling Interests RM'000	Total Equity RM'000
Transactions with owners:								
Dividends paid (Note 32)	-	-	-	-	(1,394)	(1,394)	-	(1,394)
Dividends paid to non-controlling interests of a subsidiary	-	-	-	-	-	-	(1,004)	(1,004)
Non-controlling interests arising from acquisition of a subsidiary (Note 10(c))	-	-	-	-	-	-	16,574	16,574
Changes in ownership interests in a subsidiary	-	-	-	-	9,654	9,654	(11,728)	(2,074)
Total transactions with owners	-	-	-	-	8,260	8,260	3,842	12,102
At 31 December 2021	381,377	17,164	11,894	(712)	43,626	453,349	83,837	537,186

for the financial year ended 31 December 2021 (continued)

Group	Share Capital RM'000	Revaluation Reserve RM'000	Foreign Currency Translation Reserve RM'000	Fair Value Reserve RM'000	Retained Earnings RM'000	Total RM'000	Non-Controlling Interests RM'000	Total Equity RM'000
At 1 January 2020	381,377	14,547	6,728	(1,334)	80,378	481,696	69,072	550,768
(Loss)/Profit for the financial year	-	-	-	-	(30,628)	(30,628)	3,734	(26,894)
Fair value of equity instruments through other comprehensive income	-	-	-	(2,203)	-	(2,203)	-	(2,203)
Revaluation gain on land and buildings, net of deferred tax	-	1,067	-	-	-	1,067	-	1,067
Exchange differences on translation of foreign operations	-	-	6,038	-	-	6,038	(1,052)	4,986
Total comprehensive income/(loss) for the financial year	-	1,067	6,038	(2,203)	(30,628)	(25,726)	2,682	(23,044)
Transactions with owners:								
Dividends paid (Note 32)	-	-	-	-	(3,252)	(3,252)	-	(3,252)
Dividends paid to non-controlling interests of a subsidiary	-	-	-	-	-	-	(1,488)	(1,488)
Total transactions with owners	-	-	-	-	(3,252)	(3,252)	(1,488)	(4,740)
At 31 December 2020	381,377	15,614	12,766	(3,537)	46,498	452,718	70,266	522,984

Company	Share Capital RM'000	Retained Earnings RM'000	Total Equity RM'000
At 1 January 2020	381,377	13,795	395,172
Total comprehensive income for the financial year	-	1,548	1,548
Transaction with owners:			
Dividends paid (Note 32)	-	(3,252)	(3,252)
Total transaction with owners	-	(3,252)	(3,252)
At 31 December 2020	381,377	12,091	393,468
Total comprehensive income for the financial year	-	2,990	2,990
Transaction with owners:			
Dividends paid (Note 32)	-	(1,394)	(1,394)
Total transaction with owners	-	(1,394)	(1,394)
At 31 December 2021	381,377	13,687	395,064

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

Statements of Cash Flows

for the financial year ended 31 December 2021

		Group		Company	
		2021	**2020**	**2021**	**2020**
	Note	**RM'000**	**RM'000**	**RM'000**	**RM'000**
			(Restated)		
CASH FLOWS FROM OPERATING ACTIVITIES:					
Profit/(Loss) before tax		2,077	(22,536)	3,046	1,614
Adjustments for:					
Amortisation of intangible assets		915	1,403	-	-
Bad debts written off		-	2	-	-
COVID-19 related rent concession income		-	(2,345)	-	-
Depreciation of property, plant and equipment		7,123	6,878	20	15
Depreciation of right-of-use assets		7,235	8,370	575	144
Dividends from quoted investment securities		(73)	-	-	-
Effect of modication to lease terms		(279)	6	-	-
Fair value change in:					
- investment in associates		(15,760)	-	-	-
- investment properties		(860)	-	-	-
- quoted investment securities		2,650	308	516	322
- unquoted investment securities		(6,702)	(4,526)	-	-
Gain on bargain purchase		(4,998)	-	-	-
(Gain)/Loss on disposal of:					
- property, plant and equipment		-	(6,568)	-	-
- unquoted investment securities		430	-	-	-
- quoted investment securities		(237)	(813)	(11)	(243)
- hotel management services contracts		(7,000)	-	-	-
Impairment loss on:					
- amount owing from associates		-	2,108	-	-
- goodwill		2,788	736	-	-
- intellectual property		-	34	-	-
- property, plant and equipment		-	4	-	3
- investment in associates		-	355	-	-
- investment in subsidiaries		-	-	1,044	1,195
- trade and other receivables		108	3,371	2,287	1,921

		Group		Company	
		2021	2020	2021	2020
	Note	RM'000	RM'000	RM'000	RM'000
			(Restated)		
CASH FLOWS FROM OPERATING ACTIVITIES (CONTINUED):					
Adjustments for (Continued):					
Interest expenses		7,368	5,175	1,935	1,267
Interest income		(1,343)	(2,050)	(22)	(201)
Inventories written down		-	2,157	-	-
Net unrealised gain on foreign exchange		(345)	(518)	-	-
Property, plant and equipment written off		3	1,219	-	-
Provision/(Reversal of provision) for retirement benefits plan obligations		146	(537)	-	-
Reversal of provision for legal claim		-	(854)	-	-
Share of results in associates		(101)	(142)	-	-
Operating (loss)/profit before working capital changes		(6,855)	(8,763)	9,390	6,037
Changes in working capital:					
Inventories		3,296	3,707	-	-
Receivables		(14,935)	29,112	(6,179)	46,485
Financial assets at fair value through profit or loss		8	455	-	-
Payables		8,714	(19,907)	(4,905)	(67,671)
Net cash (used in)/generated from operations		(9,772)	4,604	(1,694)	(15,149)
Retirement benefits paid		(119)	-	-	-
Tax (paid)/refunded		(7,062)	(3,175)	(56)	707
Net cash (used in)/generated from operating activities		(16,953)	1,429	(1,750)	(14,442)

for the financial year ended 31 December 2021 (continued)

		Group		Company	
		2021	2020	2021	2020
	Note	RM'000	RM'000	RM'000	RM'000
			(Restated)		
CASH FLOWS FROM INVESTING ACTIVITIES:					
Acquisition of intangibles assets		(578)	(1,113)	-	-
Acquisition of quoted investment securities		(3,707)	(6,981)	-	(2,324)
Acquisition of unquoted investment securities		(924)	(220)	-	-
Addition of investment properties		(1,876)	(11,860)	-	-
Dividend income received		9,073	-	-	-
Interest received		1,343	2,050	22	201
Withdrawal of pledged deposits		3,721	683	-	-
Proceeds from disposal of unquoted investment securities		1,291	528	-	-
Proceeds from disposal of quoted investment securities		1,974	4,899	51	1,159
Proceeds from disposal of property, plant and equipment		-	26,804	-	-
Proceeds from disposal of hotel management services contracts		5,000	-	-	-
Purchase of property, plant and equipment	(a)	(18,169)	(15,672)	(3)	(74)
Net cash (used in)/generated from investing activities		(2,852)	(882)	70	(1,038)

	Note	Group 2021 RM'000	Group 2020 RM'000 (Restated)	Company 2021 RM'000	Company 2020 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES:	(b)				
Dividends paid		(1,394)	(3,252)	(1,394)	(3,252)
Dividends paid to non-controlling interests of a subsidiary		(1,004)	(1,488)	-	-
Drawdown of term loans		27,908	2,475	-	-
Interest paid		(7,368)	(5,175)	(1,935)	(1,267)
Repayments of lease liabilities		(6,539)	(4,664)	(501)	(124)
Repayments of term loans		(5,128)	(4,333)	-	-
Drawdown of revolving credit		25,600	13,000	-	-
Net cash generated from/(used in) financing activities		32,075	(3,437)	(3,830)	(4,643)
Effects of exchange rate changes		(3,242)	(1,318)	-	-
NET CHANGE IN CASH AND CASH EQUIVALENTS		9,028	(4,208)	(5,510)	(20,123)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR					
As previously reported		86,959	90,619	6,829	26,952
Effect of exchange rate changes		485	548	-	-
		87,444	91,167	6,829	26,952
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	19	96,472	86,959	1,319	6,829

(a) Purchase of property, plant and equipment

	Group		Company	
	2021	**2020**	**2021**	**2020**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Cash payments on purchase of property, plant and equipment	18,169	15,672	3	74

(b) Reconciliation of liabilities arising from financial liabilities

	At 1 January RM'000	**Cash flows RM'000**	**Lease modification RM'000**	**Addition RM'000**	**COVID-19 related rent concession income RM'000**	**Exchange difference RM'000**	**At 31 December RM'000**
2021							
Revolving credit	13,000	25,600	-	-	-	-	38,600
Term loans	44,104	22,780	-	-	-	(372)	66,512
Lease liabilities	56,845	(6,539)	(1,019)	460	-	2,380	52,127
	113,949	41,841	(1,019)	460	-	2,008	157,239
2020							
Revolving credit	-	13,000	-	-	-	-	13,000
Term loans	45,962	(1,858)	-	-	-	-	44,104
Lease liabilities	56,937	(4,664)	(2,067)	9,131	(2,345)	(147)	56,845
	102,899	6,478	(2,067)	9,131	(2,345)	(147)	113,949

(c) During the financial year, the Group and the Company had total cash outflows for leases of RM7,041,000 and RM507,000 (2020:RM4,938,000 and RM223,000) respectively.

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

Notes to the Financial Statements

31 December 2021

1. GENERAL INFORMATION

The principal activities of the Company during the financial year are that of investment holding and the provision of full corporate and financial support to its subsidiaries. The principal activities of the Company's subsidiaries are stated in Note 10 to the financial statements. There have been no significant changes in the nature of these principal activities during the financial year.

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

The registered office of the Company is located at Ground Floor, Synergy 9, 9, Jalan Kajibumi U1/70, Temasya Glenmarie, 40150 Shah Alam, Selangor.

The principal place of business of the Company is located at Synergy 9, 9, Jalan Kajibumi U1/70, Temasya Glenmarie, 40150 Shah Alam, Selangor.

The financial statements were approved and authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 11 April 2022.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

2.2 Adoption of amendments/improvements to MFRSs

The Group and the Company have adopted the following amendments/improvements to MFRSs for the current financial year:

Amendments/Improvements to MFRSs	
MFRS 4	Insurance Contracts
MFRS 7	Financial Instruments: Disclosures
MFRS 9	Financial Instruments
MFRS 16	Leases*
MFRS 139	Financial Instruments: Recognition and Measurement

2. BASIS OF PREPARATION (CONTINUED)

2.2 Adoption of amendments/improvements to MFRSs (Continued)

* Early adopted the amendments to MFRS 16 Leases issued by the Malaysian Accounting Standards Board ("MASB") on 6 April 2021.

The adoption of the above amendments/improvements to MFRSs did not have any significant effect on the financial statements of the Group and of the Company and did not result in significant changes to the Group's and the Company's existing accounting policies.

2.3 New MFRS, and amendments/improvements to MFRSs that have been issued, but yet to be effective

The Group and the Company have not adopted the following new MFRS, and amendments/improvements to MFRSs that have been issued, but yet to be effective:

		Effective for financial periods beginning on or after
New MFRS		
MFRS 17	Insurance Contracts	1 January 2023
Amendments/Improvements to MFRSs		
MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards	1 January 2022^/ 1 January 2023#
MFRS 3	Business Combinations	1 January 2022/ 1 January 2023#
MFRS 5	Non-current Assets Held for Sale and Discontinued Operations	1 January 2023#
MFRS 7	Financial Instruments: Disclosures	1 January 2023#
MFRS 9	Financial Instruments	1 January 2022^/ 1 January 2023#
MFRS 10	Consolidated Financial Statements	Deferred
MFRS 15	Revenue from Contracts with Customers	1 January 2023#
MFRS 16	Leases	1 April 2021/ 1 January 2022^
MFRS 17	Insurance Contracts	1 January 2023

2. BASIS OF PREPARATION (CONTINUED)

2.3 New MFRS, and amendments/improvements to MFRSs that have been issued, but yet to be effective (Continued)

The Group and the Company have not adopted the following new MFRS, and amendments/improvements to MFRSs that have been issued, but yet to be effective (Continued):

		Effective for financial periods beginning on or after
Amendments/Improvements to MFRSs (Continued)		
MFRS 101	Presentation of Financial Statements	1 January 2023/ 1 January 2023#
MFRS 107	Statement of Cash Flows	1 January 2023#
MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors	1 January 2023
MFRS 112	Income Taxes	1 January 2023
MFRS 116	Property, Plant and Equipment	1 January 2022/ 1 January 2023#
MFRS 119	Employee Benefits	1 January 2023#
MFRS 128	Investments in Associates and Joint Ventures	Deferred/ 1 January 2023#
MFRS 132	Financial Instruments: Presentation	1 January 2023#
MFRS 136	Impairment of Assets	1 January 2023#
MFRS 137	Provisions, Contingent Liabilities and Contingent Assets	1 January 2022/ 1 January 2023#
MFRS 138	Intangible Assets	1 January 2023#
MFRS 140	Investment Property	1 January 2023#
MFRS 141	Agriculture	1 January 2022^

^ The Annual Improvements to MFRS Standards 2018-2020

 # Amendments as to the consequence of effective of MFRS 17 Insurance Contracts

2. BASIS OF PREPARATION (CONTINUED)

2.3 New MFRS, and amendments/improvements to MFRSs that have been issued, but yet to be effective (Continued)

2.3.1 The Group and the Company plan to adopt the above applicable new MFRS, and amendments/improvements to MFRSs when they become effective. A brief discussion on the above significant new MFRS, and amendments/improvements to MFRSs that may be applicable to the Group and the Company are summarised below.

Annual Improvements to MFRS Standards 2018–2020

Annual Improvements to MFRS Standards 2018–2020 covers amendments to:

- MFRS 1 *First-time Adoption of Malaysian Financial Reporting Standards* — simplifies the application of MFRS 1 by a subsidiary that becomes a first-time adopter after its parent in relation to the measurement of cumulative translation differences.
- MFRS 9 *Financial Instruments* — clarifies the fees an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability.
- Illustrative Examples accompanying MFRS 16 *Leases* — deletes from Illustrative Example 13 the reimbursement relating to leasehold improvements in order to remove any potential confusion regarding the treatment of lease incentives.
- MFRS 141 *Agriculture* — removes a requirement to exclude cash flows from taxation when measuring fair value thereby aligning the fair value measurement requirements in MFRS 141 with those in other MFRS Standards.

Amendments to MFRS 3 Business Combinations

The amendments update MFRS 3 by replacing a reference to an old version of the Conceptual Framework for Financial Reporting with a reference to the latest version which was issued by Malaysian Accounting Standards Board in April 2018.

2. BASIS OF PREPARATION (CONTINUED)

2.3 New MFRS and amendments/improvements to MFRSs that have been issued, but yet to be effective (Continued)

Amendments to MFRS 10 Consolidated Financial Statements and MFRS 128 Investments in Associates and Joint Ventures

These amendments address an acknowledged inconsistency between the requirements in MFRS 10 and those in MFRS 128, in dealing with the sale or contribution of assets between an investor and its associate or joint venture.

The main consequence of the amendments is that a full gain or loss is recognised when a transaction involves a business, as defined in MFRS 3. A partial gain or loss is recognised when a transaction involves assets that do not constitute a business.

Amendments to MFRS 101 Presentation of Financial Statements

The amendments include specifying that an entity's right to defer settlement of a liability for at least twelve months after the reporting period must have substance and must exist at the end of the reporting period; clarifying that classification of liability is unaffected by the likelihood of the entity to exercise its right to defer settlement of the liability for at least twelve months after the reporting period; clarifying how lending conditions affect classification of a liability; and clarifying requirements for classifying liabilities an entity will or may settle by issuing its own equity instruments.

The amendments require an entity to disclose its material accounting policy information rather than significant accounting policies. The amendments, amongst others, also include examples of circumstances in which an entity is likely to consider an accounting policy information to be material to its financial statements. To support these amendments, MFRS Practice Statement 2 was also amended to provide guidance on how to apply the concept of materiality to accounting policy information disclosures. The guidance and examples provided in the MFRS Practice Statement 2 highlight the need to focus on entity-specific information and demonstrate how the four-step materiality process can address standardised (or boilerplate) information and duplication of requirements of MFRSs in the accounting policy information disclosures.

2. BASIS OF PREPARATION (CONTINUED)

2.3 New MFRS and amendments/improvements to MFRSs that have been issued, but yet to be effective (Continued)

Amendments to MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors

The amendments revise the definition of accounting estimates to clarify how an entity should distinguish changes in accounting policies from changes in accounting estimates. The distinction is important because the changes in accounting estimates are applied prospectively to transactions, other events, or conditions from the date of that change, but changes in accounting policies are generally also applied retrospectively to past transactions and other past events.

Amendments to MFRS 112 Income Taxes

The amendments specify how an entity should account for deferred tax on transactions such as leases and decommissioning obligation.

In specified circumstances, MFRS 112 exempts an entity from recognising deferred tax when it recognises assets or liabilities for the first time. There had been some uncertainties about whether the exemption from recognising deferred tax applied to transactions such as leases and decommissioning obligations — transactions for which an entity recognises both an asset and a liability. The amendments clarify that the exemption does not apply and that entity is required to recognise deferred tax on such transactions.

Amendments to MFRS 116 Property, Plant and Equipment

The amendments prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the entity is preparing the asset for its intended use. Instead, an entity shall recognise such sales proceeds and related cost in profit or loss.

Amendments to MFRS 137 Provisions, Contingent Liabilities and Contingent Assets

The amendments specify which costs an entity includes in determining the cost of fulfilling a contract for the purpose of assessing whether the contract is onerous.

2. BASIS OF PREPARATION (CONTINUED)

2.3 New MFRS and amendments/improvements to MFRSs that have been issued, but yet to be effective (Continued)

2.3.2 The Group and the Company are currently assessing the impact of initial application of the above applicable amendments/improvements to MFRSs. Nevertheless, the Group and the Company expect that the initial application is unlikely to have material financial impacts to the current period and prior period financial statements of the Group and of the Company.

2.4 Functional and presentation currency

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which they operate ("the functional currency"). The consolidated financial statements are presented in RM, which is also the Company's functional currency, and has been rounded to the nearest thousand ('000), unless otherwise stated.

2.5 Basis of measurement

The financial statements of the Group and of the Company have been prepared on the historical cost basis, except as otherwise disclosed in Note 3 to the financial statements.

2.6 Use of estimates and judgement

The preparation of financial statements in conformity with MFRSs requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of the revenue and expenses during the reporting period. It also requires directors to exercise their judgement in the process of applying the Group's and the Company's accounting policies. Although these estimates and judgement are based on the Directors' best knowledge of current events and actions, actual results may differ.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates that are significant to the Group's and the Company's financial statements are disclosed in Note 4 to the financial statements.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Unless otherwise stated, the following accounting policies have been applied consistently to all the financial years presented in the financial statements of the Group and of the Company.

3.1 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries. The financial statements of the subsidiaries, associates and joint venture used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

(a) Subsidiaries and business combination

Subsidiaries are entities (including structured entities) over which the Group is exposed, or has rights, to variable returns from its involvement with the acquirees and has the ability to affect those returns through its power over the acquirees.

The financial statements of subsidiaries are included in the consolidated financial statements from the date the Group obtains control of the acquirees until the date the Group loses control of the acquirees.

The Group applies the acquisition method to account for business combinations from the acquisition date.

For a new acquisition, goodwill is initially measured at cost, being the excess of the following:

- the fair value of the consideration transferred, calculated as the sum of the acquisition-date fair value of assets transferred (including contingent consideration), the liabilities incurred to former owners of the acquiree and the equity instruments issued by the Group. Any amounts that relate to pre-existing relationships or other arrangements before or during the negotiations for the business combination, that are not part of the exchange for the acquiree, will be excluded from the business combination accounting and be accounted for separately; plus

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.1 Basis of consolidation (Continued)

(a) Subsidiaries and business combination (Continued)

For a new acquisition, goodwill is initially measured at cost, being the excess of the following (Continued):

- the recognised amount of any non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets at the acquisition date (the choice of measurement basis is made on an acquisition-by-acquisition basis); plus

- if the business combination is achieved in stages, the acquisition-date fair value of the previously held equity interest in the acquiree; less

- the net fair value of the identifiable assets acquired and the liabilities (including contingent liabilities) assumed at the acquisition date.

The accounting policy for goodwill is set out in Note 3.8(a) to the financial statements.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss at the acquisition date.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

If the business combination is achieved in stages, the Group remeasures the previously held equity interest in the acquiree to its acquisition-date fair value, and recognises the resulting gain or loss, if any, in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss or transferred directly to retained earnings on the same basis as would be required if the acquirer had disposed directly of the previously held equity interest.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.1 Basis of consolidation (Continued)

(a) Subsidiaries and business combination (Continued)

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the business combination occurs, the Group uses provisional fair value amounts for the items for which the accounting is incomplete. The provisional amounts are adjusted to reflect new information obtained about facts and circumstances that existed as of the acquisition date, including additional assets or liabilities identified in the measurement period. The measurement period for completion of the initial accounting ends as soon as the Group receives the information it was seeking about facts and circumstances or learns that more information is not obtainable, subject to the measurement period not exceeding one year from the acquisition date.

Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities of the former subsidiary, any non-controlling interests and the other components of equity related to the former subsidiary from the consolidated statement of financial position. Any gain or loss arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the former subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an associate, a joint venture or a financial asset.

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. The difference between the Group's share of net assets before and after the change, and the fair value of the consideration received or paid, is recognised directly in equity.

(b) Non-controlling interests

Non-controlling interests represent the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company and are presented separately in the consolidated statement of financial position within equity.

Losses attributable to the non-controlling interests are allocated to the non-controlling interests even if the losses exceed the non-controlling interests.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.1 Basis of consolidation (Continued)

(c) Associates

Associates are entities over which the Group has significant influence, but not control, to the financial and operating policies.

Investment in associates is accounted for in the consolidated financial statements using the equity method.

Under the equity method, the investment in associate is initially recognised at cost. The cost of investment includes transaction costs. Subsequently, the carrying amount is adjusted to recognise changes in the Group's share of net assets of the associate.

Investment in an associate is accounted for at fair value through profit or loss financial assets in accordance with the financial reporting standard on financial instruments.

When the Group's share of losses exceeds its interest in an associate, the carrying amount of that interest including any long-term investments is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the associate.

When the Group ceases to have significant influence over an associate, any retained interest in the former associate at the date when significant influence is lost is measured at fair value and this amount is regarded as the initial carrying amount of a financial asset. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

When the Group's interest in an associate decreases but does not result in a loss of significant influence, any retained interest is not remeasured. Any gain or loss arising from the decrease in interest is recognised in profit or loss. Any gains or losses previously recognised in other comprehensive income are also reclassified proportionately to the profit or loss if that gain or loss would be required to be reclassified to profit or loss on the disposal of the related assets or liabilities.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.1 Basis of consolidation (Continued)

(d) Joint arrangements

Joint arrangements arise when the Group and another party or parties are bound by a contractual arrangement, and the contractual arrangement gives the Group and the other party or parties, joint control of the arrangement. Joint control exists when there is contractually agreed sharing of control of an arrangement whereby decisions about the relevant activities require the unanimous consent of the parties sharing control.

Joint arrangements are classified and accounted for as follows:

- A joint arrangement is classified as a "joint operation" when the Group has rights to the assets and obligations for the liabilities relating to the arrangement. The Group accounts for its share of its assets (including its share of any assets held jointly), its liabilities (including its share of any liabilities incurred jointly), its revenue from the sale of its share of the output arising from the joint operation, its share of the revenue from the sale of the output by the joint operation and its expenses (including its share of any expenses incurred jointly).

- A joint arrangement is classified as "joint venture" when the Group has rights to the net assets of the arrangements. The Group accounts for its interests in the joint ventures using the equity method in accordance with MFRS 128 *Investments in Associates and Joint Ventures*.

The Group has assessed the nature of its joint arrangement and determined it to be joint ventures and accounted for its interest in the joint ventures using the equity method.

(e) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions are eliminated in preparing the consolidated financial statements.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.1 Basis of consolidation (Continued)

(e) Transactions eliminated on consolidation (Continued)

Unrealised gains arising from transactions with equity-accounted associates and joint ventures are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

3.2 Separate financial statements

In the Company's statement of financial position, investments in subsidiaries, joint ventures and associates are measured at cost less any accumulated impairment losses, unless the investment is classified as held for sale or distribution. The cost of investment includes transaction costs. The policy for the recognition and measurement of impairment losses shall be applied on the same basis as would be required for impairment of non-financial assets as disclosed in Note 3.12(b) to the financial statements.

Contributions to subsidiaries are amounts which the Company does not expect repayment in the foreseeable future and are considered as part of the Company's investment in the subsidiaries.

3.3 Foreign currency transactions and operations

(a) Translation of foreign currency transactions

Foreign currency transactions are translated to the respective functional currencies of the Group entities using the exchange rates prevailing at the transaction dates.

At the end of each reporting date, monetary items denominated in foreign currencies are retranslated at the exchange rates prevailing at the reporting date.

Non-monetary items denominated in foreign currencies that are measured at fair value are retranslated at the rates prevailing at the dates the fair values were determined. Non-monetary items denominated in foreign currencies that are measured at historical cost are translated at the historical rates as at the dates of the initial transactions.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.3 Foreign currency transactions and operations (Continued)

(a) Translation of foreign currency transactions (Continued)

Foreign exchange differences arising on settlement or retranslation of monetary items are recognised in profit or loss except for monetary items that are designated as hedging instruments in either a cash flow hedge or a hedge of the Group's net investment of a foreign operation. When settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, exchange differences are recognised in profit or loss in the separate financial statements of the parent company or the individual financial statements of the foreign operation. In the consolidated financial statements, the exchange differences are considered to form part of a net investment in a foreign operation and are recognised initially in other comprehensive income until its disposal, at which time, the cumulative amount is reclassified to profit or loss.

The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e. translation differences on items whose fair value gain or loss is recognised in other comprehensive income or profit or loss are also recognised in other comprehensive income or profit or loss, respectively).

(b) Translation of foreign operations

The assets and liabilities of foreign operations denominated in the functional currency different from the presentation currency, including goodwill and fair value adjustments arising on acquisition, are translated into the presentation currency at exchange rates prevailing at the reporting date. The income and expenses of foreign operations are translated at average exchange rates for the financial year.

Exchange differences arising on the translation are recognised in other comprehensive income. However, if the foreign operation is a non-wholly owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.3 Foreign currency transactions and operations (Continued)

(b) Translation of foreign operations (Continued)

When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in foreign exchange translation reserves related to that foreign operation is reclassified to profit or loss. For a partial disposal not involving loss of control of a subsidiary that includes a foreign operation, the proportionate share of cumulative amount in foreign exchange translation reserve is reattributed to non-controlling interests. For partial disposals of associates or joint ventures that do not result in the Group losing significant influence or joint control, the proportionate share of the cumulative amount in foreign exchange translation reserve is reclassified to profit or loss.

3.4 Financial instruments

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

Except for the trade receivables that do not contain a significant financing component or for which the Group and the Company have applied the practical expedient, the financial instruments are recognised initially at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset and financial liability. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss. Trade receivables that do not contain a significant financing component or for which the Group and the Company have applied the practical expedient are measured at the transaction price determined under MFRS 15.

An embedded derivative is recognised separately from the host contract and accounted for as a derivative if, and only if, it is not closely related to the economic characteristics and risks of the host contract; it is a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured as fair value through profit or loss. The host contract, in the event an embedded derivative is recognised separately, is accounted for in accordance with the policy applicable to the nature of the host contract.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.4 Financial instruments (Continued)

A derivative embedded within a hybrid contract containing a financial asset host is not accounted for separately. The financial asset hosts together with the embedded derivative is required to be classified in its entirety as a financial asset at fair value through profit or loss.

(a) Subsequent measurement

The Group and the Company categorise the financial instruments as follows:

(i) Financial assets

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

- Financial assets at amortised cost
- Financial assets at fair value through other comprehensive income with recycling of cumulative gains and losses upon derecognition
- Financial assets designated at fair value through other comprehensive income with no recycling of cumulative gains and losses upon derecognition
- Financial assets at fair value through profit or loss.

The classification depends on the entity's business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

The Group and the Company reclassify their financial assets when and only when their business models for managing those assets change.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.4 Financial instruments (Continued)

(a) Subsequent measurement (Continued)

(i) Financial assets (Continued)

Debt instruments

Subsequent measurement of debt instruments depends on the Group's and the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group and the Company classify their debt instruments:

- **Amortised cost**

  Financial assets that are held for collection of contractual cash flows and those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. The policy for the recognition and measurement of impairment is in accordance with Note 3.12(a) to the financial statements. Gains and losses are recognised in profit or loss when the financial asset is derecognised, modified or impaired.

- **Fair value through other comprehensive income (FVOCI)**

  Financial assets that are held for collection of contractual cash flows and for selling the financial assets, and the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. For debt instruments at FVOCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in other comprehensive income. The policy for the recognition and measurement of impairment is in accordance with Note 3.12(a) to the financial statements. Upon derecognition, the cumulative fair value change recognised in other comprehensive income is recycled to profit or loss.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.4 Financial instruments (Continued)

(a) Subsequent measurement (Continued)

(i) Financial assets (Continued)

Debt instruments (Continued)

- **Fair value through profit or loss (FVPL)**

  Financial assets at FVPL include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at FVOCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

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

Equity instruments

The Group and the Company subsequently measure all equity investments at fair value. Upon initial recognition, the Group and the Company can make an irrevocable election to classify its equity investments that is not held for trading as equity instruments designated at FVOCI. The classification is determined on an instrument-by-instrument basis.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.4 Financial instruments (Continued)

(a) Subsequent measurement (Continued)

(i) Financial assets (Continued)

Equity instruments (Continued)

Gains and losses on these financial assets are not recycled to profit or loss. Dividends are recognised as other income in the profit or loss when the right of payment has been established, except when the Group and the Company benefit from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in other comprehensive income. Equity instruments designated at FVOCI are not subject to impairment assessment.

(ii) Financial liabilities

The Group and the Company classify their financial liabilities in the following measurement categories:

- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortised cost

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading, including derivatives (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument) or financial liabilities designated into this category upon initial recognition.

Subsequent to initial recognition, financial liabilities at fair value through profit or loss are measured at fair value with the gain or loss recognised in profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in MFRS 9 are satisfied. The Group and the Company have not designated any financial liability as at fair value through profit or loss.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.4 Financial instruments (Continued)

(a) Subsequent measurement (Continued)

(ii) Financial liabilities (Continued)

Financial liabilities at amortised cost

Subsequent to initial recognition, other financial liabilities are measured at amortised cost using effective interest method. Gains and losses are recognised in profit or loss when the financial liabilities are derecognised and through the amortisation process.

(b) Financial guarantee contracts

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

Financial guarantee contracts are recognised initially as a liability at fair value, net of transaction costs that are directly attributable to the issuance of the guarantee. Subsequent to initial recognition, the liability is measured at the higher of the amount of the loss allowance determined in accordance with Section 5.5 of MFRS 9 and the amount initially recognised, when appropriate, the cumulative amount of income recognised in accordance with the principles of MFRS 15.

(c) Derecognition

A financial asset or a part of it is derecognised when, and only when:

(i) the contractual rights to receive the cash flows from the financial asset expire, or
(ii) the Group and the Company have transferred their rights to receive cash flows from the asset or have assumed an obligation to pay the received cash flows in full without material delay to a third party; and either (a) the Group and the Company have transferred substantially all the risks and rewards of the asset, or (b) the Group and the Company have neither transferred nor retained substantially all the risks and rewards of the asset, but have transferred control of the asset.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.4 Financial instruments (Continued)

(c) Derecognition (Continued)

The Group and the Company evaluate if, and to what extent, they have retained the risks and rewards of ownership. When they have neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group and the Company continue to recognise the transferred asset to the extent of their continuing involvement. In that case, the Group and the Company also recognise an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group and the Company have retained.

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

On derecognition of a financial asset, the difference between the carrying amount (measured at the date of derecognition) and the consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged, cancelled or expired. On derecognition of a financial liability, the difference between the carrying amount and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

(d) Offsetting of financial instruments

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

In accounting for a transfer of a financial asset that does not qualify for derecognition, the entity shall not offset the transferred asset and the associated liability.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.5 Property, plant and equipment

(a) Recognition and measurement

Property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.12(b) to the financial statements.

Certain freehold lands and buildings are measured at fair value, based on valuations by external independent valuers, less accumulated depreciation on buildings and any impairment losses recognised after the date of revaluation. Valuations are performed with sufficient regularity to ensure that the fair value of the freehold lands and buildings does not differ materially from the carrying amount. Any accumulated depreciation as at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

A revaluation surplus is recognised in other comprehensive income and credited to the revaluation reserve. However, the increase shall be recognised in profit or loss to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss. If the asset's carrying amount is decreased as a result of a revaluation, the decrease shall be recognised in profit or loss. However, the decrease shall be recognised in other comprehensive income to the extent of any credit balance existing in the revaluation reserve in respect of that asset.

The revaluation reserve is transferred to retained earnings as the assets are used. The amount of revaluation reserve transferred is the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the asset's original cost.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.5 Property, plant and equipment (Continued)

(a) Recognition and measurement (Continued)

Cost of assets includes expenditures that are directly attributable to the acquisition of the asset and any other costs that are directly attributable to bringing the asset to working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. The cost of self-constructed assets also includes cost of materials, direct labour, and any other direct attributable costs but excludes internal profits. For qualifying assets, borrowing costs are capitalised in accordance with the accounting policy on borrowing costs in Note 3.17 to the financial statements.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

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

(b) Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is included in the asset’s carrying amount or recognised as a separate asset, as appropriate, only when it is probable that the future economic benefits associated with the part will flow to the Group or the Company and their cost can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the profit or loss as incurred.

(c) Depreciation

Freehold land has an unlimited useful life and therefore is not depreciated. Assets under construction included in property, plant and equipment are not depreciated as these assets are not yet available for use.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.5 Property, plant and equipment (Continued)

(c) Depreciation (Continued)

All other property, plant and equipment are depreciated on straight-line basis by allocating their depreciable amounts over their remaining useful lives.

Hotel properties (buildings)	50 years
Buildings	2%-5%
Plant and machinery	10%-20%
Motor vehicles	20%
Furniture, fittings and equipment	10%-25%
Renovation	10%-20%
Computer equipment and software	20%-33.33%
Crockeries, glassware, cutleries, linen and kitchen utensils	10%
Telecommunications, research and development equipment	20%-33.33%

The residual values, useful lives and depreciation methods are reviewed at the end of each reporting period and adjusted as appropriate.

Fully depreciated assets are retained in the accounts until the assets are no longer in use.

(d) Derecognition

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.6 Leases

(a) Definition of lease

At inception of a contract, the Group and the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group and the Company assesses whether:

- the contract involves the use of an identified asset;
- the Group and the Company have the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Group and the Company have the right to direct the use of the asset.

(b) Lessee accounting

At the lease commencement date, the Group and the Company recognise a right-of-use asset and a lease liability with respect to all lease agreements 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.

The Group and the Company present right-of-use assets and lease liabilities as separate lines in the statements of financial position.

Right-of-use asset

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.6 Leases (Continued)

(b) Lessee accounting (Continued)

Right-of-use asset (Continued)

The right-of-use asset is subsequently measured at cost less accumulated depreciation and any accumulated impairment losses, and adjust for any remeasurement of the lease liabilities. The right-of-use asset is depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. If the Group and the Company expect to exercise a purchase option, the right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts from the commencement date of the underlying asset. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.12(b) to the financial statements.

Lease liability

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

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.6 Leases (Continued)

(b) Lessee accounting (Continued)

Lease liability (Continued)

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

The Group and the Company remeasure 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 change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

- the lease payments change due to changes in an index or rate or 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 the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).

- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

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

The Group and the Company have elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.6 Leases (Continued)

(b) Lessee accounting (Continued)

Short-term leases and leases of low value assets

The Group and the Company have elected not to recognise right-of-use assets and lease liabilities for short-term leases and leases of low value assets. 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 asset are consumed.

(c) Lessor accounting

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. All other leases that do not meet this criterion are classified as operating leases.

When the Group is an intermediate lessor, they account for the head lease and the sublease as two separate contracts. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease. If a head lease is a short-term lease to which the Group applies the exemption described in Note 3.6(b) to the financial statements, then it classifies the sub-lease as an operating lease.

If an entity in the Group is a lessor in a finance lease, it derecognises the underlying asset and recognises a lease receivable at an amount equal to the net investment in the lease. Finance income is recognised in profit or loss based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the finance lease.

If an entity in the Group is a lessor in an operating lease, the underlying asset is not derecognised but is presented in the statements of financial position according to the nature of the asset. Lease income from operating leases is recognised in profit or loss on a straight-line basis over the lease term, unless another systematic basis is more representative of the time pattern in which use benefit derived from the leased asset is diminished.

When a contract includes lease and non-lease components, the Group applies MFRS 15 to allocate the consideration under the contract to each component.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.7 Investment properties

Investment properties are properties held to earn rental income or for capital appreciation or both.

Investment properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value. Fair value is arrived at by reference to market evidence of transaction prices for similar properties and is performed by registered independent valuers having an appropriate recognised professional qualification and recent experience in the location an category of the properties being valued.

Gains and losses arising from changes in the fair values of investment properties are recognised in profit or loss for the period in which they arise.

An investment property is derecognised on its disposal or when it is permanently withdrawn from use and no future economic benefits are expected from its disposal. Any gains and losses arising from derecognition of the asset are recognised in the profit or loss.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property carried at fair value to the owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of the change in use. For a transfer from owner-occupied property to an investment property, any difference arising on the date of the change in use between the carrying amount of the item immediately prior to the transfer and its fair value is recognised directly in equity as a revaluation of property, plant and equipment.

3.8 Goodwill and other intangible assets

(a) Goodwill

Goodwill arising from business combinations is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. After initially recognition, goodwill is measured at cost less any accumulated impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.12(b) to the financial statements.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.8 Goodwill and other intangible assets (Continued)

(a) Goodwill (Continued)

In respect of equity-accounted associates and joint venture, goodwill is included in the carrying amount of the investment and is not tested for impairment individually. Instead, the entire carrying amount of the investment is tested for impairment as a single asset when there is objective evidence of impairment.

(b) Intellectual property

The intellectual property consists of the acquisition costs of the exclusive rights and titles relating to mobile software.

The intellectual property is amortised on a straight-line basis over the period of 5 years during which their economic benefits are expected to be consumed. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.12(b) to the financial statements.

(c) Deferred development costs

An intangible asset arising from development is recognised when the following criteria are met:

- it is technically feasible to complete the intangible asset so that it will be available for use or sale;
- the Group intends to complete the intangible asset and use or sell it;
- there is an ability to use or sell the asset;
- it can be demonstrated how the intangible asset will generate future economic benefits;
- adequate resources to complete the development and to use or sell the intangible asset are available; and
- the expenditures attributable to the intangible asset during its development can be reliably measured.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.8 Goodwill and other intangible assets (Continued)

(c) Deferred development costs (Continued)

Other development costs that do not meet these criteria are recognised in profit or loss as incurred. Development costs previously recognised as an expense are not recognised as an intangible asset in a subsequent period.

Deferred development costs are measured at cost less accumulated amortisation and accumulated impairment losses. Deferred development costs mainly comprises staff costs, operating expenses and depreciation expenses for the development of the Group's proprietary mobile software and cost of development of card issuing services that have average amortisation period of 5 years which their economic benefits are expected to be consumed. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.12(b) to the financial statements.

(d) Licenses

Licenses acquired are recognised at fair value at the acquisition date, which have finite useful lives, are measured at cost less any accumulated amortisation and any accumulated impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.12(b) to the financial statements.

3.9 Inventories

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

Costs incurred in bringing the inventories to their present location and condition are accounted for as follows:

- raw materials: purchase costs on a first-in first-out basis.
- finished goods and work-in-progress: costs of direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. These costs are assigned on a weighted average cost basis.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.9 Inventories (Continued)

Property under development

Cost includes:

- leasehold rights for land;
- amounts paid to contractors for construction;
- borrowing costs, planning and design costs, costs for site preparation, professional fees for legal services, property transfer taxes, construction overheads and other related costs.

The cost of inventory recognised in profit or loss is determined with reference to the specific costs incurred on the property sold and an allocation of any non-specific costs based on the relative sale value of the property sold.

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

3.10 Contract assets/(liabilities)

Contract asset is the right to consideration in exchange for goods or services transferred to the customers when that right is conditioned on something other than the passage of time (for example, the Group's future performance). The policy for the recognition and measurement of impairment losses is in accordance with Note 3.12(a) to the financial statements.

Contract liability is the obligation to transfer goods or services to customers for which the Group has received the consideration or have billed.

3.11 Cash and cash equivalents

For the purpose of the statements of cash flows, cash and cash equivalents comprise cash on hand, bank balances and deposits and other short-term, highly liquid investments with a maturity of three months or less, that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value. Cash and cash equivalents are presented net of bank overdrafts.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.12 Impairment of assets

(a) Impairment of financial assets and contract assets

Financial assets measured at amortised cost, financial assets measured at fair value through other comprehensive income (FVOCI), contract assets, a loan commitment and financial guarantee contracts will be subject to the impairment requirement in MFRS 9 which is related to the accounting for expected credit losses on the financial assets. Expected credit losses are the weighted average of credit losses with the respective risks of a default occurring as the weights.

The Group and the Company measure loss allowance at an amount equal to lifetime expected credit losses, except for the following, which are measured as 12-month expected credit losses:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

For trade receivables and contract assets, the Group applies the simplified approach permitted by MFRS 9 to measure the loss allowance at an amount equal to lifetime expected credit losses.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Group and the Company consider reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's and the Company's historical experience and informed credit assessment and including forward-looking information.

The Group and the Company assume that the credit risk on a financial asset has increased significantly if it is more than 30 to 90 days past due.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.12 Impairment of assets (Continued)

(a) Impairment of financial assets and contract assets (Continued)

The Group and the Company consider a financial asset to be in default when:

- the borrower is unable to pay its credit obligations to the Group and the Company in full, without taking into account any credit enhancements held by the Group and the Company; or
- the contractual payment of the financial asset is more than 90 days past due unless the Group and the Company have reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

12-month expected credit losses are the portion of lifetime expected credit losses that represent the expected credit losses that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group and the Company are exposed to credit risk.

Expected credit losses are a probability-weighted estimate of credit losses (i.e. the present value of all cash shortfalls) over the expected life of the financial instrument. A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive.

Expected credit losses are discounted at the effective interest rate of the financial assets.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.12 Impairment of assets (Continued)

(a) Impairment of financial assets and contract assets (Continued)

At each reporting date, the Group and the Company assess whether financial assets carried at amortised cost and debt securities at FVOCI are credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired include observable data about the following events:

- significant financial difficulty of the counterparty;
- a breach of contract, such as a default of past due event;
- 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; and
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.

The amount of impairment losses (or reversal) shall be recognised in profit or loss, as an impairment gain or loss. For financial assets measured at FVOCI, the loss allowance shall be recognised in other comprehensive income and shall not reduce the carrying amount of the financial asset in the statements of financial position.

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group and the Company determine that the debtor does not have assets or source of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's and the Company's procedure for recovery of amounts due.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.12 Impairment of assets (Continued)

(b) Impairment of non-financial assets

The carrying amounts of non-financial assets (except for inventories, contract assets, deferred tax assets and investment properties measured at fair value) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the Group and the Company make an estimate of the asset's recoverable amount.

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

The recoverable amount of an asset or a CGU is the higher of its fair value less costs of disposal and its 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 or CGU. In determining the fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

Where the carrying amount of an asset exceeds its recoverable amount, the carrying amount of asset is reduced to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.12 Impairment of assets (Continued)

(b) Impairment of non-financial assets (Continued)

Impairment losses are recognised in profit or loss, except for assets that were previously revalued with the revaluation surplus recognised in other comprehensive income. In the latter case, the impairment is recognised in other comprehensive income up to the amount of any previous revaluation, if any.

Impairment losses in respect of goodwill are not reversed. For other assets, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. An impairment loss is reversed only if there has been a change in the estimates used to determine the assets recoverable amount since the last impairment loss was recognised. Reversal of impairment loss is restricted by the asset's carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

3.13 Share capital

Ordinary shares

Ordinary shares are equity instruments. An equity instrument is a contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

3.14 Employee benefits

(a) Short-term employee benefits

Short-term employee benefit obligations in respect of wages, salaries, social security contributions, annual bonuses, paid annual leave, sick leave and non-monetary benefits are recognised as an expense in the financial year where the employees have rendered their services to the Group and the Company.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.14 Employee benefits (Continued)

(b) Defined contribution plans

As required by law, the Group and the Company contribute to the Employees Provident Fund ("EPF"), the national defined contribution plan. Such contributions are recognised as an expense in the profit or loss in the period in which the employees render their services.

(c) Defined benefit plans

The Group operates defined benefit pension plans (funded) and provides a post-employment healthcare benefit (unfunded) plan to employees as provided in the employment agreements between the companies in the Group and their employees.

The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related defined benefit obligation. In countries where there is no deep market in such bonds, the market rates on government bonds are used.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding amounts included in net interest on the net defined benefit liability) and the effect of the asset ceiling (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in other comprehensive income. Remeasurements are not reclassified to profit or loss in subsequent periods.

The net interest is calculated by applying the discount to the net balance of the defined benefit obligation and fair value of plan assets.

The Group recognises the following costs in profit or loss:

- Service costs comprising current service costs, past service costs, gains and losses on curtailments and non-routine settlements

- Net interest expense or income

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.15 Provisions

Provisions are recognised when the Group and the Company have a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

If the effect of the time value of money is material, provisions that are determined based on the expected future cash flows to settle the obligation are discounted using a current pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. When discounting is used, the increase in the provisions due to passage of time is recognised as finance costs.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed.

3.16 Revenue and other income

The Group and the Company recognise revenue that depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the Group and the Company expect to be entitled in exchange for those goods or services.

Revenue recognition of the Group and the Company are applied for each contract with a customer or a combination of contracts with the same customer.

The Group and the Company measure revenue from the sale of good or service at its transaction price, being the amount of consideration to which the Group and the Company expect to be entitled in exchange for transferring promised good or service to a customer, excluding amounts collected on behalf of third parties, adjusted for the effects of any variable consideration, constraining estimates of variable consideration, significant financing components, non-cash consideration and consideration payable to the customer. If the transaction price includes variable consideration, the Group and the Company use the expected value method by estimating the sum of probability-weighted amounts in a range or possible consideration amounts, or the most likely outcome method, depending on which method the Group and the Company expect to better predict the amount of consideration to which it is entitled.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.16 Revenue and other income (Continued)

Revenue from contracts with the customers is recognised by reference to each distinct performance obligation in the contract with the customer, i.e. when or as a performance obligation in the contract with the customer is satisfied. A performance obligation is satisfied when or as the customer obtains control of the good or service underlying the particular performance obligation, which the performance obligation may be satisfied at a point in time or over time.

(a) Revenue from contracts with customers

Revenue from contracts with customers is measured based on the consideration specified in a contract with a customer in exchange for transferring goods or services to a customer net of sales and service tax, returns, rebates and discounts. The Group recognises revenue when (or as) it transfers control over a product or service to the customer. An asset is transferred when (or as) the customer obtains control of the asset. Depending on the substance of the contract, revenue is recognised when the performance obligation is satisfied, which may be at a point in time or over time. The credit terms offered by the Group range from 30 to 90 days (2020: 30 to 90 days).

(b) Property development

The Group develops and sells residential and commercial properties. Contracts with customers may include multiple distinct promises to customers and therefore accounted for as separate performance obligations. If the contract with customer contains more than one performance obligation, when the stand-alone selling price are not directly observable, they are estimated based on the expected cost plus margin approach.

Revenue from residential and commercial properties are recognised as and when the control of the asset is transferred to the customer. Based on the terms of the contract and the laws that apply to the contract, control of the asset is transferred over time as the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date. Revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. The progress towards complete satisfaction of a performance obligation is determined by the proportion of property development costs incurred for work performed to date bear to the estimated total property development costs (an input method).

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.16 Revenue and other income (Continued)

(b) Property development (Continued)

The consideration is due based on the scheduled payments in the contract, therefore, no element of financing is deemed present. When a particular milestone is reached in excess of the scheduled payments, a contract asset will be recognised for the excess of revenue recognised to date under the input method over the progress billings to-date and include deposits or advances received from customers. When the progress billings to-date and include deposits or advances received from customers exceeds revenue recognised to date then the Group recognise a contract liability for the difference.

Consistent with market practice, the Group collects deposit from customers for sale of properties. A contract liability is recognised for the customer deposits as the Group has obligations to transfer the goods or services to the customer in respect of deposits received. Customer deposits would be recognised as revenue upon transfer of goods or services to the customer.

For residential properties, as part of the statutory requirements, the Group's obligations to repair and made good of any defect, shrinkage or other faults in the building or in the common property which have become apparent within a period of 24 months after the customer takes vacant possession of the building are recognised as a provision.

(c) Interest income

Interest income is recognised using the effective interest method.

(d) Dividend income

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.16 Revenue and other income (Continued)

(e) Rental income

Rental income from investment property is recognised on a straight-line basis over the term of the lease. Lease incentive granted is recognised as an integral part of the total rental income, over the term of the lease.

3.17 Borrowing costs

Borrowing costs are interests and other costs that the Group incurs in connection with the borrowing of funds.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

The Group begins capitalising borrowing costs when the Group has incurred the expenditures for the asset, incurred related borrowing costs and undertaken activities that are necessary to prepare the asset for its intended use or sale.

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

3.18 Taxes

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.18 Taxes (Continued)

(a) Current tax

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

(b) Deferred tax

Deferred tax is recognised using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts in the statements of financial position. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences, unutilised tax losses and unused tax credits, to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

Deferred tax is not recognised if the temporary differences arise from the initial recognition of assets and liabilities in a transaction which is not a business combination and that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, associates and interests in joint venture, except where the Group is able to control the reversal timing of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.18 Taxes (Continued)

(b) Deferred tax (Continued)

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

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

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

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

3.19 Earnings per share

The Group presents basic and diluted earnings per share ("EPS") data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.20 Operating segment

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The Group Managing Director of the Group, who is responsible for allocating resources and assessing the performance of the operating segments, has been identified as the chief operating decision-maker that makes strategic decisions.

3.21 Fair value measurements

The fair value of an asset or a liability, except for share-based payment and lease transactions, is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

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

When measuring the fair value of an asset or a liability, the Group and the Company use observable market data as far as possible. Fair value is categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group and the Company can access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

There were no transfers between levels of the fair value hierarchy as of the date of the event or change in circumstances.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.22 Contingencies

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

Contingent liability is also referred to as a present obligation that arises from past events but is not recognised because:

(a) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
(b) the amount of the obligation cannot be measured with sufficient reliability.

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

3.23 Contract costs

(a) Recognition and measurement

Contract costs include costs of obtaining and fulfilling a contract.

The incremental costs of obtaining a contract are those costs that the Group incurs to obtain a contract with a customer which they would not have incurred if the contract had not been obtained. The incremental costs of obtaining a contract with a customer are recognised as part of contract costs when the Group expects those costs are recoverable.

The costs incurred in fulfilling a contract with a customer which are not within the scope of another MFRSs, such as MFRS 102 *Inventories*, MFRS 116 *Property, Plant and Equipment* or MFRS 138 *Intangible Assets*, are recognised as part of contract costs when all of the following criteria are met:

(i) the costs relate directly to a contract or to an anticipated contract that can be specifically identified;
(ii) the costs generate or enhance resources of the Group that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and
(iii) the costs are expected to be recovered.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.23 Contract costs (Continued)

(b) Amortisation

The costs of obtaining and fulfilling a contract are amortised on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the asset relates. The amortisation shall be updated subsequently to reflect any significant change to the expected timing of transfer to the customer of the goods or services to which the asset relates in accordance with MFRS 108 *Accounting Policies, Changes in Accounting Estimate and Errors.*

(c) Impairment

Impairment loss are recognised in profit or loss to the extent that the carrying amount of the contract cost exceeds:

(i) the remaining amount of consideration that the Group expects to receive in exchange for the goods or services to which the asset relates; less
(ii) the costs that relate directly to providing those goods or services and that have not been recognised as expenses.

Before an impairment loss is recognised for contract costs, the Group shall recognise any impairment loss for assets related to the contract that are recognised in accordance with another MFRSs, such as MFRS 102, MFRS 116 and MFRS 138. The Group shall include the resulting carrying amount of the contract costs in the carrying amount of the cash-generating unit to which it belongs for the purpose of applying MFRS 136 *Impairment of Assets* to that cash-generating unit.

An impairment loss is reversed when the impairment conditions no longer exist or have improved. Such reversal is recognised in profit or loss.

4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements in conformity with MFRSs requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of the revenue and expenses during the reporting period. It also requires directors to exercise their judgement in the process of applying the Group's and the Company's accounting policies. Although these estimates and judgement are based on the Directors' best knowledge of current events and actions, actual results may differ.

The areas involving a higher degree of judgement or complexity that have the most significant effect on the Group's and the Company's financial statements, or areas where assumptions and estimates that have a significant risk of resulting in a material adjustment to the Group's and the Company's financial statements within the next financial year are disclosed as follows:

4.1 Impairment of goodwill on consolidation

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value-in-use of CGU to which the goodwill is allocated. Estimating a value-in-use amount requires management to make an estimation of the expected future cash flows from the CGU and also to choose a suitable discount rate in order to calculate the present value of those cash flows. Further details of the key assumptions applied in the impairment assessment of goodwill are disclosed in Note 9 to the financial statements.

The carrying amounts of the Group's goodwill key assumptions used to determine the recoverable amount for different cash-generating units, including sensitivity analysis, are disclosed in Note 9 to the financial statements.

4.2 Impairment of right-of-use assets

The Group assesses impairment of non-financial assets whenever the events or changes in circumstances indicate that the carrying amount of an asset exceeds its recoverable amount. Recoverable amount is measured at its value-in-use is the net present value of the projected future cash flows derived from the asset discounted at an appropriate discount rate. The significant judgement is required in determining the discount rates applied in the recoverable amount calculation and assumptions supporting the underlying cash flow projections, including forecast growth rate and profit margin. Cash flows that are projected based on those inputs or assumptions may have a significant effect on the Group's financial positions and results if the actual cash flows are less than the expected.

4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

4.2 Impairment of right-of-use assets (Continued)

The carrying amounts of the Group's right-of-use assets are disclosed in Note 6 to the financial statements.

4.3 Valuation of property, plant and equipment and investment properties

The Group has hotel properties and investment properties carried at revalued amount and fair value respectively. Valuation of these assets is based on valuation performed by independent professional property valuers. The valuation methods adopted by the valuers was comparison method for similar assets and comparison of current prices in an active market for similar properties in the same location and condition and where necessary, adjusting for location, size, tenure, title restrictions, neighbourhood, and other relevant factors. Judgement is made in determining the appropriate valuation methods and the key assumptions used in the valuations. Any changes in these assumptions will have an impact on the carrying amounts of the hotel properties and investment properties.

The carrying amounts of the Group's property, plant and equipment and investment properties are disclosed in Note 5 and 7 to the financial statements.

4.4 Fair value of unquoted investments

If the financial asset is not traded in an active market or if the quoted price is not readily and regularly available, the fair value is established by using valuation techniques that are appropriate in circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. The fair value measurement requires the selection among a range of different valuation methodologies, making estimates about expected future cash flows and discounted rates. The models are tested for validity by calibrating to prices from any observable current market transactions in the same instrument when available. Where cost is used as an estimate of fair value, significant judgement is required where management considers various indicators where cost might not be representative of fair value.

The carrying amount of the Group's fair value of unquoted investments are disclosed in Notes 13 to the financial statements.

4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

4.5 Impairment in investment in a subsidiary

The Company determines whether there is any indication of impairment in investment in a subsidiary. If any of such indication exists, the Company makes an estimate of the recoverable amount of the investment in a subsidiary.

The recoverable amount of investment in a subsidiary was determined based on value-in-use which involves exercise of significant judgement on the discount rates applied and the assumption supporting the underlying cash flow projections which include future revenue, gross profit margin and operating expenses.

The carrying amount of the Company's investment in subsidiaries are disclosed in Notes 10 to the financial statements.

5. PROPERTY, PLANT AND EQUIPMENT

Group	Freehold land	Buildings	Hotel properties -Freehold lands	Hotel properties -Buildings	Plant and machinery	Furniture, fittings and equipment	Renovation	Motor vehicles	Computer equipment and software	Crockeries, glassware, cutleries, linen and kitchen utensils	Telecom-munications and research and development equipment	Construction work-in-progress	Total
2021	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Cost/Valuation													
At 1 January 2021	407	33,654	86,849	37,075	7,790	33,287	26,673	2,307	11,720	2,602	32,417	5,821	280,602
Additions	-	-	-	-	100	1,466	13,491	-	1,259	202	482	1,169	18,169
Disposals	-	-	-	-	-	(42)	-	-	(18)	-	-	-	(60)
Written off	-	-	-	-	(33)	(536)	(91)	-	(125)	-	(282)	-	(1,067)
Reclassification	-	29,041	-	3,862	709	265	-	-	-	98	2	(4,985)	28,992
Revaluation	-	-	742	100	-	-	-	-	-	-	-	-	842
Exchange differences	-	131	1,122	272	-	112	870	4	5	-	71	-	2,587
At 31 December 2021	407	62,826	88,713	41,309	8,566	34,552	40,943	2,311	12,841	2,902	32,690	2,005	330,065
Representing:													
Cost	407	62,826	-	-	8,566	34,552	40,943	2,311	12,841	2,902	32,690	2,005	200,043
Valuation	-	-	88,713	41,309	-	-	-	-	-	-	-	-	130,022
Total	407	62,826	88,713	41,309	8,566	34,552	40,943	2,311	12,841	2,902	32,690	2,005	330,065

5. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Group	Freehold land	Buildings	Hotel properties -Freehold lands	Hotel properties -Buildings	Plant and machinery	Furniture, fittings and equipment	Renovation	Motor vehicles	Computer equipment and software	Crockeries, glassware, cutleries, linen and kitchen utensils	Telecom-munications and research and development equipment	Construction work-in-progress	Total
2021	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Accumulated Depreciation													
At 1 January 2021	-	2,240	-	-	6,468	28,282	5,004	2,131	5,859	1,233	20,744	-	71,961
Depreciation for the financial year	-	687	-	1,242	240	989	1,108	113	1,103	312	1,329	-	7,123
Disposals	-	-	-	-	-	(19)	-	-	(11)	-	-	-	(30)
Written off	-	-	-	-	(32)	(533)	(91)	-	(124)	-	(281)	-	(1,061)
Reclassification	-	3	-	-	-	(6)	(1)	-	-	-	2	-	(2)
Revaluation	-	-	-	(1,242)	-	-	-	-	-	-	-	-	(1,242)
Exchange differences	-	61	-	-	-	110	136	3	8	-	(40)	-	278
At 31 December 2021	-	2,991	-	-	6,676	28,823	6,156	2,247	6,835	1,545	21,754	-	77,027
Accumulated Impairment Loss													
At 1 January 2021	-	-	-	-	-	355	1,225	-	-	-	8,043	-	9,623
Impairment loss for the financial year	-	-	-	-	-	(3)	-	-	-	-	-	-	(3)
Exchange differences	-	-	-	-	-	-	-	-	-	-	113	-	113
At 31 December 2021	-	-	-	-	-	352	1,225	-	-	-	8,156	-	9,733
Carrying Amount at 31 December 2021	407	59,835	88,713	41,309	1,890	5,377	33,562	64	6,006	1,357	2,780	2,005	243,305
Representing:													
Cost	407	59,835	-	-	1,890	5,377	33,562	64	6,006	1,357	2,780	2,005	113,283
Valuation	-	-	88,713	41,309	-	-	-	-	-	-	-	-	130,022
Total	407	59,835	88,713	41,309	1,890	5,377	33,562	64	6,006	1,357	2,780	2,005	243,305

5. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Group	Freehold land	Buildings	Short term leasehold building	Hotel properties -Freehold lands	Hotel properties -Buildings	Plant and machinery	Furniture, fittings and equipment	Renovation	Motor vehicles	Computer equipment and software	Crockeries, glassware, cutleries, linen and kitchen utensils	Telecom-munications and research and development equipment	Construction work-in-progress	Total
2020	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Cost/Valuation														
At 1 January 2020	19,451	12,838	1,671	85,393	39,041	7,503	33,145	16,922	2,304	9,620	1,976	33,166	447	263,477
Additions	-	-	-	-	-	287	1,560	4,796	-	2,407	626	622	5,374	15,672
Disposals	(19,556)	-	-	-	-	-	(161)	(9)	-	(83)	-	-	-	(19,809)
Written off	-	-	(1,636)	-	-	-	(1,366)	(2,661)	-	(210)	-	(1,248)	-	(7,121)
Reclassification	-	20,807	-	-	(1,004)	-	-	7,430	-	(11)	-	3	-	27,225
Revaluation	-	-	-	590	(1,374)	-	-	-	-	-	-	-	-	(784)
Exchange differences	512	9	(35)	866	412	-	109	195	3	(3)	-	(126)	-	1,942
At 31 December 2020	407	33,654	-	86,849	37,075	7,790	33,287	26,673	2,307	11,720	2,602	32,417	5,821	280,602
Representing:														
Cost	407	33,654	-	-	-	7,790	33,287	26,673	2,307	11,720	2,602	32,417	5,821	156,678
Valuation	-	-	-	86,849	37,075	-	-	-	-	-	-	-	-	123,924
Total	407	33,654	-	86,849	37,075	7,790	33,287	26,673	2,307	11,720	2,602	32,417	5,821	280,602

5. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Group	Freehold land	Buildings	Short term leasehold building	Hotel properties -Freehold lands	Hotel properties -Buildings	Plant and machinery	Furniture, fittings and equipment	Renovation	Motor vehicles	Computer equipment and software	Crockeries, glassware, cutleries, linen and kitchen utensils	Telecom-munications and research and development equipment	Construction work-in-progress	Total
2020	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Accumulated Depreciation														
At 1 January 2020	-	2,632	1,153	-	1,478	6,243	28,785	4,974	2,040	5,856	955	20,585	-	74,701
Depreciation for the financial year	-	275	19	-	957	225	874	2,393	88	288	278	1,481	-	6,878
Disposals	-	-	-	-	-	-	(161)	(9)	-	(208)	-	-	-	(378)
Written off	-	-	(1,147)	-	-	-	(1,331)	(2,098)	-	(77)	-	(1,249)	-	(5,902)
Reclassification	-	(666)	-	-	(1,004)	-	8	(225)	-	4	-	20	-	(1,863)
Revaluation	-	-	-	-	(1,358)	-	-	-	-	-	-	-	-	(1,358)
Exchange differences	-	(1)	(25)	-	(73)	-	107	(31)	3	(4)	-	(93)	-	(117)
At 31 December 2020	-	2,240	-	-	-	6,468	28,282	5,004	2,131	5,859	1,233	20,744	-	71,961
Accumulated Impairment Loss														
At 1 January 2020	-	-	-	-	-	-	352	1,225	-	-	-	8,067	-	9,644
Impairment loss for the financial year	-	-	-	-	-	-	3	-	-	-	-	1	-	4
Exchange differences	-	-	-	-	-	-	-	-	-	-	-	(25)	-	(25)
At 31 December 2020	-	-	-	-	-	-	355	1,225	-	-	-	8,043	-	9,623
Carrying Amount at 31 December 2020	407	31,414	-	86,849	37,075	1,322	4,650	20,444	176	5,861	1,369	3,630	5,821	199,018
Representing:														
Cost	407	31,414	-	-	-	1,322	4,650	20,444	176	5,861	1,369	3,630	5,821	75,094
Valuation	-	-	-	86,849	37,075	-	-	-	-	-	-	-	-	123,924
Total	407	31,414	-	86,849	37,075	1,322	4,650	20,444	176	5,861	1,369	3,630	5,821	199,018

5. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Company	Computer equipment RM'000	Furniture, fittings and equipment RM'000	Renovations RM'000	Total RM'000
2021				
Cost				
At 1 January 2021	143	193	46	382
Additions	1	2	-	3
Written off	(60)	(91)	-	(151)
At 31 December 2021	84	104	46	234
Accumulated Depreciation				
At 1 January 2021	116	183	1	300
Depreciation for the financial year	12	4	4	20
Written off	(60)	(88)	-	(148)
At 31 December 2021	68	99	5	172
Accumulated Impairment Loss				
At 1 January 2021	-	3	-	3
Written off	-	(3)	-	(3)
At 31 December 2021	-	-	-	-
Carrying Amount at 31 December 2021	16	5	41	62

5. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Company	Computer equipment RM'000	Furniture, fittings and equipment RM'000	Renovations RM'000	Total RM'000
2020				
Cost				
At 1 January 2020	117	191	-	308
Additions	26	2	46	74
At 31 December 2020	143	193	46	382
Accumulated Depreciation				
At 1 January 2020	108	177	-	285
Depreciation for the financial year	8	6	1	15
At 31 December 2020	116	183	1	300
Accumulated Impairment Loss				
At 1 January 2020	-	-	-	-
Impairment loss for the financial year	-	3	-	3
At 31 December 2020	-	3	-	3
Carrying Amount at 31 December 2020	27	7	45	79

5. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(a) Included in property, plant and equipment of the Group are assets pledged to the licensed banks to secure credit facilities granted to the Company and its subsidiaries as disclosed in Note 22 to the financial statements with the following carrying amounts:

	Group	
	2021	**2020**
	RM'000	**RM'000**
Hotel properties	82,052	24,000
Buildings	58,160	29,295
	140,212	53,295

(b) Had the revalued assets been carried at cost less accumulated depreciation, the carrying amounts would have been as follows:

Group	**Cost**	**Accumulated Depreciation**	**Carrying Amount**
2021	**RM'000**	**RM'000**	**RM'000**
Hotel properties			
- lands	20,234	-	20,234
- buildings	31,620	(10,829)	20,791
	51,854	(10,829)	41,025
2020			
Hotel properties			
- lands	20,234	-	20,234
- buildings	31,595	(10,131)	21,464
	51,829	(10,131)	41,698

5. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(c) Fair value information

Fair values of revalued properties are categorised as follows:

Group	Level 3	Total
2021	**RM'000**	**RM'000**
Hotel properties		
- lands	88,713	88,713
- buildings	41,309	41,309
	130,022	130,022
2020		
Hotel properties		
- lands	86,849	86,849
- buildings	37,075	37,075
	123,924	123,924

Valuation techniques and significant other observable inputs

Hotel property 1

Valuation technique for recurring fair value measurements	Comparison with market evidence of recently transaction prices for similar properties
Significant unobservable inputs	Price per square feet: RM73 (2020: RM71)
Relationship of unobservable inputs to fair value	The higher the price per square feet, the higher the fair value

Hotel property 2

Valuation technique for recurring fair value measurements	Comparison with market evidence of recently transaction prices for similar properties
Significant unobservable inputs	Price per square feet: RM694 (2020: RM694)
Relationship of unobservable inputs to fair value	The higher the price per square feet, the higher the fair value

5. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(c) Fair value information (Continued)

Valuation processes applied by the Group

The Group's finance department reporting to the senior finance manager evaluates the valuation of land and buildings required for financial reporting purposes including Level 3 fair value.

The fair value of revalued properties has been determined based on the valuation report dated in December 2021 carried out by Suleiman & Co, a firm of independent professional valuer, with recognised and relevant qualification and recent experience in the location and assets being valued. The valuation method used was Comparison Method that makes reference to recent transactions and sales evidences involving other similar properties in the vicinity. The most significant input to this valuation approach is the price per square feet of comparable properties.

Policy on transfer between levels

The fair value of an asset to be transferred between levels is determined as of the date of the event or change in circumstances that caused the transfer.

Transfer between levels of fair value hierarchy

There is no transfer between levels of fair values hierarchy during the financial year.

Highest and best use

In estimating the fair value of the land and buildings, the highest and best use of the land and buildings is their current use.

6. RIGHT-OF-USE ASSETS

The Group and the Company lease several assets including land and buildings.

Information about leases for which the Group and the Company are lessee are presented below:

Group **2021**	**Buildings** **RM'000**	**Hotel properties** **RM'000**	**Motor Vehicle** **RM'000**	**Total** **RM'000**
Cost				
At 1 January 2021	11,378	47,537	561	59,476
Additions	592	-	-	592
Effect of modification to lease terms	(1,487)	-	-	(1,487)
Exchange difference	(306)	1,921	-	1,615
At 31 December 2021	10,177	49,458	561	60,196
Accumulated Depreciation				
At 1 January 2021	1,910	9,854	559	12,323
Depreciation for the financial year	2,198	5,035	2	7,235
Effect of modification to lease terms	(851)	-	-	(851)
Exchange difference	(262)	335	-	73
At 31 December 2021	2,995	15,224	561	18,780
Carrying Amount at 31 December 2021	7,182	34,234	-	41,416
2020				
Cost				
At 1 January 2020	2,557	53,954	561	57,072
Additions	9,131	-	-	9,131
Effect of modification to lease terms	(309)	(7,674)	-	(7,983)
Exchange difference	(1)	1,257	-	1,256
At 31 December 2020	11,378	47,537	561	59,476
Accumulated Depreciation				
At 1 January 2020	647	8,666	430	9,743
Depreciation for the financial year	1,374	6,867	129	8,370
Effect of modification to lease terms	(112)	(5,799)	-	(5,911)
Exchange difference	1	120	-	121
At 31 December 2020	1,910	9,854	559	12,323
Carrying Amount at 31 December 2020	9,468	37,683	2	47,153

6. RIGHT-OF-USE ASSETS (CONTINUED)

	Building RM'000
Company	
2021	
Cost	
At 1 January 2021/31 December 2021	5,174
Accumulated Depreciation	
At 1 January 2021	144
Depreciation for the financial year	575
At 31 December 2021	719
Carrying Amount at 31 December 2021	4,455
2020	
Cost	
At 1 January 2020	-
Additions	5,174
At 31 December 2020	5,174
Accumulated Depreciation	
At 1 January 2020	-
Depreciation for the financial year	144
At 31 December 2020	144
Carrying Amount at 31 December 2020	5,030

Lease terms

The Group and the Company lease buildings, hotel properties and motor vehicle with lease terms as follows:

Buildings	over the lease period from 4 to 9 years
Hotel properties	over the lease period from 10 to 16 years
Motor vehicle	over 5 years

7. INVESTMENT PROPERTIES

	Group	
	2021	2020
	RM'000	RM'000
At fair value		
At 1 January	44,935	54,572
Additions	1,876	11,860
Reclassified from property, plant and equipment	-	5,849
Reclassified to property, plant and equipment	(29,041)	(27,346)
Fair value change	860	-
At 31 December	18,630	44,935

Strata title of the shop office 1 has not been issued by Department of Director General of Lands and Mines in Malaysia as at 31 December 2021.

Details of the Group's investment properties are as follows:

Descriptions	Location	Existing use
Shop office 1	Lot 3A-5-1, 5th Floor, Block 3A, Plaza Sentral, Kuala Lumpur, Malaysia	Generate rental income
Shop office 2	167 Jalan Kenari 23A, Bandar Puchong Jaya, 47100 Puchong, Selangor, Malaysia	Generate rental income
Shop office 3	20, Jalan Menara Gading 1, Taman Connaught, Cheras, 56000 Kuala Lumpur, Malaysia	Generate rental income
Residential house 1	No.9, Jalan SS3/39, 47300 Petaling Jaya, Selangor, Malaysia	Vacant
Residential house 2	17, Jalan CH 5C, Canary Residensi, Taman Cheras Hartamas, Cheras, Selangor, Malaysia	Generate rental income
Commercial bungalow	16, Jalan Othman, 46000 Petaling Jaya, Malaysia	Generate rental income
Residential condominium	39-5, Residensi Pantai Sentral 2, Secoya Residences, Jalan Pantai Murni 7, Kuala Lumpur, Malaysia	Generate rental income

7. INVESTMENT PROPERTIES (CONTINUED)

The following amounts are recognised in the profit or loss:

	Group	
	2021	2020
	RM'000	RM'000
Rental income	255	209
Direct operating expenses arising from investment properties that generate rental income	(213)	(190)

Included in investment properties of the Group are assets pledged to the licensed banks to secure credit facilities granted to the Company and its subsidiaries as disclosed in Note 22 to the financial statements with the following carrying amounts:

	Group	
	2021	2020
	RM'000	RM'000
Land and buildings	16,131	42,642

Fair value information

Fair value of investment properties is categorised as level 3.

Valuation processes applied by the Group

The Group's finance department reporting to the senior finance manager evaluates the valuation of land and buildings required for financial reporting purposes including Level 3 fair value.

The fair value of the shop office 1 was measured based on the highest and best use method to reflect the actual market state and circumstances as of the end of the reporting year. The fair value was based on a valuation made by C H Williams Talhar & Wong, a firm of independent professional valuers, which hold a recognised and relevant professional qualification with sufficient recent experience in the location and category of the investment property being valued. There has been no change to the valuation technique during the year. Management determined that the highest and best use of the assets is the current use and that it would provide maximum value to market participants principally through its use in combination with other assets.

7. INVESTMENT PROPERTIES (CONTINUED)

Valuation processes applied by the Group (Continued)

The fair value of the residential house 1 was measured based on the sales comparison prices of comparable buildings in close proximity is adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is price per square foot of comparable buildings. The fair value was based on a valuation made by Rahim & Co International, a firm of independent professional valuers, which hold a recognised and relevant professional qualification with sufficient recent experience in the location and category of the investment property being valued.

The fair values of the shop office 2 and 3, commercial bungalow, residential house 2 and residential condominium were measured based on the sales comparison prices of comparable buildings in close proximity are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is price per square foot of comparable buildings. The fair value were based on a valuation made by Raine & Horne International Zaki + Partners, a firm of independent professional valuers, which hold a recognised and relevant professional qualification with sufficient recent experience in the location and category of the investment property being valued.

Valuation techniques and significant other observable inputs

Shop office 1

Valuation technique for recurring fair value measurements:	Comparison with market evidence of recently transaction prices for similar properties
Significant observable inputs:	Price per square foot of RM819 (2020: RM872)
Sensitivity on management's estimates — 10% variation from estimate:	Impact-lower by RM660,000 (2020: RM704,273); higher by RM660,000 (2020: RM704,273)

Shop office 2

Valuation technique for recurring fair value measurements:	Comparison with market evidence of recently transaction prices for similar properties
Significant observable inputs:	Price per square foot of RM418 (2020: RM282)
Sensitivity on management's estimates — 10% variation from estimate:	Impact-lower by RM250,000 (2020: RM168,610); higher by RM250,000 (2020: RM168,610)

7. INVESTMENT PROPERTIES (CONTINUED)

Valuation techniques and significant other observable inputs (Continued)

Shop office 3

Valuation technique for recurring fair value measurements:	Comparison with market evidence of recently transaction prices for similar properties
Significant observable inputs:	Price per square foot of RM527 (2020: RM506)
Sensitivity on management's estimates — 10% variation from estimate:	Impact-lower by RM278,000 (2020: RM262,088); higher by RM278,000 (2020: RM262,088)

Residential house 1

Valuation technique for recurring fair value measurements:	Comparison with market evidence of recently transaction prices for similar properties
Significant observable inputs:	Price per square foot of RM1,008 (2020: RM1,008)
Sensitivity on management's estimates — 10% variation from estimate:	Impact-lower by RM275,000, (2020: RM275,000); higher by RM275,000 (2020: RM275,000)

Residential house 2

Valuation technique for recurring fair value measurements:	Comparison with market evidence of recently transaction prices for similar properties
Significant observable inputs:	Price per square foot of RM470 (2020: RM438)
Sensitivity on management's estimates — 10% variation from estimate:	Impact-lower by RM150,000 (2020: RM139,911); higher by RM150,000 (2020: RM139,911)

7. INVESTMENT PROPERTIES (CONTINUED)

Valuation techniques and significant other observable inputs (Continued)

Commercial bungalow

Valuation technique for recurring fair value measurements:	Comparison with market evidence of recently transaction prices for similar properties
Significant observable inputs:	Price per square foot of RM256 (2020: RM253)
Sensitivity on management's estimates — 10% variation from estimate:	Impact-lower by RM150,000 (2020: RM146,609); higher by RM150,000 (2020: RM146,609)

Residential condominium

Valuation technique for recurring fair value measurements:	Comparison with market evidence of recently transaction prices for similar properties
Significant observable inputs:	Price per square foot of RM952 (2020: RM851)
Sensitivity on management's estimates — 10% variation from estimate:	Impact lower by RM100,000 (2020: RM89,376); higher by RM100,000 (2020: RM89,376)

Policy on transfer between levels

The fair value of an asset to be transferred between levels is determined as of the date of the event or change in circumstances that caused the transfer.

Transfer between levels of fair value hierarchy

There is no transfer between levels of fair values hierarchy during the financial year.

8. INTANGIBLE ASSETS

Group 2021	Goodwill on consolidation RM'000 (Note 9)	Intellectual property RM'000 (Note a)	Deferred development costs (under development) RM'000 (Note b)	Deferred development costs (completed) RM'000 (Note b)	Licenses RM'000 (Note c)	Total RM'000
Cost						
At 1 January 2021	98,576	52	456	29,380	844	129,308
Additions	440	-	578	-	-	1,018
Capitalisation of development equipment	-	-	12	-	-	12
Reclassification	-	-	(305)	305	-	-
Exchange differences	-	-	(3)	(1,613)	-	(1,616)
At 31 December 2021	99,016	52	738	28,072	844	128,722
Accumulated Amortisation and Impairment						
At 1 January 2021	8,609	52	-	27,120	843	36,624
Amortisation for the financial year	-	-	-	915	-	915
Impairment for the financial year	2,788	-	-	-	-	2,788
Exchange differences	-	-	-	(1,554)	-	(1,554)
At 31 December 2021	11,397	52	-	26,481	843	38,773
Carrying Amount at 31 December 2021	87,619	-	738	1,591	1	89,949

8. INTANGIBLE ASSETS (CONTINUED)

Group 2020	Goodwill on consolidation RM'000 (Note 9)	Intellectual property RM'000 (Note a)	Deferred development costs (under development) RM'000 (Note b)	Deferred development costs (completed) RM'000 (Note b)	Licenses RM'000 (Note c)	Total RM'000
Cost						
At 1 January 2020	98,576	-	243	28,008	844	127,671
Additions	-	52	1,061	-	-	1,113
Capitalisation of development equipment	-	-	18	-	-	18
Reclassification	-	-	(868)	868	-	-
Exchange differences	-	-	2	504	-	506
At 31 December 2020	98,576	52	456	29,380	844	129,308
Accumulated Amortisation and Impairment						
At 1 January 2020	7,873	-	-	25,681	393	33,947
Amortisation for the financial year	-	18	-	935	450	1,403
Impairment for the financial year	736	34	-	-	-	770
Exchange differences	-	-	-	504	-	504
At 31 December 2020	8,609	52	-	27,120	843	36,624
Carrying Amount at 31 December 2020	89,967	-	456	2,260	1	92,684

8. INTANGIBLE ASSETS (CONTINUED)

(a) Intellectual property

Intellectual property comprises rights and titles relating to mobile software.

(b) Deferred development costs

The deferred development costs mainly comprise staff costs, operating expenses and depreciation expenses for the development of the Captii Group's proprietary mobile software and has an average remaining amortisation period of 2 years (2020: 2 years).

(c) Licenses

The licenses comprise compliance and testing costs of bus models and have an average amortisation period of 5 years (2020: 5 years).

9. GOODWILL ON CONSOLIDATION

Management reviews the business performance based on the type of products and services of the strategic business units which represent its reportable operating segments. For the purpose of impairment testing, goodwill acquired through business combinations is allocated to the following Group's CGUs which are also reportable operating segments, which represent the lowest level within the Group at which the goodwill is monitored for internal management purposes.

The carrying amounts of goodwill allocated to the Group's CGUs are as follows:

	Group	
	2021	2020
	RM'000	RM'000
Information and communications technology - CGU 1	83,684	83,684
Hospitality - CGU 2	-	2,348
Travel and tours - CGU 3	3,659	3,659
Others	276	276
	87,619	89,967

9. GOODWILL ON CONSOLIDATION (CONTINUED)

CGU 1

The recoverable amount of the CGU was determined based on its value-in-use. Cash flow projections used in the value-in-use calculations were based on financial budgets and forecasts approved by management covering a five-year period using a discount rate of 13.8% (2020: 14%). The forecasted growth rate used to extrapolate cash flow projections beyond the five-year period is 2.0% (2020: 2.0%).

The discount rate applied to the cash flow projections is pre-tax and reflects management's estimate of the risks specific to the CGU at the date of assessment. Management determined the forecasted growth rate and budgeted gross margin based on past performance and its expectations of market developments.

Based on the sensitivity analysis performed, management believes that no reasonably possible change in base case key assumptions would cause the carrying values of the CGU to exceed its recoverable amounts.

The value in use was determined by management using the discounted cash flow valuation technique. The key assumptions used for value in use calculations are as stated above.

CGU 2

As at 31 December 2021, the Group had recognised an impairment loss of RM2.35 million (2020: NIL) as a result of the impact of COVID-19 pandemic. The impairment loss was fully allocated to goodwill and is recorded in statement of comprehensive income of the Group.

CGU 3

The recoverable amount of the CGU was determined based on its value-in-use. Cash flow projections used in the value-in-use calculations were based on financial budgets and forecasts approved by management covering a three-year period using a discount rate of 10.27% (2020: 11.13%). The forecasted growth rate used to extrapolate cash flow projections beyond the three-year period is 3% (2020: 3%).

The discount rate applied to the cash flow projections is pre-tax and reflects management's estimate of the risks specific to the CGU at the date of assessment. Management determined the forecasted growth rate and budgeted gross margin based on past performance and its expectations of market developments.

9. GOODWILL ON CONSOLIDATION (CONTINUED)

CGU 3 (Continued)

Based on the sensitivity analysis performed, management believes that no reasonably possible change in base case key assumptions would cause the carrying values of the CGU 3 to exceed its recoverable amounts.

The value in use was determined by management using the discounted cash flow valuation technique. The key assumptions used for value in use calculations are as stated above.

Others

As at 31 December 2021, the Group estimated that the carrying amount of the unit was higher than its recoverable amount and impairment loss of RM0.44 million (2020: RM0.74 million) was recognised as a result of the impact arising from COVID-19 pandemic. The impairment loss was fully allocated to goodwill and is recorded in statement of comprehensive income of the Group.

10. INVESTMENT IN SUBSIDIARIES

	Company	
	2021	**2020**
	RM'000	**RM'000**
At cost		
Unquoted shares	829,595	690,948
Less: Impairment loss	(221,743)	(220,699)
	607,852	470,249
Loans that are part of net investments		
At cost	53,683	173,059
Less: Impairment loss	(44,110)	(25,506)
	617,425	617,802

10. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Loans that are part of net investments represent amount owing by subsidiary which is non-trade in nature, unsecured and non-interest bearing. The settlement of the amount is neither planned nor likely to occur in the foreseeable future as it is the intention of the Company to treat these amounts as a long-term source of capital to the subsidiary. As the amount is, in substance, a part of the Company's net investment in the subsidiary, it is stated at cost less accumulated impairment loss, if any.

(a) The details of the subsidiaries are as follows :

Name of Company	Country of Incorporation	Effective Equity Interest 2021 %	Effective Equity Interest 2020 %	Principal Activities
Direct subsidiaries				
Advance Synergy Capital Sdn. Bhd.	Malaysia	100	100	Investment holding and provision of management services
Advance Synergy Properties Sdn. Bhd.	Malaysia	100	100	Investment holding
Advance Synergy Realty Sdn. Bhd. *	Malaysia	100	100	Property development and investment
Alam Samudera Corporation Sdn. Bhd.	Malaysia	100	100	Investment holding
Alangka-Suka Hotels & Resorts Sdn. Bhd.	Malaysia	100	100	Investment holding
Ausborn Sawmill Sdn. Bhd. *	Malaysia	100	100	Inactive
Calmford Incorporated #	British Virgin Islands	100	100	Investment holding
Datakey Sdn. Bhd.	Malaysia	100	100	To carry out computer facilities management activities, computer consultancy and other management consultancy activities
Diversified Gain Sdn. Bhd.	Malaysia	100	100	Investment holding
Excellent Arch Sdn. Bhd.	Malaysia	100	100	Investment holding
Excellent Display Sdn. Bhd.	Malaysia	100	100	Property investment, management and rental of properties
iSynergy Sdn. Bhd.	Malaysia	100	100	Inactive
Nagapura Management Corporation Sdn. Bhd.	Malaysia	100	100	Provision of management services
Sadong Development Sdn. Bhd.	Malaysia	100	100	Property development
Segi Koleksi Sdn. Bhd.	Malaysia	70	70	Investment holding

10 INVESTMENT IN SUBSIDIARIES (CONTINUED)

(a) The details of the subsidiaries are as follows (Continued):

Name of Company	Country of Incorporation	Effective Equity Interest 2021 %	Effective Equity Interest 2020 %	Principal Activities
Direct subsidiaries (Continued)				
Strategic Research & Consultancy Sdn. Bhd.	Malaysia	100	100	Investment holding
Synergy Gold Incorporated #	British Virgin Islands	100	100	Inactive
Synergy Petroleum Incorporated #	British Virgin Islands	100	100	Investment holding
Worldwide Matrix Sdn. Bhd.	Malaysia	100	100	Investment holding
Indirect subsidiaries held through Advance Synergy Capital Sdn. Bhd.				
AESBI Power Systems Sdn. Bhd.	Malaysia	100	100	Property investment and management services
ASC Credit Sdn. Bhd.	Malaysia	100	100	Provision of credit and leasing
ASC Equities Sdn. Bhd.	Malaysia	100	100	Investment holding and venture capital business
Aviva Master Coach Technology Sdn. Bhd.	Malaysia	71	71	Designing, building and fabrication of coaches
Paydee Sdn. Bhd.	Malaysia	100	100	Provision of payment card issuing and acquiring services
Triton-K Sdn. Bhd.	Malaysia	100	100	Provision of management services
Indirect subsidiary held through Aviva Master Coach Technology Sdn. Bhd.				
Quality Bus & Coach Pty. Ltd. #	Australia	71	71	Designing, building and fabrication of coaches and coach certification and testing
Indirect subsidiary held through Quality Bus & Coach Pty. Ltd.				
Autobus Australia Pty. Ltd. #	Australia	71	71	Designing, building and fabrication of coaches and coach certification and testing
Indirect subsidiaries held through Alangka-Suka Hotels & Resorts Sdn. Bhd.				
Alangka-Suka International Limited #	British Virgin Islands	100	100	Investment holding
Alor Setar Holiday Villa Sdn. Bhd.	Malaysia	100	100	Inactive

10. INVESTMENT IN SUBSIDIARIES (CONTINUED)

(a) The details of the subsidiaries are as follows (Continued):

Name of Company	Country of Incorporation	Effective Equity Interest 2021 %	Effective Equity Interest 2020 %	Principal Activities
Indirect subsidiaries held through Alangka-Suka Hotels & Resorts Sdn. Bhd. (Continued)				
Antara Holiday Villas Sdn. Bhd.	Malaysia	100	100	Hotel management services
Asbina Hotel & Property Sdn. Bhd.	Malaysia	100	100	Inactive
Cherating Holiday Villa Berhad	Malaysia	100	100	Operates Holiday Villa Beach Resort & Spa Cherating
Grand Hotel Sudan Limited #	British Virgin Islands	100	100	Inactive
Holiday Villa Assets Sdn. Bhd.	Malaysia	100	100	Investment holding
Holiday Villa Travel & Tours Sdn. Bhd.	Malaysia	100	100	Hiring of limousines
Holiday Villas International Limited #	British Virgin Islands	100	100	Hotel management services
Langkawi Holiday Villa Sdn. Bhd.	Malaysia	100	100	Operates Holiday Villa Beach Resort & Spa Langkawi
Mayor Hotels Sdn. Bhd.	Malaysia	100	100	Ceased operation on 1 January 2020
Super Leisure Sdn. Bhd.	Malaysia	100	100	Investment holding
Indirect subsidiaries held through Alangka-Suka International Limited				
Asbina Shenzhen Limited #	British Virgin Islands	90	90	Dormant
Holiday Villa Makkah Limited #	British Virgin Islands	100	100	Inactive
Interwell Management Limited #	England and Wales	100	100	Dormant
Larkswood Assets Limited #	British Virgin Islands	100	100	Investment holding
P.T. Diwangkara Holiday Villa Bali *	Republic of Indonesia	94.81	94.81	Hotel management services
Indirect subsidiary held through Asbina Hotel & Property Sdn. Bhd.				
Asbina Hotel & Property (Cambodia) Pte. Ltd. #	Kingdom of Cambodia	100	100	Inactive
Indirect subsidiary held through Holiday Villa Assets Sdn. Bhd.				
Posthotel Arosa AG *	Switzerland	65	65	Investment holding

10. INVESTMENT IN SUBSIDIARIES (CONTINUED)

(a) The details of the subsidiaries are as follows (Continued):

Name of Company	Country of Incorporation	Effective Equity Interest 2021 %	Effective Equity Interest 2020 %	Principal Activities
Indirect subsidiary held through Posthotel Arosa AG				
57-59 Philbeach Gardens Limited #	England and Wales	65	65	Investment holding
Indirect subsidiary held through 57-59 Philbeach Gardens Limited				
Beaver Hotels Limited #	England and Wales	65	65	Inactive
Indirect subsidiaries held through Holiday Villas International Limited				
Holiday Villa China International Limited #	British Virgin Islands	100	100	Investment holding
Holiday Villa Middle East Limited #	British Virgin Islands	100	100	Inactive
Holiday Villa (UK) Ltd. *	England and Wales	100	100	Ceased operation on 31 July 2020
Indirect subsidiaries held through Holiday Villa China International Limited				
Changshu Holiday Villa Hotel Management Co. Ltd. *	People's Republic of China	100	100	Hotel management services
Holiday Villa Hong Kong Company Limited #	Hong Kong	100	100	Investment holding
Indirect subsidiary held through Holiday Villa Hong Kong Company Limited				
上海豪立纬酒店有限公司 (Shanghai Holiday Villa Hotel Co. Ltd.) *	People's Republic of China	100	100	Operate Holiday Villa Hotel & Residence Shanghai Jiading P.R.C.
Indirect subsidiary held through Advance Synergy Properties Sdn. Bhd.				
Synergy Realty Incorporated #	British Virgin Islands	100	100	Investment holding
Indirect subsidiary held through Segi Koleksi Sdn. Bhd.				
Metroprime Corporation Sdn. Bhd.	Malaysia	70	70	Managing and operating The Language House and provision of educational support services
Indirect subsidiary held through Synergy Realty Incorporated				
Builderworks Pty. Ltd. *	Australia	100	100	Inactive

10. INVESTMENT IN SUBSIDIARIES (CONTINUED)

(a) The details of the subsidiaries are as follows (Continued):

Name of Company	Country of Incorporation	Effective Equity Interest 2021 %	Effective Equity Interest 2020 %	Principal Activities
Indirect subsidiaries held through Calmford Incorporated				
Home Cinema Studio Pty. Ltd. *	Australia	100	100	Inactive
Indirect subsidiary held through Alam Samudera Corporation Sdn. Bhd.				
Synergy Tours (Borneo) Sdn. Bhd.	Malaysia	100	100	Tour operator
Indirect subsidiary held through Diversified Gain Sdn. Bhd.				
Orient Escape Travel Sdn. Bhd.	Malaysia	100	100	Travel and tour agent and the provision of travel related services
Indirect subsidiaries held through Orient Escape Travel Sdn. Bhd.				
Motorsports Adventure Sdn. Bhd.	Malaysia	100	100	Inactive
Qurex Sdn. Bhd.	Malaysia	100	100	Money services business
Orient Escape Travel (Penang) Sdn. Bhd.	Malaysia	100	100	Inactive
Synergy Tours Sdn. Bhd.	Malaysia	100	100	Tour operator
Indirect subsidiary held through Excellent Arch Sdn. Bhd.				
Advance Synergy Furniture Sdn. Bhd.	Malaysia	100	100	In liquidation
Indirect subsidiary held through Excellent Display Sdn. Bhd.				
Dama TCM Sdn. Bhd.	Malaysia	100	100	Inactive
Indirect subsidiary held through Dama TCM Sdn. Bhd.				
Medical Palace Sdn. Bhd.	Malaysia	100	-	Dormant
Indirect subsidiaries held through Nagapura Management Corporation Sdn. Bhd.				
Acrylic Synergy Sdn. Bhd.	Malaysia	81	81	Inactive
Syarikat Fit and Weld Engineering (M) Sdn. Bhd.	Malaysia	70	70	In liquidation
Xgo Technik Sdn. Bhd.	Malaysia	100	100	Provision of management services

10. INVESTMENT IN SUBSIDIARIES (CONTINUED)

(a) The details of the subsidiaries are as follows (Continued):

Name of Company	Country of Incorporation	Effective Equity Interest 2021 %	Effective Equity Interest 2020 %	Principal Activities
Indirect subsidiaries held through Advance Synergy Realty Sdn. Bhd.				
Harta Sinergi Sdn. Bhd.	Malaysia	100	100	Investment holding
Osteria Gamberoni Sdn. Bhd.	Malaysia	70	70	Operates and manages food and beverage business and its related business
Primo Espresso Sdn. Bhd. *	Malaysia	70	70	Operates and manages food and beverage business and its related business
Temasya House Sdn. Bhd.	Malaysia	70	70	Property management and rental of property
Yap Ah Shak House Sdn. Bhd.	Malaysia	70	70	Operation and management of serviced office, property management, rental of property and other related business services
Indirect subsidiary held through Sadong Development Sdn. Bhd.				
Hotel Golden Dragon Sdn. Bhd.	Malaysia	95	95	Inactive
Indirect subsidiary held through Hotel Golden Dragon Sdn. Bhd.				
Simpang Tiga Realty Sdn. Bhd.	Malaysia	95	95	Inactive
Indirect subsidiary held through Worldwide Matrix Sdn. Bhd.				
Captii Limited *	Singapore	58.30	58.30	Investment holding and the provision of management services
Indirect subsidiaries held through Captii Limited				
Captii Ventures Pte. Ltd. *	Singapore	58.30	58.30	Undertake investment in technology companies
Postpay Asia Sdn. Bhd. *	Malaysia	58.30	58.30	Investment holding
Unified Assets Sdn. Bhd. *	Malaysia	58.30	58.30	Investment holding
Unified Communications (OHQ) Sdn. Bhd. *	Malaysia	58.30	58.30	Provisions of management and operational headquarters (“OHQ”) services to its related corporations
Unified Communications (OSS) Sdn. Bhd. *	Malaysia	58.30	58.30	Investment holding

10. INVESTMENT IN SUBSIDIARIES (CONTINUED)

(a) The details of the subsidiaries are as follows (Continued):

Name of Company	Country of Incorporation	Effective Equity Interest 2021 %	Effective Equity Interest 2020 %	Principal Activities
Indirect subsidiaries held through Captii Limited (Continued)				
Unified Communications Pte. Ltd. *	Singapore	58.30	58.30	Distribution of telecommunications products, the design and development of telecommunications solutions, project management, and maintenance and support services for the telecommunications industry
Unified Communications Sdn. Bhd. *	Malaysia	58.30	58.30	Research and development, software engineering, system integration, project management, and maintenance and support services for the telecommunications industry
Indirect subsidiary held through Captii Ventures Pte. Ltd.				
OOPA Pte. Ltd. *	Singapore	37.64	-	Investment holding
Indirect subsidiary held through Unified Communications (OSS) Sdn. Bhd.				
GlobeOSS Sdn. Bhd. *	Malaysia	29.73	29.73	Provision of global roaming quality of services management solutions
Indirect subsidiary held through GlobeOSS Sdn. Bhd.				
GlobeOSS Pte. Ltd. *	Singapore	29.73	29.73	Provision of global roaming quality of services management solutions
Indirect subsidiary held through GlobeOSS Pte. Ltd.				
GlobeOSS (Brunei) Sdn. Bhd. *	Brunei Darussalam	29.73	29.73	Provision of global roaming quality of services management solutions
Indirect subsidiaries held through Unified Communications Pte. Ltd.				
Adzentrum Sdn. Bhd. *	Malaysia	58.30	58.30	Dormant
Unified Communications (Private) Limited *	Pakistan	58.30	58.30	Provision of telecommunications products, technology and customised solutions to telecommunications operators, service providers and enterprises

10. INVESTMENT IN SUBSIDIARIES (CONTINUED)

(a) The details of the subsidiaries are as follows (Continued):

Name of Company	Country of Incorporation	Effective Equity Interest 2021 %	Effective Equity Interest 2020 %	Principal Activities
Indirect subsidiaries held through Unified Communications Sdn. Bhd.				
Ahead Mobile Sdn. Bhd. *	Malaysia	58.30	58.30	Software engineering, system integration, project management, and maintenance and support services for the telecommunications industry
Unified Communications (Tech) Pte. Ltd. *	Singapore	58.30	58.30	Distribution of information technology and telecommunications products
Indirect subsidiaries held through Postpay Asia Sdn. Bhd.				
Postpay Sdn. Bhd. *	Malaysia	58.30	58.30	Providing money lending services, credit profiling, pay-later solutions, and/or other incidental/relevant businesses to any telecommunications operators, service providers, enterprises, or entities of any descriptions
Postpay Technology Sdn. Bhd. *	Malaysia	58.30	58.30	Provision of telecommunications products, technology and customised solutions to telecommunications operators, service providers and enterprise

* *Audited by auditors other than Baker Tilly Monteiro Heng PLT.*

Not required to be audited in their countries of incorporation. The financial statements have been reviewed for consolidation purposes.

(b) Certain shares of subsidiaries in the Group has been charged to financial institutions for credit facilities granted to the Group as disclosed in Note 22 to the financial statements.

(c) Acquisition of subsidiaries

(i) On 10 November 2021, Dama TCM Sdn. Bhd. ("Dama TCM"), an indirect wholly-owned subsidiary of the Company, acquired 1 ordinary share representing the remaining 50% equity interest in Medical Palace Sdn. Bhd. ("MPSB") not already owned by Dama TCM for a total cash consideration of RM1.00. On the same date, MPSB became a wholly-owned indirect subsidiary company of the Company.

10. INVESTMENT IN SUBSIDIARIES (CONTINUED)

(c) Acquisition of subsidiaries (Continued)

(ii) On 7 December 2021, concurred with details as disclosed in Note 11(b) to the financial statement, the group's subsidiary company, Captii Ventures Pte Ltd ("CVPL") acquired an additional 21.4% equity interest in OOPA Pte Ltd ("OOPA"), resulting in OOPA becoming a subsidiary of the Group.

Details of the acquisition were as follows:

	At acquisition date RM'000
Consideration paid $^{\alpha}$	3,285
Fair value of the group's previously held interest in an associate	13,687
Fair value of non-controlling interest	16,574
Less:	
Fair value of net assets acquired $^{\beta}$	(38,544)
Bargain purchase arising on step-up of interest in an associate to subsidiary	(4,998)

$^{\alpha}$ This relates to a receivable of RM3.3 million which was de-recognised as part of consideration for the acquisition of a subsidiary. This had arisen following the favourable conclusion of the litigation pursued by OOPA Pte Ltd.

$^{\beta}$ The fair values of the identifiable assets and liabilities of OOPA as at acquisition date were as follows:

	At acquisition date RM'000
Other financial asset at FVTPL	38,587
Trade and other payables	(43)
Total identifiable net assets at fair value	38,544

(d) During the year, the Company increased its equity interest in Worldwide Matrix Sdn Bhd., Advance Synergy Realty Sdn. Bhd. and Excellent Display Sdn. Bhd. from RM2, RM18,143,373 and RM600,000 respectively to RM87,540,537, RM68,805,940 and RM1,043,916 respectively by subscribing 87,540,535, 50,662,567 and 443,916 ordinary shares of RM1 each by way of capitalisation of amount owing by subsidiaries. There is no changes to the effective ownership of the Company in these subsidiaries.

10. INVESTMENT IN SUBSIDIARIES (CONTINUED)

(e) The Group's subsidiaries that have material non-controlling interest ("NCI") are as follows:

2021	Captii Limited RM'000	Posthotel Arosa AG RM'000	Aviva Master Coach Technology Sdn. Bhd. RM'000	Other individually immaterial subsidiaries RM'000	Total RM'000
NCI percentange of ownership interest and voting interest	41.7%	35%	29%		
Carrying amount of NCI	80,770	23,395	(10,827)	(9,501)	83,837
Profit/(Loss) allocated to NCI	13,020	(298)	(1,391)	(1,471)	9,860
Summarised financial information before intra-group elimination					
Summarised statements of financial position					
As at 31 December					
Non-current assets	136,322	1	2,935		
Current assets	83,638	70,383	32,650		
Non-current liabilities	(1,288)	-	(1,720)		
Current liabilities	(24,979)	(3,541)	(77,211)		
Net assets/(liabilities)	193,693	66,843	(43,346)		
Summarised statements of comprehensive income					
Financial year ended 31 December					
Revenue	73,630	-	4,932		
Profit/(Loss) for the financial year	29,343	(851)	(6,081)		
Total comprehensive income/(loss)	27,610	(851)	(6,081)		
Summarised cash flows information					
Financial year ended 31 December					
Cash flows from/(used in) operating activities	9,528	(5,269)	(1,855)		
Cash flows used in investing activities	(1,123)	-	(99)		
Cash flows (used in)/from financing activities	(4,935)	-	2,339		
Net increase/(decrease) in cash and cash equivalents	3,470	(5,269)	385		
Dividends paid to NCI	1,004	-	-		

10. INVESTMENT IN SUBSIDIARIES (CONTINUED)

(e) The Group's subsidiaries that have material NCI are as follows (Continued):

2020	Captii Limited RM'000 (Restated)	Posthotel Arosa AG RM'000	Aviva Master Coach Technology Sdn. Bhd. RM'000	Other individually immaterial subsidiaries RM'000	Total RM'000
NCI percentange of ownership interest and voting interest	41.7%	35%	29%		
Carrying amount of NCI	61,981	21,007	(9,436)	(3,286)	70,266
Profit/(Loss) allocated to NCI	6,785	(371)	(1,867)	(813)	3,734

Summarised financial information before intra-group elimination

Summarised statements of financial position As at 31 December			
Non-current assets	92,493	1	4,669
Current assets	77,392	67,717	16,914
Non-current liabilities	(2,117)	-	(2,757)
Current liabilities	(19,133)	(7,698)	(56,575)
Net assets/(liabilities)	148,635	60,020	(37,749)

Summarised statements of comprehensive income Financial year ended 31 December			
Revenue	65,126	-	1,443
Profit/(Loss) for the financial year	12,747	(1,061)	(6,438)
Total comprehensive income/(loss)	13,022	(1,061)	(6,438)

Summarised cash flows information Financial year ended 31 December			
Cash flows from/(used in) operating activities	15,555	(6,183)	(445)
Cash flows (used in)/from investing activities	(1,524)	5,950	(5,053)
Cash flows (used in)/from financing activities	(4,774)	-	4,819
Net increase/(decrease) in cash and cash equivalents	9,257	(233)	(679)
Dividends paid to NCI	1,488	-	-

11. INVESTMENT IN ASSOCIATES

	Group 2021 RM'000	Group 2020 RM'000
Unquoted shares, at cost	6,538	6,636
Impairment loss	(320)	(418)
	6,218	6,218
Share of post-acquisition reserve, net of dividends received	(2,360)	6,539
	3,858	12,757

(a) The details of the associates are as follows:

Name of Company	Country of Incorporation	Effective Equity Interest 2021 %	Effective Equity Interest 2020 %	Principal Activities
Indirect associate held through Advance Synergy Capital Sdn. Bhd.				
SIBB Berhad *	Malaysia	20	20	Investment dealings
Indirect associate held through Langkawi Holiday Villa Sdn. Bhd.				
M OOD Perfumes Sdn. Bhd. #	Malaysia	30	30	Inactive
Indirect associate held through Super Leisure Sdn. Bhd.				
Smile Integrated Solution Sdn. Bhd.	Malaysia	49	49	Sells and maintains hotel property management system software
Indirect associates held through Synergy Tours Sdn. Bhd.				
P.T. Panorama Synergy Indonesia *	Republic of Indonesia	49	49	Inactive
Synergy Holidays Company Limited #	Republic of The Union of Myanmar	-	50	Liquidated on 3 March 2021
Indirect associate held through Dama TCM Sdn. Bhd.				
Medical Palace Sdn. Bhd. ¤	Malaysia	-	49	Inactive

11. INVESTMENT IN ASSOCIATES (CONTINUED)

(a) The details of the associates are as follows (Continued):

Name of Company	Country of Incorporation	Effective Equity Interest 2021 %	Effective Equity Interest 2020 %	Principal Activities
Indirect associate held through Strategic Research & Consultancy Sdn. Bhd.				
Kopistop Sdn. Bhd. *	Malaysia	40	40	Investment holding and the business of food and beverage
Indirect associate held through Captii Ventures Pte. Ltd.				
OOPA Pte. Ltd. *^	Singapore	-	21.90	Investment holding

* *Audited by another firm of auditors other than Baker Tilly Monteiro Heng PLT.*

\# *The Group has discontinued recognising its share of losses as the share of accumulated losses of the associate has exceeded the Group's investment in that associate.*

¤ *On 10 November 2021, an indirect wholly-owned subsidiary, Dama TCM, acquired the remaining 50% equity interest in MPSB, resulting in MPSB becoming a subsidiary of the Group.*

^ *On 7 December 2021, the Group's indirect subsidiary, CVPL, acquired an additional 21.4% equity interest in OOPA, resulting in OOPA becoming a subsidiary of the Group.*

(b) On 6 September 2020, the Group announced that writ of summons and statement of claim (“Writ”) had been issued by its associated company, OOPA Pte Ltd (“OOPA”) against (i) Mr Bui Sy Phong; (ii) Telio Pte Ltd (as a nominal defendant), a Singapore incorporated company of which Mr Bui was a sole shareholder. Under the Writ, OOPA claimed against Mr Bui, for inter alia, the following:

(i) 100% of the shares in Telio and/or such associated company of Telio (or such percentage or number of shares as determined by the High Court of Singapore);

(ii) An order that Mr Bui compensates OOPA in equity for breaches of director’s duties owed by him to OOPA; and

(iii) An account of profits received pursuant to the breaches of director’s duties owed by him to OOPA.

11. INVESTMENT IN ASSOCIATES (CONTINUED)

(b) In 2019, management wrote down the investment value to NIL in accordance with MFRS 9. In previous reporting years, management was of the view that it is probable that the outcome of the Writ is favourable to OOPA, which may potentially increase the fair value of OOPA, and hence represent a contingent asset to OOPA. As MFRS 137 Provisions, Contingent Liabilities and Contingent Assets does not permit the recognition of contingent assets management did not recognise the said fair value of OOPA in previous reporting years.

On 17 June 2021, the Group announced that the High Court had on 16 June 2021 issued a judgment in favour of OOPA in relation to Suit No 885 of 2019 filed by OOPA against Mr. Bui.

On 18 June 2021, the Group announced that Mr. Bui had on 17 June 2021 filed an appeal against the decision of the High Court to the Appellate Division of the High Court of Singapore.

On 26 October 2021, the Group announced that through a deed of settlement entered between OOPA, Mr. Bui and Telio on 25 October 2021, the parties had come to a full and final settlement of all claims in connection with, relating to, or arising out of the subject matter of the Suit.

On 7 December 2021, the Group announced that the completion of the deed had taken place, and Mr. Bui had formally withdrawn his appeal.

Subsequent to the completion of the above, the Group assessed that it had acquired a controlling stake in OOPA, making OOPA a subsidiary of the Group.

11. INVESTMENT IN ASSOCIATES (CONTINUED)

(c) The following table summarises the information of the Group's material associates, adjusted for any differences in accounting policies and reconciles the information to the carrying amount of the Group's interest in the associates:

Group 2021	**SIBB Berhad RM'000**
Summarised financial information	
As at 31 December	
Non-current assets	13,257
Current assets	5,541
Current liabilities	(48)
Net assets	18,750
Year ended 31 December	
Revenue	779
Profit for the financial year	553
Total comprehensive income	553

	SIBB Berhad RM'000	**Other individually immaterial associates RM'000**	**Total RM'000**
Reconciliation of net assets to carrying amount			
Group's share of net assets	3,750	108	3,858
Carrying amount in the statements of financial position	3,750	108	3,858
Group's share of results			
Year ended 31 December			
Group's share of profit or loss	111	(10)	101
Other information			
Dividends received	9,000	-	

11. INVESTMENT IN ASSOCIATES (CONTINUED)

(c) The following table summarises the information of the Group's material associates, adjusted for any differences in accounting policies and reconciles the information to the carrying amount of the Group's interest in the associates (Continued):

Group 2020	**SIBB Berhad RM'000**
Summarised financial information	
As at 31 December	
Non-current assets	12,496
Current assets	51,143
Current liabilities	(439)
Net assets	63,200
Year ended 31 December	
Revenue	981
Profit for the financial year	699
Total comprehensive income	699

	SIBB Berhad RM'000	**Other individually immaterial associates RM'000**	**Total RM'000**
Reconciliation of net assets to carrying amount			
Group's share of net assets	12,640	117	12,757
Carrying amount in the statements of financial position	12,640	117	12,757
Group's share of results			
Year ended 31 December			
Group's share of profit or loss	140	2	142
Other information			
Dividends received	-	-	

11. INVESTMENT IN ASSOCIATES (CONTINUED)

(c) The following table summarises the information of the Group's material associates, adjusted for any differences in accounting policies and reconciles the information to the carrying amount of the Group's interest in the associates (Continued):

The summarised financial information of the associates is as follows:

	Group	
	2021	**2020**
	RM'000	**RM'000**
Results		
Revenue	818	1,041
Loss for the financial year	(74)	(306)
Assets and Liabilities		
Total assets	26,855	76,179
Total liabilities	5,625	10,816

(d) The Group has not recognised its share of losses of associates amounting to RM0.003 million (2020: RM0.003 million) because the Group's cumulative share of losses has exceeded its interest in that associate and the Group has no obligation in respect of these losses. The Group's cumulative accumulated losses not recognised were RM0.09 million (2020: RM0.31 million).

12. INVESTMENT IN A JOINT VENTURE

	Group	
	2021	**2020**
	RM'000	**RM'000**
Carrying amount:		
Unquoted shares at cost	1,927	1,927
Allowances for impairment	(767)	(767)
Share of post-acquisition losses, net of dividend received	(1,160)	(1,160)
	-	-

12. INVESTMENT IN A JOINT VENTURE (CONTINUED)

The details of the joint venture are as follows:

Name of Company	Country of Incorporation	Effective Equity Interest 2021 %	Effective Equity Interest 2020 %	Principal Activities
Indirect joint venture held through Unified Communications Pte. Ltd.				
Unified Telecom Private Limited *	India	29.15	29.15	Provision of telecommunications products, services and customised solutions

* *Audited by another firm of auditors other than Baker Tilly Monteiro Heng PLT.*

The statutory reporting year end of the joint venture is 31 March. The unaudited management financial statements for the period from 1 January 2021 to 31 December 2021 of the joint venture have been used for equity accounting since it is not significant to the Group. The financial statement of the joint venture is not material to the Group.

13. INVESTMENT SECURITIES

	Group 31.12.2021 RM'000	Group 31.12.2020 RM'000 (Restated)	Group 1.1.2020 RM'000	Company 31.12.2021 RM'000	Company 31.12.2020 RM'000
Non-Current:					
Financial asset:					
Designated as at fair value through other comprehensive income					
At fair value					
Quoted securities					
Equity instruments					
- in Malaysia	8,363	5,791	6,433	-	-
Unquoted securities					
Equity instruments					
- in Malaysia	253	-	5	-	-
- outside Malaysia	1,704	1,704	1,704	-	-
	1,957	1,704	1,709	-	-

13. INVESTMENT SECURITIES (CONTINUED)

	Group			Company	
	31.12.2021 RM'000	31.12.2020 RM'000 (Restated)	1.1.2020 RM'000	31.12.2021 RM'000	31.12.2020 RM'000
Non-Current (Continued):					
Designated as at fair value through profit or loss					
At fair value					
Unquoted securities					
Convertible preference shares					
- in Malaysia	6,152	1,530	1,293	-	-
- outside Malaysia	64,387	30,256	37,430	-	-
Convertible loan notes					
- outside Malaysia	25,447	18,516	8,924	-	-
	95,986	50,302	47,647	-	-
Total non-current investment securities	106,306	57,797	55,789	-	-
Current:					
Financial assets at fair value through profit or loss:					
At fair value					
Quoted securities					
Equity instruments					
- in Malaysia	987	2,680	1,400	530	1,085
- outside Malaysia	3,202	2,482	-	-	-
Total current investment securities	4,189	5,162	1,400	530	1,085
Total investment securities	110,495	62,959	57,189	530	1,085

13. INVESTMENT SECURITIES (CONTINUED)

Fair value information

Fair value of investment securities is categorised as follows:

	Group		
	31.12.2021	**31.12.2020**	**1.1.2020**
	RM'000	**RM'000**	**RM'000**
		(Restated)	
Level 1			
Quoted securities	12,552	10,953	7,833
Level 3			
Unquoted securities	97,943	52,006	49,356
	110,495	62,959	57,189

Valuation processes, technique and significant other observable input applied by the Group

The Group adopted the following valuation methodologies in estimating the fair values of the investments:

(a) Cost approach: This is applied to estimate fair value of companies in very preliminary development stages where revenue forecasts are difficult to estimate with any degree of certainty and assumes the book value or cost of an asset approximates its fair value. Adjustments, such as impairment allowance, are made to assets on a case-by-case basis if this assumption does not hold true.

(b) Option Pricing Model ("OPM"): The OPM, which applies the Black-Scholes formula for option pricing, is a generally accepted valuation methodology used in estimating fair values of early-stage companies, in particular those with different classes of shares. In applying the OPM to determine the fair value of an investee, management considers terms such as level of seniority among the securities, dividend policy, conversion ratios, and cash allocations of the various stockholders' agreements with the investee that would affect the distributions to each class of equity upon a liquidity event. In addition, the method implicitly considers the effect of the liquidation preference as of the future liquidation date, not as of the valuation date.

(c) Implied Enterprise Value ("Implied EV"): The implied EV model estimates the enterprise value based on an adjusted implied EV/Revenue multiple and applies the OPM model based on Black-Scholes model, to allocate the estimated enterprise value to various classes of shares.

13. INVESTMENT SECURITIES (CONTINUED)

Fair value information (Continued)

The key assumptions used in applying the OPM and implied EV models which are unobservable inputs, were as follows:

Unobservable inputs	2021	2020	Sensitivity of inputs to fair value
Risk free rates (range)	0.3% to 3.3%	0.15% - 2.86%	Increase (decrease) of the inputs would result in decrease (increase) in fair value
Asset volatility (range)	22% - 92%	27.92% - 100%	
Expected terms (years)	1.4 to 5	1.33 to 3.10	

The group has the policy to regularly assess and evaluate the appropriate valuation methodologies in ascertaining the fair value of the investments.

14. DEFERRED TAX (ASSETS)/LIABILITIES

(a) Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same tax authority. The amounts of deferred tax assets and liabilities, after appropriate offsetting, are as follows:

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
At 1 January	(824)	(718)	-	-
Recognised in profit or loss (Note 30)	(443)	(424)	-	-
Recognised in equity	436	318	-	-
At 31 December	(831)	(824)	-	-
Presented after appropriate offsetting:				
Deferred tax assets, net	(5,189)	(4,841)	-	-
Deferred tax liabilities, net	4,358	4,017	-	-
	(831)	(824)	-	-

14. DEFERRED TAX (ASSETS)/LIABILITIES (CONTINUED)

(b) The component and movements of deferred tax assets and liabilities during the financial year prior to offsetting are as follows:

Deferred tax liabilities

	Property, Plant and Equipment RM'000	Others RM'000	Total RM'000
Group			
At 1 January 2020	3,561	1,585	5,146
Recognised in profit or loss	77	(1,524)	(1,447)
Recognised in equity	318	-	318
At 31 December 2020	3,956	61	4,017
Recognised in profit or loss	(76)	-	(76)
Recognised in equity	436	(19)	417
At 31 December 2021	4,316	42	4,358

Deferred tax assets

	Unutilised tax losses and unabsorbed capital allowances RM'000	Others RM'000	Total RM'000
Group			
At 1 January 2020	4,954	910	5,864
Recognised in profit or loss	(337)	(686)	(1,023)
At 31 December 2020	4,617	224	4,841
Recognised in profit or loss	231	136	367
Recognised in equity	-	(19)	(19)
At 31 December 2021	4,848	341	5,189

14. DEFERRED TAX (ASSETS)/LIABILITIES (CONTINUED)

(c) The amount of temporary differences for which no deferred tax assets have been recognised are as follows:

	Group	
	2021 RM'000	2020 RM'000
Unutilised tax losses	226,311	213,490
Unabsorbed capital allowances	7,869	4,406
Right-of-use assets	(172)	(137)
Others	-	1,387
	234,008	219,146

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

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

The unused tax losses are available indefinitely for offset against future taxable profits of the Group except for certain unused tax losses which are available for utilisation up to the following financial years:

	Group	
	2021 RM'000	2020 RM'000
Unused tax losses arising from local subsidiaries:		
2025	-	153,221
2026	-	14,598
2027	-	18,433
2028	153,221	-
2029	14,598	-
2030	18,433	-
2031	13,402	-
	199,654	186,252

15. INVENTORIES

	Group 2021 RM'000	Group 2020 RM'000
Non-current		
At cost:		
Leasehold land held for development	4,634	4,632
Current		
At cost:		
Raw materials	43	43
Work-in-progress	390	425
Finished goods	13	13
Food and beverages	808	690
Operating supplies	5,897	6,570
Completed properties and properties under development	30,144	32,852
	37,295	40,593
	41,929	45,225

The cost of inventories of the Group recognised as an expense in cost of sales during the financial year was RM11.42 million (2020: RM14.46 million).

Completed properties and properties under development:

	Group 2021 RM'000	Group 2020 RM'000
Non-current assets		
Leasehold land held for development	4,634	4,632
Current assets		
Leasehold land held for development	2,915	2,917
Development costs	14,915	14,522
Completed properties	12,314	15,413
	30,144	32,852
	34,778	37,484

15. INVENTORIES (CONTINUED)

Certain leasehold land held for development with carrying amount of RM5 million (2020: RM5 million) has been charged to financial institutions for credit facilities granted to a subsidiary as disclosed in Note 22 to the financial statements.

16. TRADE AND OTHER RECEIVABLES

		Group		Company	
		2021	2020	2021	2020
	Note	RM'000	RM'000	RM'000	RM'000
Trade					
Trade receivables		44,229	36,461	-	-
Less : Impairment losses					
Trade receivables		(3,491)	(3,383)	-	-
	(a)	40,738	33,078	-	-
Non-trade					
Other receivables	(a)	30,145	19,655	1,901	159
Deposits		11,889	10,500	5	5
Amounts owing by associates	(b)	2,303	2,137	-	-
Amounts owing by subsidiaries	(c)	-	-	7,683	22,517
		44,337	32,292	9,589	22,681
Less : Impairment losses					
Other receivables	(a)	(4,055)	(4,055)	(154)	(154)
Amounts owing by associates	(b)	(2,108)	(2,108)	-	-
Amounts owing by subsidiaries	(c)	-	-	(3,186)	(19,503)
		(6,163)	(6,163)	(3,340)	(19,657)
		38,174	26,129	6,249	3,024
Total trade and other receivables		78,912	59,207	6,249	3,024

16. TRADE AND OTHER RECEIVABLES (CONTINUED)

(a) Trade and other receivables

Trade receivables are unsecured, non-interest bearing and normal credit terms offered by the Group range from 30 to 90 days (2020: 30 to 90 days). Other credit terms are assessed and approved on a case by case basis.

Trade receivables that are individually determined to be credit impaired at the reporting date relate to receivables that have defaulted on payments.

The information about the credit exposures is disclosed in the Note 37(b)(i) to the financial statements.

(b) Amount owing by associates

The amount owing from associates are unsecured, interest-free and are repayable on demand by cash.

(c) Amount owing by subsidiaries

The amount owing from subsidiaries are unsecured, interest-free and are repayable on demand by cash.

17. OTHER ASSETS/(LIABILITIES)

	Group	
	2021	**2020**
	RM'000	**RM'000**
Other assets		
Contract assets		
Contract assets relating to property development contracts	1,718	6,454
Contract assets relating to information technology contracts	1,047	2,126
	2,765	8,580
Contract costs		
Costs incurred to obtain or fulfil a contract relating to information technology	3,632	4,205
	3,632	4,205
Prepayments	3,901	5,459
	10,298	18,244

17. OTHER ASSETS/(LIABILITIES) (CONTINUED)

	Group	
	2021	**2020**
	RM'000	**RM'000**
Other liabilities		
Contract liabilities		
Contract liabilities relating to information technology contracts	(2,183)	(1,229)
Contract liabilities relating to travel & tour sales	(1,828)	(3,245)
Contract liabilities relating to education	(19)	(60)
	(4,030)	(4,534)

The movement in contract costs are as follows:

	Group	
	2021	**2020**
	RM'000	**RM'000**
At 1 January	4,205	7,060
Additions	5,950	6,146
Recognised as cost for performance obligation satisfied	(6,524)	(9,012)
Exchange differences	1	11
At 31 December	3,632	4,205

18. FINANCIAL ASSETS HELD FOR TRADING

	Group	
	2021	**2020**
	RM'000	**RM'000**
Financial assets held for trading designated at fair value through profit or loss:		
Foreign currencies held for sale	-	8

19. CASH AND BANK BALANCES AND SHORT TERM DEPOSITS

For the purpose of the statements of cash flows, cash and cash equivalents comprise of the following:

		Group		Company	
		2021	2020	2021	2020
	Note	RM'000	RM'000	RM'000	RM'000
Cash and bank balances		67,285	57,860	619	1,210
Short term deposits		59,408	63,157	700	5,619
As reported in the statements of financial position		126,693	121,017	1,319	6,829
Bank overdrafts (Note 22)		(238)	(354)	-	-
		126,455	120,663	1,319	6,829
Less:					
Deposits pledged to licensed banks	(a)	(18,970)	(19,634)	-	-
Cash held under Housing Development Account	(b)	(674)	(661)	-	-
Deposit placed with lease payable as security deposit for lease payments	(c)	(10,339)	(13,409)	-	-
Cash and cash equivalents included in the statements of cash flows		96,472	86,959	1,319	6,829

Included in the short term deposits of the Group are:

(a) an amount of RM18.97 million (2020: RM19.63 million) is charged to licensed banks as security for banking facilities granted to certain subsidiaries as disclosed in Note 22 to the financial statements;

(b) included in cash and bank balances of the Group is an amount of RM0.67 million (2020: RM0.66 million) deposited into Housing Development Accounts in accordance with Section 7(A) of the Housing Developers (Control and Licensing) Act, 1966. These accounts, which consist of monies received from purchasers and interest credited thereon, are restricted for the payment of property development expenditure incurred and fulfillment of all relevant obligations to the purchasers. The surplus monies, if any, will be released to the Group upon the completion of the particular property development projects; and

19. CASH AND BANK BALANCES AND SHORT TERM DEPOSITS (CONTINUED)

Included in the short term deposits of the Group are (Continued):

(c) an amount of RM10.34 million (2020: RM13.41 million) pledged as security deposits on lease payments as disclosed in Note 23 to the financial statements.

The weighted average effective interest rate of the short term deposits is disclosed in Note 37(b)(iii) to the financial statements.

20. SHARE CAPITAL

	2021		2020	
	Number of Shares Unit	**Amount RM'000**	**Number of Shares Unit**	**Amount RM'000**
Issued and fully paid:				
Ordinary shares				
At 1 January/31 December	929,195	381,377	929,195	381,377

Effective from 31 January 2017, the Companies Act 2016 abolished the concept of authorised share capital and par value of share capital.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one (1) vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual interest.

21. RESERVES

		Group			Company	
		31.12.2021	31.12.2020	1.1.2020	31.12.2021	31.12.2020
	Note	RM'000	RM'000	RM'000	RM'000	RM'000
			(Restated)			
Non-distributable						
Fair value reserve	(a)	(712)	(3,537)	(1,334)	-	-
Foreign currency translation reserve	(b)	11,894	12,766	6,728	-	-
Revaluation reserve	(c)	17,164	15,614	14,547	-	-
		28,346	24,843	19,941	-	-
Retained earnings		43,626	46,498	80,378	13,687	12,091
		71,972	71,341	100,319	13,687	12,091

(a) **Fair value reserve**

The fair value reserve includes the cumulative net change in the fair value through other comprehensive income investment held until the investment is derecognised.

(b) **Foreign currency translation reserve**

The foreign currency translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency as well as the foreign currency differences arising from monetary items which form part of the Group's net investment in foreign operations, where the monetary item is denominated in either the functional currency of the reporting entity or the foreign operation or another currency.

(c) **Revaluation reserve**

The revaluation reserve represents the surplus on the revaluation of hotel properties of the Group.

22. BORROWINGS

		Group	
		2021	2020
	Not	RM'000	RM'000
Non-current liabilities			
Term loans		61,631	38,347
Current liabilities			
Bank overdrafts		238	354
Revolving credit		38,600	13,000
Term loans		4,881	5,757
		43,719	19,111
		105,350	57,458
Total liabilities			
Bank overdrafts	(a)	238	354
Revolving credit	(b)	38,600	13,000
Term loans	(c)	66,512	44,104
		105,350	57,458

(a) Bank overdrafts

	Group	
	2021	2020
	RM'000	RM'000
Bank overdrafts:		
- secured	238	354

The bank overdrafts are secured by way of:

(i) a pledge of short term deposits;

(ii) fixed and floating charges over the assets of certain subsidiaries as disclosed in Notes 7, 15 and 19 to the financial statements; and

(iii) a guarantee and an indemnity from the Company and its subsidiaries.

The weighted average effective interest rate of the revolving credit is disclosed in Note 37(b)(iii) to the financial statements.

22. BORROWINGS (CONTINUED)

(b) Revolving credit

The revolving credit is secured by way of:

(i) a pledge of short term deposits;

(ii) fixed charges over certain hotel and property of the Group as disclosed in Note 5 to the financial statements;

(iii) certain shares of subsidiaries at carrying amounts of RM10.28 million (2020: RM10.28 million) and RM61.94 million (2020: RM61.94 million) respectively; and

(iv) a guarantee and an indemnity from the Company.

The weighted average effective interest rate of the revolving credit is disclosed in Note 37(b)(iii) to the financial statements.

(c) Term loans

	Group	
	2021	**2020**
	RM'000	**RM'000**
Term loans		
- secured	66,512	44,104
Represented by:		
Current		
- not later than one (1) year	4,881	5,757
Non-current		
- later than one (1) year but not later five (5) years	20,816	16,551
- later than five (5) years	40,815	21,796
	61,631	38,347
	66,512	44,104

22. BORROWINGS (CONTINUED)

(c) Term loans (Continued)

The term loans are secured by way of:

(i) fixed charges over certain hotel and other properties of the Group as disclosed in Notes 5 and 7 to the financial statements;

(ii) the entire issued and paid up share capital of certain subsidiaries;

(iii) certain shares of subsidiaries at carrying amounts of RM10.28 million (2020: RM10.28 million) and RM61.94 million (2020: RM61.94 million) respectively;

(iv) fixed and floating charges over the assets of certain subsidiaries as disclosed in Notes 15 and 19 to the financial statements; and

(v) a corporate guarantee by the Company and its subsidiaries.

The weighted average effective interest rate of the term loans is disclosed in Note 37(b)(iii) to the financial statements.

23. LEASE LIABILITIES

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Minimum lease payments:				
- not later than one (1) year	9,851	9,452	683	683
- later than one (1) year but not later than five (5) years	34,117	36,741	2,730	2,730
- later than five (5) years	22,179	26,978	1,877	2,559
	66,147	73,171	5,290	5,972
Less: Future lease interest	(14,020)	(16,326)	(741)	(923)
Present value of lease liabilities	52,127	56,845	4,549	5,049

23. LEASE LIABILITIES (CONTINUED)

	Group		Company	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Represented by:				
Current				
- not later than one (1) year	7,058	6,339	519	501
Non-current				
- later than one (1) year but not later than five (5) years	23,562	28,015	2,269	2,190
- later than five (5) years	21,507	22,491	1,761	2,358
	45,069	50,506	4,030	4,548
	52,127	56,845	4,549	5,049

The lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date. The lease payments are discounted using the Group's and the Company's weighted average incremental borrowing rate of 3.6% to 5.5% and 3.6% (2020: 3.6% to 5.5% and 3.6%) respectively.

The Group determines the lease term of a lease as the non-cancellable period of the lease, together with periods covered by an option to extend or to terminate the lease if the Group is reasonably certain to exercise the relevant options. Management has considered the relevant facts and circumstances that create an economic incentive for the Group to either exercise the option to extend the lease, or to exercise the option to terminate the lease. Any differences in expectations from the original estimates would impact the carrying amounts of the lease liabilities of the Group.

The Group has recognised the lease payments associated with short term leases and low value assets on a straight-line basis over the lease terms and recognised as rental expenses as disclosed in Note 28 to the financial statements.

24. PROVISION FOR RETIREMENT BENEFIT OBLIGATIONS

The Group operates unfunded defined retirement benefit plans for some of its employees.

The total amount recognised in the statements of financial position are as follows:

	Group	
	2021	**2020**
	RM'000	**RM'000**
Present value of unfunded defined benefits obligations	1,413	1,386

The following table shows a reconciliation from the opening balance to the closing balance for the retirement benefit plan:

	Group	
	2021	**2020**
	RM'000	**RM'000**
At 1 January	1,386	1,923
Include in the profit or loss:		
- Current service cost	93	107
- Past service cost	-	(724)
- Interest expenses	57	80
- Benefit payments	(4)	-
	146	(537)
Others:		
Paid during the financial year	(119)	-
At 31 December	1,413	1,386

24. PROVISION FOR RETIREMENT BENEFIT OBLIGATIONS (CONTINUED)

The principal actuarial assumptions used are as follows:

	Group	
	2021	**2020**
	%	**%**
Discount rate	4.1	5.4
Expected rate of salary increase	5.0	6.0

Assumptions regarding future mortality are based on published statistics and mortality tables.

Sensitivity analysis

Reasonable possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	Group	
	Defined benefit obligation	
	Increase	**Decrease**
2021	**RM'000**	**RM'000**
Increase/Decrease of 1% discount rate	(176)	205
Increase/Decrease of 1% expected rate of salary	243	(209)
2020		
Increase/Decrease of 1% discount rate	(169)	198
Increase/Decrease of 1% expected rate of salary	217	(188)

Although the analysis does not account to the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

25. TRADE AND OTHER PAYABLES

		Group		Company	
		2021	2020	2021	2020
	Note	RM'000	RM'000	RM'000	RM'000
Non-Current:					
Non-Trade					
Other payables		8,945	9,294	-	-
Total non-current		8,945	9,294	-	-
Current:					
Trade					
Trade payables	(a)	19,691	15,857	-	-
Current:					
Non-Trade					
Accruals		16,983	14,782	365	470
Amount owing to associates	(b)	25	23	-	-
Amount owing to subsidiaries	(c)	-	-	230,058	234,858
Deposits received		1,937	1,873	-	-
Other payables		19,594	16,383	2	2
		38,539	33,061	230,425	235,330
Total current payables		58,230	48,918	230,425	235,330
Total trade and other payables		67,175	58,212	230,425	235,330

(a) **Trade payables**

Trade payables are non-interest bearing and the normal credit terms granted to the Group range from 30 to 90 days (2020: 30 to 90 days).

(b) **Amount owing to associates**

The amount owing to associates are unsecured, interest-free and are repayable on demand by cash.

(c) **Amount owing to subsidiaries**

The amount owing to subsidiaries are unsecured, interest-free and are repayable on demand by cash.

26. REVENUE

	Group		Company	
	2021	**2020**	**2021**	**2020**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Revenue from contract customers				
Property development and investment	5,055	6,466	-	-
Hospitality	14,806	19,968	-	-
Information and communications technology	73,630	65,126	-	-
Travel and tours	15,448	20,262	-	-
Bus-body fabrication	4,932	527	-	-
Financial services	1,964	4,090	-	-
Education	122	107	-	-
Revenue from other sources				
Rental income	247	463	-	-
Interest income	22	201	22	201
Dividend income	34	-	13,534	10,500
Others	25	30	-	-
	116,285	117,240	13,556	10,701

The Group and the Company report the following major segments: investment holding, property development and investment, hospitality, information and communications technology, travel and tours, financial services and others in accordance with MFRS 8 *Operating Segments*. For the purpose of disclosure, it disaggregates revenue into primary geographical markets, and timing of revenue recognition (i.e. goods transferred at a point in time or services transferred over time).

26. REVENUE (CONTINUED)

	Group		Company	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Revenue:				
- Investment holding	298	686	13,556	10,701
- Property development and investment	5,085	6,474	-	-
- Hospitality	14,806	19,968	-	-
- Information and communications technology	73,630	65,126	-	-
- Travel and tours	15,448	20,262	-	-
- Financial services	1,964	4,090	-	-
- Others	5,054	634	-	-
	116,285	117,240	13,556	10,701
Timing of revenue recognition:				
At a point in time	42,655	52,114	13,556	10,701
Over time	73,630	65,126	-	-
	116,285	117,240	13,556	10,701

The information on disaggregation of revenue into primary geographical markets is disclosed in Note 35 to the financial statements.

27. COST OF SALES

	Group		Company	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Property development and investment	4,334	6,114	-	-
Hospitality	6,634	11,108	-	-
Information and communications technology	37,758	30,771	-	-
Travel and tours	14,385	17,497	-	-
Bus-body fabrication	6,532	3,997	-	-
Financial services	1,143	2,558	-	-
Education	178	249	-	-
	70,964	72,294	-	-

28. OPERATING PROFIT/(LOSS)

Operating profit/(loss) has been arrived at:

	Group		Company	
	2021	2020	2021	2020
	RM'000	RM'000 (Restated)	RM'000	RM'000
After charging:				
Amortisation of intangible assets	915	1,403	-	-
Auditors' remuneration				
- statutory audit services:				
- current financial year	982	946	100	100
- (over)/under provision in prior years	(61)	9	-	-
- non-statutory audit services	9	9	9	9
Inventories written down	-	2,157	-	-
Bad debts written off	-	2	-	-
Depreciation of property, plant and equipment	7,123	6,878	20	15
Depreciation of right-of-use assets	7,235	8,370	575	144
Directors' remuneration:				
- fees	556	522	315	207
- other emoluments	2,510	2,231	1,519	1,443
Expenses relating to short-term lease	502	274	6	99
Impairment loss on:				
- amount owing from associates	-	2,108	-	-
- intellectual property	-	34	-	-
- goodwill	2,788	736	-	-
- investment in associates	-	355	-	-
- investment in subsidiaries	-	-	1,044	1,195
- property, plant and equipment	-	4	-	3
- trade and other receivables	108	3,371	2,287	1,921
Fair value change in:				
- quoted investment securities	2,650	308	516	322
Loss on disposal of:				
- unquoted investment securities	430	-	-	-
Property, plant and equipment written off	3	1,219	-	-

28. OPERATING PROFIT /(LOSS) (CONTINUED)

Operating profit/(loss) has been arrived at (Continued):

	Group		Company	
	2021	2020	2021	2020
	RM'000	RM'000 (Restated)	RM'000	RM'000
After charging (Continued):				
Provision for retirement benefits plan	146	-	-	-
Staff cost:				
- salaries and wages	35,652	35,946	2,828	2,786
- defined contribution plan	4,916	4,956	439	434
- other employee benefits	2,846	3,890	23	42
And crediting:				
Covid-19 related rent concession income	-	2,345	-	-
Gain on disposal of:				
- property, plant and equipment	-	6,568	-	-
- quoted investment securities	237	813	11	243
- hotel management services contracts	7,000	-	-	-
Effect of modication to lease terms	279	-	-	-
Fair value change in:				
- investment in associates	15,760	-	-	-
- investment properties	860	-	-	-
- unquoted investment securities	6,702	4,526	-	-
Bargain purchase	4,998	-	-	-
Net gain on foreign exchange:				
- realised	272	2,805	-	1
- unrealised	344	518	-	-
Dividend income:				
- quoted investment securities	73	-	-	-
Interest income:				
- short term deposits	1,110	1,365	22	201
- investment securities	233	685	-	-
Rental income	402	680	-	-
Reversal of provision for retirement benefits plan	-	537	-	-

29. FINANCE COSTS

	Group		Company	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Interest expenses				
- bank overdrafts	8	1	-	-
- term loans	4,197	2,028	1,537	987
- lease liabilities	3,161	3,145	182	46
- others	2	1	216	234
	7,368	5,175	1,935	1,267

30. INCOME TAX EXPENSE

	Group		Company	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Income tax				
Current year				
- In Malaysia	2,686	352	56	66
- Outside Malaysia	1,254	4,362	-	-
Prior years	(11)	68	-	-
	3,929	4,782	56	66
Deferred tax (Note 14)				
Current year	(443)	(417)	-	-
Prior years	-	(7)	-	-
	(443)	(424)	-	-
	3,486	4,358	56	66

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

An indirect subsidiary of the Company in Malaysia, Postpay Technology Sdn. Bhd., has been granted pioneer status as Multimedia Super Corridor ("MSC") company under the Malaysia Promotion of Investment Act, 1986. The benefits to a company having MSC status include a five-year pioneer status tax exemption on profits generated from the MSC qualifying activities during the same period. The MSC status of Postpay Technology Sdn. Bhd. commenced from 3 January 2017 and will expire on 2 January 2022.

30. INCOME TAX EXPENSE (CONTINUED)

A reconciliation of income tax expense applicable to (loss)/profit before tax at the statutory income tax rate to income tax expense at the effective income tax rate of the Group and of the Company are as follows:

	Group		Company	
	2021	2020	2021	2020
	%	%	%	%
		(Restated)		
Applicable tax rate	24	(24)	24	24
Tax effects arising from				
- Non allowable expenses	41	32	86	136
- Non taxable income	-	(2)	(108)	(156)
- Utilisation of previously unrecognised tax losses and capital allowances	(4)	-	-	-
- Deferred tax assets not recognised in the year	172	13	-	-
- Different tax rate in foreign	(65)	1	-	-
	168	20	2	4
- over provision in prior years	-	(1)	-	-
Average effective tax rate	168	19	2	4

31. LOSS PER ORDINARY SHARE

(a) Loss per ordinary share

Basic loss per ordinary share are based on the loss attributable to the owner of the Company and the weighted average number of ordinary shares outstanding during the financial year, calculated as follows:

	Group	
	2021	**2020**
	RM'000	**RM'000**
		(Restated)
Loss attributable to owners of the Company	(11,269)	(30,628)
	'000 Units	**'000 Units**
Weighted average number of ordinary shares in issue	929,195	929,195
	Sen	**Sen**
Basic loss per share	(1.21)	(3.30)

(b) Diluted loss per ordinary share

The basic and diluted loss per share are reported to be the same for the current year and last year as the Company has no dilutive potential shares.

32. DIVIDENDS

	Company	
	2021	2020
	RM'000	RM'000
Final single tier dividend of 0.15 sen per share in respect of financial year ended 31 December 2020, paid on 18 August 2021	1,394	-
Final single tier dividend of 0.35 sen per share in respect of financial year ended 31 December 2019, paid on 18 August 2020	-	3,252

In addition, the Directors have recommended a final single tier dividend of 0.15 sen per ordinary share in respect of the financial year ended 31 December 2021 and payable upon approval by shareholders at the forthcoming Annual General Meeting.

The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained earnings in the next financial year ending 31 December 2022.

33. CONTINGENT LIABILITIES

	Group	
	2021	2020
	RM'000	RM'000
Litigation	6,485	6,375

On 19 November 2013, Unified Telecom Private Limited ("UTPL"), a joint venture of Unified Communications Pte Ltd ("UCPL"), filed a petition to the High Court of Delhi, New Delhi in India under Section 9 of India Arbitration and Conciliation Act, 1996 to obtain interim relief on the protection of assets currently under the custody of a former customer, a mobile telecoms network operator and service provider in India (the "Telco"), and to deny the penalty claims by the Telco against UTPL.

33. CONTINGENT LIABILITIES (CONTINUED)

The Telco had via a letter issued in July 2013 alleged that UTPL is liable for a sum of INR 11.3 crore (approximately RM6.5 million) for damages and expenditure incurred in connection with the contract during its currency.

Legal advice has been sought from reputable law firms in both India and Singapore with good credentials in handling contract litigation and dispute resolution, to review and advise on the merit of this claim by the Telco on UTPL. Based on the legal opinions obtained from the law firm concerned, management is of the view that UTPL has full rights and title to the assets and should be entitled to demand their return, and that the Telco's claim against UTPL has no legal merit. Accordingly, external legal counsels in Singapore and India have been appointed to advise and represent UCPL and UTPL to pursue legal recourse.

As announced by the Company on 16 January 2015, the hearing on the petition filed by UTPL which was originally scheduled to be heard on 23 April 2014, having been adjourned on several occasions, was dismissed by the High Court, as the Telco had initiated the arbitration proceedings before a tribunal. The High Court was of the view that the matter should be resolved through arbitration proceedings since the tribunal had already been constituted.

In 2015, UTPL commenced an application pursuant to Section 17 of the Indian Arbitration and Conciliation Act 1996 for, amongst others, the return of the Assets. However, the learned Arbitrator dismissed the application, but directed Telco to ensure the safety of and protect the assets from any damage during the period the Hardware is lying in Telco's premises.

A number of procedural hearings have been held by the Arbitrator to cross examine the affidavits of the admissions and denial documents relating to the aforesaid claim and counterclaims throughout the years. The case is currently at the stage of evidence. On 22 August 2020, the Arbitrator allowed UTPL's application for inspection and production of the documents referred to by the Telco's witness in the course of cross examination in which to be produced by the Telco on 5 September 2020.

On 5 September 2020, the Telco raised a procedural objection under the Indian Arbitration and Conciliation Act 2015, which is pending determination by the Arbitrator before cross examination of witnesses may proceed.

33. CONTINGENT LIABILITIES (CONTINUED)

Due to the Covid-19 pandemic, no hearings were scheduled in 2021. In 2021, there were two hearings which took place on 15 February 2021 and 19 February 2021 respectively. The Arbitration had directed both parties to file written submissions for seeking extension of time to 26 February 2021.

The arbitration is currently ongoing before the Hon'ble Arbitral Tribunal and is at the stage of Respondent's evidence. UTPL has introduced three witnesses. The cross examination of the first witness commenced on 16 October 2021 via Zoom conference in view of current Covid-19 pandemic. The Honourable Tribunal had scheduled and completed further hearings between January 2022 and March 2022 for cross examination of UTPL's witnesses. The next hearing has been set on 2 April 2022.

In the opinion of management, no material losses are expected to arise pertaining to the aforesaid contingent matter.

34. SIGNIFICANT RELATED PARTY DISCLOSURES

(a) Identification of related parties

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

Related parties of the Group include:

(i) subsidiaries;
(ii) associates;
(iii) joint venture;
(iv) entities in which the Directors have a substantial financial interest; and
(v) key management personnel of the Group and the Company, comprising persons (including directors) having the authority and responsibility for planning, directing and controlling the activities directly or indirectly.

34. SIGNIFICANT RELATED PARTY DISCLOSURES (CONTINUED)

(b) Significant related party transactions and balances

Significant related party transactions other than those disclosed elsewhere in the financial statements are as follows:

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Income				
(i) Dividends receivable from subsidiaries				
- Alangka-Suka Hotels & Resorts Sdn. Bhd.	-	-	5,000	10,500
- Advance Synergy Capital Sdn. Bhd.	-	-	8,500	-
(ii) Rental receivable from a company of which a director has deemed interest:				
- SJ Securities Sdn. Bhd.	-	274	-	-
Expenses				
(i) Rental payable to a subsidiary				
- AESBI Power Systems Sdn. Bhd.	-	-	-	99
(ii) Lease rental payable to a company of which a director has deemed interest:				
- Leeds Property Limited	-	2,402	-	-

34. SIGNIFICANT RELATED PARTY DISCLOSURES (CONTINUED)

(b) Significant related party transactions and balances (Continued)

Significant related party transactions other than those disclosed elsewhere in the financial statements are as follows (Continued):

	Group		Company	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Expenses (Continued)				
(iii) Directors' emoluments:				
- fees	556	522	315	207
- salaries and bonuses	2,510	2,231	1,519	1,443
- benefit-in-kind	30	70	23	62

(c) Remuneration of key management personnel

The remuneration of directors and other key management personnel during the financial year are as follows:

	Group		Company	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Fees	683	682	315	207
Emoluments and benefits	4,827	4,921	1,776	1,687
Contributions to defined contribution plan	564	562	213	203
	6,074	6,165	2,304	2,097
Benefit-in-kind	67	106	30	69

Included in the employee benefits of the Group and Company are Executive Directors' remuneration amounting to RM1,945,158 (2020: RM1,490,244) and RM1,518,720 (2020: RM1,442,784) respectively.

35. SEGMENT INFORMATION

The Group prepared the following segment information in accordance with MFRS 8 Operating Segments and on the basis of internal reports on the Group's strategic business units which are regularly reviewed by the Group Managing Director in order to allocate resources to the segments and to assess their performances.

The Group's operating and reportable segments are business units engaged in providing different products or services and business units operating in different geographical locations. These businesses are managed and assessed separately as each requires a differentiated strategy focused on the specific products and services. The Group Managing Director reviews the internal management reports on a quarterly basis in order to assess their performance.

There are varying levels of integration among Investment Holding segment and Travel and Tours segment with the other segments. This integration includes rental of properties, corporate support and provision of travel-related service. Inter-segment pricing is determined on a negotiated basis.

Segment results

Segment performance is used to measure performance as Group Managing Director believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Performance is evaluated based on operating profit or loss which is measured differently from operating profit or loss in the consolidated financial statements.

Segment assets

The total segment asset is measured based on all assets (including goodwill) of a segment, as included in the internal management reports that are reviewed by the Group Managing Director. Segment total asset is used to measure the return on assets of each segment.

35. SEGMENT INFORMATION (CONTINUED)

Segment liabilities

The total segment liability is measured based on all liabilities of a segment, as included in the internal management reports that are reviewed by the Group Managing Director.

The Group's operating segments are as follows:

Investment holding	:	Investment holding and providing full corporate and financial support to the Group.
Property development and investment	:	Development of residential and commercial properties, property management and rental of property and operation and management of serviced office and other related services.
Hospitality	:	Operate and manage hotels and resorts and other related services.
Information and communications technology	:	Design and development of telecommunications software applications and systems and the provision of solutions and services for the telecommunications industry.
Travel and tours	:	Travel and tour agent and provision of travel related services.
Financial services	:	Payment card issuing and acquiring and related services and money services business.
Others	:	Businesses involving design, building and fabrication of coaches and bus maintenance and related services and owns and operates language centre and related services.

35. **SEGMENT INFORMATION (CONTINUED)**

The following table provides an analysis of the Group's revenue, results, assets, liabilities and other information by operating segment:

2021	**Investment holding RM'000**	**Property development and investment RM'000**	**Hospitality RM'000**	**Information and communications technology RM'000**	**Travel and tours RM'000**	**Financial services RM'000**	**Others RM'000**	**Elimination RM'000**	**Notes**	**Total RM'000**
Revenue										
External	298	5,085	14,806	73,630	15,448	1,964	5,054	-		116,285
Inter-segment	16,261	1,675	-	-	20	-	-	(17,956)	(a)	-
	16,559	6,760	14,806	73,630	15,468	1,964	5,054	(17,956)		116,285
Results										
Segment results	4,807	(2,988)	(8,774)	31,903	(947)	(5,577)	(6,588)	(9,860)	(b)	1,976
Share of results of associates	111	-	(10)	-	-	-	-	-		101
Consolidated profit/ (loss) before tax	4,918	(2,988)	(8,784)	31,903	(947)	(5,577)	(6,588)	(9,860)		2,077
Income tax expense	(70)	(29)	(776)	(2,611)	-	-	-	-		(3,486)
Loss for the financial year										(1,409)
Attributable to:										
Non-controlling interests										9,860
Owners of the Company										(11,269)

35. SEGMENT INFORMATION (CONTINUED)

The following table provides an analysis of the Group's revenue, results, assets, liabilities, and other information by operating segment (Continued):

2021	Investment holding RM'000	Property development and investment RM'000	Hospitality RM'000	Information and communications technology RM'000	Travel and tours RM'000	Financial services RM'000	Others RM'000	Elimination RM'000	Notes	Total RM'000
Other information										
Segment assets	63,573	125,944	276,862	236,197	11,468	21,420	26,163	-		761,627
Investment in associates and a joint venture	3,750	-	108	-	-	-	-	-		3,858
Unallocated corporate assets										7,851
Total assets										773,336
Segment liabilities	5,900	38,403	144,284	23,186	3,450	7,238	7,634	-		230,095
Unallocated corporate liabilities										6,055
Total liabilities										236,150

35. **SEGMENT INFORMATION (CONTINUED)**

The following table provides an analysis of the Group's revenue, results, assets, liabilities, and other information by operating segment (Continued):

2021	Investment holding RM'000	Property development and investment RM'000	Hospitality RM'000	Information and communications technology RM'000	Travel and tours RM'000	Financial services RM'000	Others RM'000	Elimination RM'000	Notes	Total RM'000
Other information (Continued)										
Additions to non-current assets (other than financial instruments and deferred tax assets)										
- Property, plant and equipment	33	799	15,843	580	-	781	133	-		18,169
- Software development	-	-	-	578	-	-	-	-		578
Income:										
Interest income	22	42	653	492	134	-	-	-		1,343
Dividend income	34	-	19	-	-	-	20	-		73

35. **SEGMENT INFORMATION (CONTINUED)**

The following table provides an analysis of the Group's revenue, results, assets, liabilities, and other information by operating segment (Continued):

2021	**Invest-ment holding RM'000**	**Property develop-ment and investment RM'000**	**Hospitality RM'000**	**Information and commu-nications technology RM'000**	**Travel and tours RM'000**	**Financial services RM'000**	**Others RM'000**	**Elimi-nation RM'000**	**Notes**	**Total RM'000**
Other information (Continued)										
Income (Continued):										
Fair value change in:										
-investment in associates	2,058	-	-	13,702	-	-	-	-		15,760
-investment properties	1,064	-	196	(400)	-	-	-	-		860
-unquoted investment securities	563	-	-	6,139	-	-	-	-		6,702
Gain on bargain purchase	-	-	-	4,998	-	-	-	-		4,998
Gain on disposal of:										
-quoted investment securities	11	-	210	-	-	-	16	-		237
-hotel management services contracts	-	-	7,000	-	-	-	-	-		7,000

35. **SEGMENT INFORMATION (CONTINUED)**

The following table provides an analysis of the Group's revenue, results, assets, liabilities, and other information by operating segment (Continued):

2021	Investment holding RM'000	Property development and investment RM'000	Hospitality RM'000	Information and communications technology RM'000	Travel and tours RM'000	Financial services RM'000	Others RM'000	Elimination RM'000	Notes	Total RM'000
Other information (Continued)										
Expense:										
Amortisation of intangible assets	-	-	-	915	-	-	-	-		915
Depreciation on property, plant and equipment	156	1,007	3,153	1,658	75	777	297	-		7,123
Depreciation on right-of-use assets	-	368	5,037	491	53	-	1,286	-		7,235
Finance cost	1,667	1,018	4,226	261	13	6	177	-		7,368
Fair value change in:										
-quoted investment securities	516	-	1,891	-	-	-	243	-		2,650
Impairment loss on:										
-goodwill	440	-	2,348	-	-	-	-	-		2,788
-trade and other receivables	-	-	77	31	-	-	-	-		108

35. **SEGMENT INFORMATION (CONTINUED)**

The following table provides an analysis of the Group's revenue, results, assets, liabilities, and other information by operating segment (Continued):

2021	Investment holding RM'000	Property development and investment RM'000	Hospitality RM'000	Information and communications technology RM'000	Travel and tours RM'000	Financial services RM'000	Others RM'000	Elimination RM'000	Notes	Total RM'000
Other information (Continued)										
Expense (Continued):										
Property, plant and equipment written off	-	-	-	3	-	-	-	-		3
Loss on disposal of:										
-unquoted investment securities	430	-	-	-	-	-	-	-		430
Staff costs:										
- salaries and wages	5,615	1,229	5,507	18,614	1,555	398	2,734	-		35,652
- defined contribution plan	763	109	1,082	2,429	185	57	291	-		4,916
- other employee benefits	127	87	736	1,667	91	29	109	-		2,846

35. **SEGMENT INFORMATION (CONTINUED)**

The following table provides an analysis of the Group's revenue, results, assets, liabilities, and other information by operating segment (Continued):

2020	Investment holding RM'000	Property development and investment RM'000	Hospitality RM'000	Information and communications technology RM'000	Travel and tours RM'000	Financial services RM'000	Others RM'000	Elimination RM'000	Notes	Total RM'000
Revenue										
External	686	6,474	19,968	65,126	20,262	4,090	634	-		117,240
Inter-segment	13,333	424	-	-	1	-	-	(13,758)	(a)	-
	14,019	6,898	19,968	65,126	20,263	4,090	634	(13,758)		117,240
Results										
Segment results	(583)	(2,251)	(6,448)	15,088	(1,543)	(5,661)	(7,632)	(13,648)	(b)	(22,678)
Share of results of associates	140	-	2	-	-	-	-	-		142
Consolidated (loss)/ profit before tax	(443)	(2,251)	(6,446)	15,088	(1,543)	(5,661)	(7,632)	(13,648)		(22,536)
Income tax expense	(450)	-	(1,565)	(2,341)	(2)	-	-	-		(4,358)
Loss for the financial year										(26,894)
Attributable to:										
Non-controlling interests										3,734
Owners of the Company										(30,628)

35. SEGMENT INFORMATION (CONTINUED)

The following table provides an analysis of the Group's revenue, results, assets, liabilities, and other information by operating segment (Continued):

2020	Investment holding RM'000	Property development and investment RM'000	Hospitality RM'000	Information and communications technology RM'000	Travel and tours RM'000	Financial services RM'000	Others RM'000	Elimination RM'000	Notes	Total RM'000
Other information										
Segment assets	66,822	115,791	259,469	186,430	19,943	23,589	18,406	-		690,450
Investment in associates and a joint venture	12,640	-	117	-	-	-	-	-		12,757
Unallocated corporate assets										7,242
Total assets										710,449
Segment liabilities	5,266	40,159	89,213	19,200	6,570	9,757	8,270	-		178,435
Unallocated corporate liabilities										9,030
Total liabilities										187,465

35. **SEGMENT INFORMATION (CONTINUED)**

The following table provides an analysis of the Group's revenue, results, assets, liabilities, and other information by operating segment (Continued):

2020	Investment holding RM'000	Property development and investment RM'000	Hospitality RM'000	Information and communications technology RM'000	Travel and tours RM'000	Financial services RM'000	Others RM'000	Elimination RM'000	Notes	Total RM'000
Other information (Continued)										
Additions to non-current assets (other than financial instruments and deferred tax assets)										
- Property, plant and equipment	74	1,953	10,040	1,332	52	2,032	189	-		15,672
- Software development	-	-	-	1,113	-	-	-	-		1,113
Income:										
Interest income	229	23	976	598	219	-	5	-		2,050
Fair value change in:										
-unquoted investment securities	(1,221)	-	-	5,747	-	-	-	-		4,526

35. **SEGMENT INFORMATION (CONTINUED)**

The following table provides an analysis of the Group's revenue, results, assets, liabilities, and other information by operating segment (Continued):

2020	Investment holding RM'000	Property development and investment RM'000	Hospitality RM'000	Information and communications technology RM'000	Travel and tours RM'000	Financial services RM'000	Others RM'000	Elimination RM'000	Notes	Total RM'000
Other information (Continued)										
Gain on disposal of:										
-property, plant and equipment	-	-	6,559	9	-	-	-	-		6,568
-quoted investment securities	411	-	189	-	-	-	213	-		813
Expense:										
Amortisation of intangible assets	-	-	-	953	-	-	450	-		1,403
Depreciation on property, plant and equipment	161	222	4,135	1,803	79	189	289	-		6,878
Depreciation on right-of-use assets	-	92	6,996	434	168	-	680	-		8,370
Finance cost	1,146	267	3,222	385	15	-	140	-		5,175

35. **SEGMENT INFORMATION (CONTINUED)**

The following table provides an analysis of the Group's revenue, results, assets, liabilities, and other information by operating segment (Continued):

2020	Investment holding RM'000	Property development and investment RM'000	Hospitality RM'000	Information and communications technology RM'000	Travel and tours RM'000	Financial services RM'000	Others RM'000	Elimination RM'000	Notes	Total RM'000
Other information (Continued)										
Expense (Continued):										
Fair value change in:										
-quoted investment securities	303	-	(218)	-	-	-	223	-		308
Impairment loss on:										
-amount owing from associates	2,108	-	-	-	-	-	-	-		2,108
-intellectual property	-	-	-	34	-	-	-	-		34
-goodwill	736	-	-	-	-	-	-	-		736
-investment in associates	-	-	-	-	355	-	-	-		355
-property, plant and equipment	3	-	-	1	-	-	-	-		4
-trade and other receivables	2,317	-	412	6	-	-	636	-		3,371

35. **SEGMENT INFORMATION (CONTINUED)**

The following table provides an analysis of the Group's revenue, results, assets, liabilities, and other information by operating segment (Continued):

2020	Investment holding RM'000	Property development and investment RM'000	Hospitality RM'000	Information and communications technology RM'000	Travel and tours RM'000	Financial services RM'000	Others RM'000	Elimination RM'000	Notes	Total RM'000
Other information (Continued)										
Write down on inventories	-	-	-	-	-	-	2,157	-		2,157
Bad debts written off	-	-	-	-	2	-	-	-		2
Property, plant and equipment written off	-	136	1,016	21	46	-	-	-		1,219
Staff costs:										
- salaries and wages	5,611	380	9,524	14,595	3,222	1,219	1,395	-		35,946
- defined contribution plan	794	62	1,156	2,243	425	107	169	-		4,956
- other employee benefits	291	22	1,437	1,310	525	282	23	-		3,890

35. SEGMENT INFORMATION (CONTINUED)

Notes Nature of elimination to arrive at amounts reported in the consolidated financial statements:

(a) Inter-segment revenues are eliminated on consolidation; and

(b) Inter-segment expenses are eliminated on consolidation.

Geographical Information

The Group operates mainly in Malaysia, Singapore, Africa and Middle East, Europe and others. In determining the geographical segments of the Group, revenue is based on the geographical locations of customers. Segment assets and capital expenditure are based on the geographical location of the assets. The composition of each geographical segment is as follows:

Malaysia	:	Investment holding and providing full corporate and financial support to the Group, property development and investment, property management and rental of property, operation and management of serviced office and other related services, owner and operator of hotels and resorts, travel and tours and related services, money services, payment card issuing and acquiring and related services, design and development of telecommunications software applications and systems and the provision of solutions and services for the telecommunications industry, design, building and fabrication of coaches, and bus maintenance and related services and owns and operates language centre.
Singapore	:	Design and development of telecommunications software applications and systems and the provision of solutions and services for the telecommunications industry, provision of management and investment holdings.
Africa and Middle East	:	Operate and manage hotels and resorts, design and development of telecommunications software applications and systems and the provision of solutions and services for the telecommunications industry.

35. SEGMENT INFORMATION (CONTINUED)

Geographical Information (Continued)

Europe : Operate and manage hotels and resorts.

Others : Operate and manage hotels and resorts, design and development of telecommunications software applications and systems and the provision of solutions and services for the telecommunications industry.

Geographical segments

The following table provides an analysis of the Group's revenue, segment assets and additions to non-current assets (other than financial instruments and deferred tax assets) by geographical segment:

	Revenue		Non-current assets		Additions to non-current assets (other than financial instruments and deferred tax assets)	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Malaysia	98,664	99,908	307,026	304,896	5,059	12,559
Singapore	1,767	2,082	33,924	30,802	133	-
Africa & Middle East	3,663	4,442	-	194	-	18
Europe	-	1,962	76,310	61,478	13,519	4,146
Others	12,191	8,846	86,980	48,849	36	62
	116,285	117,240	504,240	446,219	18,747	16,785

Major customers

For the information and technology communications division, revenue from two customers represented RM19.7 million (2020: RM17.9 million) and RM15.6 million (2020: RM 13.4 million) respectively of the Group's total revenue.

36. FAIR VALUE OF FINANCIAL INSTRUMENTS

(a) Financial instruments that are not carried at fair value and whose carrying amounts are reasonably approximated to fair value

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

	Note
Financial assets	
Trade and other receivables	16
Cash and bank balances and short term deposits	19
Financial liabilities	
Borrowings	22
Trade and other payables	25

The carrying amount of these financial assets and liabilities is reasonable approximation of fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the reporting date.

The carrying amount of the current portion of borrowings is reasonable approximation of fair values due to the insignificant impact of discounting.

The carrying amount of long term floating rate loans approximate their fair value as the loans to be repaid to market interest rate on or near report date.

(b) Fair value hierarchy

The following are classes of financial instruments that are carried at fair value, by valuation method. The different levels have been defined as follows:

(i) Level 1 - Unadjusted quoted prices in an active market for identical financial instruments

(ii) Level 2 - Inputs other than quoted prices included within Level 1 that are observable either directly or indirectly

(iii) Level 3 - Inputs that are not based on observable market data

36. **FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)**

(b) **Fair value hierarchy (Continued)**

The following table provides fair value measurement hierarchy of the Group's financial instruments:

		Fair value of financial instruments carried at fair value				Fair value of financial instruments not carried at fair value				Fair value	Carrying amount
Group		**Level 1**	**Level 2**	**Level 3**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**		
2021	**Note**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Financial assets											
Investment securities:	13										
-Fair value through other comprehensive income financial assets		8,363	-	1,957	10,320	-	-	-	-	10,320	10,320
-Fair value through profit or loss financial assets		4,189	-	95,986	100,175	-	-	-	-	100,175	100,175
Financial liabilities											
Borrowings:											
- Term loans	22	-	-	-	-	-	-	61,631	61,631	61,631	61,631

36. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

(b) Fair value hierarchy (Continued)

The following table provides fair value measurement hierarchy of the Group's financial instruments (Continued):

		Fair value of financial instruments carried at fair value				Fair value of financial instruments not carried at fair value					
Group		**Level 1**	**Level 2**	**Level 3**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**	**Fair value**	**Carrying amount**
2020	**Note**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Financial assets											
Investment securities:	13										
-Fair value through other comprehensive income financial assets		5,791	-	1,704	7,495	-	-	-	-	7,495	7,495
-Fair value through profit or loss financial assets		5,162	-	50,302	55,464	-	-	-	-	55,464	55,464
Foreign currency held for trading	18	8	-	-	8	-	-	-	-	8	8
Financial liabilities											
Borrowings:											
- Term loans	22	-	-	-	-	-	-	38,347	38,347	38,347	38,347

36. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

(b) Fair value hierarchy (Continued)

Policy on transfer between levels

The fair value of an asset to be transferred between levels is determined as of the date of the event or change in circumstances that caused the transfer.

Fair value hierarchy

Level 1 fair value

Level 1 fair value is derived from quoted price (unadjusted) in active markets for identical financial assets or liabilities that the entity can access at the measurement date.

Financial instrument carried at fair value

The fair value of quoted investments are estimated based on their quoted market prices as at the end of the reporting period.

Level 2 fair value

Level 2 fair value is estimated using inputs other than quoted prices included within Level 1 that are observable for the financial assets or liabilities, either directly or indirectly.

Level 3 fair value

Level 3 fair value is estimated using unobservable input for the financial assets with the respective valuation technique.

Financial instrument carried at fair value

Valuation process applied by the Group has been disclosed on Note 13 to the financial statement.

The Group has the policy to regularly assess and evaluate the appropriate valuation methodologies in ascertaining the fair value of the investments.

36. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

(b) Fair value hierarchy (Continued)

Financial instruments not carried at fair value

The fair value of the term loans are determined using the discounted cash flows method based on discount rates that reflects the issuer's borrowing rate as at the end of the reporting period.

Transfer between levels of fair values hierarchy

There is no transfer between levels of fair values hierarchy during the financial year.

37. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

The following table analyses the financial instruments in the statements of financial position by the classes of financial instruments to which they are assigned:

(i) fair value through profit or loss ("FVPL");
(ii) designated fair value through profit or loss ("DFVPL");
(iii) amortised cost;
(iv) fair value through other comprehensive income ("FVOCI"); and
(v) designated fair value through other comprehensive income ("DFVOCI").

2021 Group	Carrying amount RM'000	Amortised cost RM'000	FVPL RM'000	DFVPL RM'000	DFVOCI RM'000
Financial assets					
Investment securities	110,495	-	4,189	95,986	10,320
Trade and other receivables	78,912	78,912	-	-	-
Cash and bank balances and short term deposits	126,693	126,693	-	-	-
	316,100	205,605	4,189	95,986	10,320

37. FINANCIAL INSTRUMENTS (CONTINUED)

(a) Categories of financial instruments (Continued)

2021 Company	Carrying amount RM'000	Amortised cost RM'000	FVPL RM'000	DFVPL RM'000	DFVOCI RM'000
Financial assets					
Investment securities	530	-	530	-	-
Trade and other receivables	6,249	6,249	-	-	-
Cash and bank balances and short term deposits	1,319	1,319	-	-	-
	8,098	7,568	530	-	-
Group					
Financial liabilities					
Borrowings	105,350	105,350	-	-	-
Trade and other payables	67,175	67,175	-	-	-
	172,525	172,525	-	-	-
Company					
Financial liability					
Trade and other payables	230,425	230,425	-	-	-

37. FINANCIAL INSTRUMENTS (CONTINUED)

(a) Categories of financial instruments (Continued)

2020 Group	Carrying amount RM'000	Amortised cost RM'000	FVPL RM'000	DFVPL RM'000	DFVOCI RM'000
Financial assets					
Investment securities	62,959	-	5,162	50,302	7,495
Trade and other receivables	59,207	59,207	-	-	-
Foreign currency held for trading	8	-	-	8	-
Cash and bank balances and short term deposits	121,017	121,017	-	-	-
	243,191	180,224	5,162	50,310	7,495
Company					
Financial assets					
Investment securities	1,085	-	1,085	-	-
Trade and other receivables	3,024	3,024	-	-	-
Cash and bank balances and short term deposits	6,829	6,829	-	-	-
	10,938	9,853	1,085	-	-
Group					
Financial liabilities					
Borrowings	57,458	57,458	-	-	-
Trade and other payables	58,212	58,212	-	-	-
	115,670	115,670	-	-	-
Company					
Financial liability					
Trade and other payables	235,330	235,330	-	-	-

37. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management

The operations of the Group and of the Company are exposed to a variety of financial risks, including credit risk, liquidity risk, interest rate risk, foreign currency risk and market price risk. The Group and the Company have formulated a financial risk management framework whose principal objective is to minimise the Group's and the Company's exposure to risks and/or costs associated with the financing, investing and operating activities of the Group and of the Company.

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

(i) Credit risk

Credit risk is the risk of financial loss that may arise on outstanding financial instruments should a counter party default on its obligation. The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables. It is the Group's and the Company's policy to monitor the financial standing of these receivables on an ongoing basis to ensure that the Group and the Company are exposed to minimal credit risk.

Cash deposits and trade receivables may give rise to credit risk which requires the loss to be recognised if a counter party fails to perform as contracted.

Trade and other receivables

As at the end of the financial year, the Group has no significant concentration of credit risk other than an amount owing from a debtor of RM12.16 million (2020: RM10.16 million). The Group does not anticipate the carrying amounts as at the end of the financial year to be significantly different from the values that would eventually be received.

The maximum exposures to credit risk are represented by the carrying amounts of the financial assets in the statements of financial position.

37. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (Continued)

(i) Credit risk (Continued)

Credit risk concentration profile

The Group determines concentrations of credit risk by industry sector profile of its trade receivables on an ongoing basis. The credit risk concentration profile of the Group's trade receivables at the reporting date are as follows:

	Group			
	2021		2020	
	RM'000	% of total	RM'000	% of total
By industry sectors:				
Investment holding	8	0.0%	4	0.0%
Property development and investment	1	0.0%	1	0.0%
Hospitality	6,780	16.6%	4,396	13.3%
Information and communications technology	27,547	67.6%	22,286	67.4%
Travel and tours	307	0.8%	827	2.5%
Financial services	3,707	9.1%	5,271	15.9%
Others	2,388	5.9%	293	0.9%
	40,738	100.0%	33,078	100.0%

The Group applies the simplified approach to trade receivables and general approach to other receivables to providing for impairment losses prescribed by MFRS 9, which permits the use of the lifetime expected credit loss provision for all trade receivables and other receivables. To measure the impairment losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The impairment losses also incorporate forward looking information.

37. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (Continued)

(i) Credit risk (Continued)

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

	Group	
	2021	2020
	RM'000	RM'000
Neither past due nor impaired	20,859	18,676
Past due 0 to 3 months	7,765	5,070
Past due 3 to 9 months	8,437	6,752
Past due over 9 months	3,677	2,580
	19,879	14,402
Credit impaired (individually assessed)	3,491	3,383
	44,229	36,461

Receivables that are impaired

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

	Trade receivables		Other receivables		Amount owing by subsidiaries	
	2021	2020	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Group						
At 1 January	3,383	2,211	4,055	1,856	-	-
Charge for the financial year						
- individually assessed	108	1,172	-	2,199	-	-
At 31 December	3,491	3,383	4,055	4,055	-	-

37. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (Continued)

(i) Credit risk (Continued)

Receivables that are impaired (Continued)

The receivables of the Group's that are impaired at the reporting date and the movement of the allowance accounts used to record the impairment are as follows (Continued):

	Trade receivables		Other receivables		Amount owing by subsidiaries	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Company						
At 1 January	-	-	154	-	19,503	17,736
Charge for the financial year						
- individually assessed	-	-	-	154	2,287	1,767
Reclassified to investment in subsidiaries	-	-	-	-	(18,604)	-
At 31 December	-	-	154	154	3,186	19,503

Other receivables and inter-company loans and advances

For other receivables, the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties. At the reporting date, the Group's and the Company's maximum exposure to credit risk arising from other receivables is represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

37. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (Continued)

(i) Credit risk (Continued)

Other receivables and inter-company loans and advances (Continued)

The Group and the Company consider the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Group and the Company compare the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forward-looking information.

Regardless of the analysis above, a significant increase in credit risk is presented if a debtor is more than 30 days past due in the making a contractual payment.

The Company provides unsecured loans and advances to its subsidiaries. The Company monitors the ability of the subsidiaries to repay the loans and advances on an individual basis.

Some intercompany loans between entities within the Group are repayable on demand. For loans that are repayable on demand, impairment losses are assessed based on the assumption that repayment of the loan is demanded at the reporting date. If the borrower does not have sufficient highly liquid resources when the loan is demanded, the Group and the Company will consider the expected manner of recovery and recovery period of the intercompany loan.

Other than the credit impaired other receivables, the Group and the Company consider those financial assets to have low credit risk.

Refer to Note 3.12(a) for the Group's and the Company's other accounting policies for impairment of financial assets.

37. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (Continued)

(i) Credit risk (Continued)

Financial guarantees

The Company provides unsecured financial guarantees to banks in respect of banking facilities granted to certain subsidiaries. The Company monitors on an ongoing basis the results of the subsidiaries and repayments made by the subsidiaries.

The maximum exposure to credit risk amounts to RM77.61 million (2020: RM54.74 million) representing the outstanding banking facilities of the subsidiaries as at the end of the reporting period.

As at the reporting date, there was no loss allowance for impairment as determined by the Company for the financial guarantee.

The financial guarantees have not been recognised since the fair value on initial recognition was not material as the guarantees are provided as credit enhancement to the subsidiaries' secured borrowings.

(ii) Liquidity risk

Liquidity risk is the risk that the Group and the Company will not be able to meet its financial obligations as they fall due. The Group's and the Company's exposure to liquidity risk arises principally from its various payables, loans and borrowings.

The Group and the Company maintain a level of cash and cash equivalents and bank facilities deemed adequate by the management to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they fall due.

37. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (Continued)

(ii) Liquidity risk (Continued)

Maturity analysis

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

			← Contractual cash flows →			
2021 Group	**Carrying Amount RM'000**	**Contractual interest rate %**	**On demand or within 1 Year RM'000**	**Between 1 - 5 Years RM'000**	**More than 5 Years RM'000**	**Total RM'000**
Financial liabilities						
Trade and other payables	67,175	-	67,175	-	-	67,175
Bank overdrafts	238	7.20	238	-	-	238
Revolving credit	38,600	3.95-4.65	38,600	-	-	38,600
Term loans	66,512	3.15-8.60	7,395	28,724	44,100	80,219
Company						
Financial liabilities						
Other payables	230,425	-	230,425	-	-	230,425
Financial guarantee contracts	-	-	77,613	-	-	77,613

37. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (Continued)

(ii) Liquidity risk (Continued)

Maturity analysis (Continued)

The table below summarises the maturity profile of the Group's and the Company's liabilities at the reporting date based on contractual undiscounted repayment obligations (Continued):

			← Contractual cash flows →			
2020	**Carrying Amount**	**Contractual interest rate**	**On demand or within 1 Year**	**Between 1 - 5 Years**	**More than 5 Years**	**Total**
Group	**RM'000**	**%**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Financial liabilities						
Trade and other payables	58,212	-	58,212	-	-	58,212
Bank overdrafts	354	5.40	354	-	-	354
Revolving credit	13,000	3.97-4.65	13,000	-	-	13,000
Term loans	44,104	3.15-7.96	7,824	19,387	27,259	54,470
Company						
Financial liabilities						
Other payables	235,330	-	235,330	-	-	235,330
Financial guarantee contracts	-	-	54,737	-	-	54,737

37. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (Continued)

(iii) Interest rate risk

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

The Group's income and operating cash flows are substantially independent of changes in market interest rates. Interest rate exposure arises from the Group's borrowings and is managed through the use of fixed and floating rate debts. The Group does not use derivative financial instruments to hedge its risk.

The Company manages the net exposure to interest rate risks by maintaining sufficient lines of credit to obtain acceptable lending costs and by monitoring the exposure to such risks on an ongoing basis. Management does not enter into interest rate hedging transactions since it considers that the cost of such instruments outweighs the potential risk of interest rate fluctuation.

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

		2021		2020	
Fixed rate		**Weighted average effective interest rate**	**Carrying amount**	**Weighted average effective interest rate**	**Carrying amount**
Group	**Note**	**%**	**RM'000**	**%**	**RM'000**
Financial assets					
Short term deposits	19	1.80	59,408	2.36	63,157
Financial liabilities					
Term loan	22(c)	8.60	845	8.60	2,590
			845		2,590
Company					
Financial assets					
Short term deposits	19	1.22	700	0.59	5,619

37. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (Continued)

(iii) Interest rate risk (Continued)

The interest rate profile of the Group's and the Company's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period were (Continued):

		2021		2020	
Floating rate		**Weighted average effective interest rate**	**Carrying amount**	**Weighted average effective interest rate**	**Carrying amount**
Group	**Note**	**%**	**RM'000**	**%**	**RM'000**
Financial liabilities					
Bank overdrafts	22(a)	7.20	238	5.40	354
Revolving credit	22(b)	3.95-4.65	38,600	3.97-4.65	13,000
Term loans	22(c)	3.84	65,667	4.09	41,514
			104,505		54,868

Sensitivity analysis for interest rate risk

(a) **Fair value sensitivity analysis for fixed rate instruments**

The Group and the Company do not account for any fixed rate financial assets at fair value through profit or loss and equity. Therefore, a change in interest rates at the reporting date would not affect profit or loss and equity.

(b) **Cash flow sensitivity analysis for variable rate instruments**

At the reporting date, if interest rates had been 100 basis points lower/higher, with all other variables held constant, the Group's and the Company's profit net of tax would have been RM0.36 million and RM0.01 million higher/lower respectively, arising mainly as a result of lower/higher interest expense on floating rate loans and borrowings and higher/lower interest income from floating rate fixed deposits. The assumed movement in basis points for interest rate sensitivity analysis is based on a prudent estimate of the current market environment.

37. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (Continued)

(iv) Foreign currency risk

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

Foreign currency risk is the risk of fluctuation in fair value or future cash flows of a financial instrument as a result of changes in foreign exchange rates. The Group's and the Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's and the Company's operating activities (when sales, purchases and borrowings that are denominated in a foreign currency) and the Group's net investments in foreign subsidiaries.

The Group and the Company ensure that the net exposure to this risk is kept to an acceptable level by buying or selling foreign currencies at spot rates where necessary to address short-term imbalances. Management does not enter into currency hedging transactions since it considers that the cost of such instruments outweighs the potential risk of exchange rate fluctuations.

The unhedged financial assets and liabilities of the Group that are not denominated in their functional currencies are as follows:

	← Functional currencies →			
Group	**Ringgit Malaysia**	**US Dollar**	**Singapore Dollar**	**Total**
2021	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Financial assets and liabilities not held in functional currencies				
Investment securities				
Renminbi	-	1,693	-	1,693

37. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (Continued)

(iv) Foreign currency risk (Continued)

The unhedged financial assets and liabilities of the Group that are not denominated in their functional currencies are as follows (Continued):

	← Functional currencies →			
	Ringgit	**US**	**Singapore**	
Group	**Malaysia**	**Dollar**	**Dollar**	**Total**
2021	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Financial assets and liabilities not held in functional currencies				
Trade receivables				
US Dollar	-	-	723	723
Euro	31	-	-	31
Others	25	-	-	25
	56	-	723	779
Other receivables				
US Dollar	-	-	9	9
Cash and bank balances				
Australia Dollar	3	-	-	3
Euro	99	5	-	104
Hong Kong Dollar	368	50	-	418
Pound Sterling	1	-	-	1
Singapore Dollar	2	277	-	279
US Dollar	4,277	-	568	4,845
Others	5	-	-	5
	4,755	332	568	5,655
Trade payables				
US Dollar	1,504	-	420	1,924
Others	176	-	37	213
	1,680	-	457	2,137

37. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (Continued)

(iv) Foreign currency risk (Continued)

The unhedged financial assets and liabilities of the Group that are not denominated in their functional currencies are as follows (Continued):

	← Functional currencies →			
Group	**Ringgit Malaysia**	**US Dollar**	**Singapore Dollar**	**Total**
2020	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Financial assets and liabilities not held in functional currencies				
Investment securities				
Renminbi	-	1,693	-	1,693
Trade receivables				
US Dollar	21	-	932	953
Others	100	-	-	100
	121	-	932	1,053
Other receivables				
US Dollar	-	-	9	9
Financial assets held for trading				
US Dollar	6	-	-	6
Others	2	-	-	2
	8	-	-	8
Cash and bank balances				
Australia Dollar	3	-	-	3
Euro	19	5	-	24
Pound Sterling	5,476	53	-	5,529
Singapore Dollar	3	289	-	292
US Dollar	4,949	1,113	641	6,703
Others	5	-	-	5
	10,455	1,460	641	12,556

37. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (Continued)

(iv) Foreign currency risk (Continued)

The unhedged financial assets and liabilities of the Group that are not denominated in their functional currencies are as follows (Continued):

	← Functional currencies →			
	Ringgit	**US**	**Singapore**	
Group	**Malaysia**	**Dollar**	**Dollar**	**Total**
2020	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Financial assets and liabilities not held in functional currencies				
Trade payables				
US Dollar	1,442	-	413	1,855
Others	237	-	36	273
	1,679	-	449	2,128

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's total profit to a reasonably possible change in the USD, RMB and GBP exchange rate against the respective functional currencies of the Group entities, with all other variables held constant.

Group		**Effect on profit for the financial year**
2021		**RM'000**
GBP/RM	- strengthened 10%	(37)
	- weakened 10%	37
RMB/RM	- strengthened 10%	(169)
	- weakened 10%	169
USD/RM	- strengthened 10%	(277)
	- weakened 10%	277
2020		
GBP/RM	- strengthened 10%	(548)
	- weakened 10%	548
RMB/RM	- strengthened 10%	(169)
	- weakened 10%	169
USD/RM	- strengthened 10%	(465)
	- weakened 10%	465

37. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (Continued)

(v) Market price risk

Market price risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market prices (other than interest or exchange rates).

The Group is exposed to equity price risk arising from its investment in quoted equity instruments. Equity price risk arises from unfavourable movements in share price of quoted investments that adversely affect the valuation on equity instruments. There is a direct correlation between movements in share price of quoted equity investments and movements in stock market index. These instruments are classified as held for trading or available-for-sale financial assets. The Group does not have exposure to commodity price risk.

Sensitivity analysis for equity price risk

This analysis assumes that all other variables remain constant and the Group's equity investments moved in correlation with stock market index.

A 5 percent higher in equity prices at the end of the reporting period would have increased equity the Group's and the Company's equity by RM0.51 million (2020: RM0.55 million) and RM0.03 million (2020: RM0.05 million) respectively. A 5 percent lower in equity prices would have had equal but opposite effect on equity.

38. CAPITAL MANAGEMENT

The Group actively and regularly reviews and manages its capital structure with the objectives of ensuring that the Group will be able to continue as a going concern while maximising the return to stakeholders. These reviews take into consideration future capital requirements of the Group, prevailing and projected profitability, projected operating cash flows, projected capital expenditures and strategic investment opportunities.

38. CAPITAL MANAGEMENT (CONTINUED)

The capital structure of the Group consists of debt which includes borrowings (Note 22 to the financial statements), cash and cash equivalents (Statements of Cash Flows), and equity attributable to equity holders of the Company.

The Group's overall capital management strategy remains unchanged from 2020 and this includes maintaining a healthy gearing ratio taking into consideration the objectives of the Group. As at the reporting date, the gearing ratio calculated as total borrowings divided by total equity is as follows:

	Group	
	2021 RM'000	2020 RM'000
Total borrowings	105,350	57,458
Less : Cash and cash equivalents	(96,710)	(87,313)
Subtotal	8,640	(29,855)
Total equity	537,186	522,984
Debt-to-equity ratio	1.6%	*

* Not applicable.

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

39. SIGNIFICANT EVENTS DURING AND SUBSEQUENT TO THE FINANCIAL YEAR

The significant events during and subsequent to the financial year are as follows:

(a) On 3 March 2021, Synergy Holidays Company Limited, a dormant indirect 50%-owned associate of the Company registered in the Republic of The Union of Myanmar, was liquidated.

39. SIGNIFICANT EVENTS DURING AND SUBSEQUENT TO THE FINANCIAL YEAR (CONTINUED)

The significant events during and subsequent to the financial year are as follows (Continued):

(b) On 7 May 2021, the Company announced that the below-mentioned direct or indirect subsidiaries of Alangka-Suka Hotels & Resorts Sdn. Bhd. ("ASHR"), a wholly-owned subsidiary of the Company, had on 7 May 2021 entered into the following agreements with Holiday Villa Hotels and Resorts Sdn. Bhd. ("HVHR") and/or Holiday Villas Hotels and Resorts Limited ("HVHRL") for disposal of management services agreements, licensing agreements and trademarks of ASHR Group ("Proposed Disposal") on "willing-buyer willing-seller" basis:

Antara Holiday Villas Sdn. Bhd., Holiday Villas International Limited and Holiday Villa Middle East Limited each entered into an agreement relating to the transfer of their respective contracts and/or trademarks and Cherating Holiday Villa Berhad entered into an agreement relating to the transfer of its trademarks, with HVHR or HVHRL (collectively referred to as "Agreements") for total cash consideration of RM7.0 million only, subject to the terms and conditions as stipulated in the Agreements. On 3 December 2021, the Company announced that the Proposed Disposal has been completed on 3 December 2021.

(c) On 13 January 2022, Jiwa Baru Sdn Bhd ("JBSB") was incorporated with an issued share capital of RM100. JBSB is 60%-owned by Advance Synergy Realty Sdn. Bhd., an indirect wholly-owned subsidiary of the Company, and 40%-owned by Campbell House Sdn. Bhd.

(d) On 18 January 2022, the deregistration notice for Builderworks Pty. Ltd. and Home Cinema Studio Pty. Ltd. was published by Australian Securities and Investments Commission ("ASIC"). Both companies will be officially deregistered by ASIC 2 months thereafter.

39. SIGNIFICANT EVENTS DURING AND SUBSEQUENT TO THE FINANCIAL YEAR (CONTINUED)

The significant events during and subsequent to the financial year are as follows (Continued):

(e) On 11 March 2022, the Company announced that the Company is proposing to undertake the following proposals:

(i) Proposed renounceable rights issue of up to 1,858,389,886 new ordinary shares in ASB ("Rights Shares") on the basis of two (2) Rights Shares for every one (1) existing ordinary share in the Company ("ASB Share" or "Share") held on an entitlement date to be determined later ("Proposed Rights Issue");

(ii) Proposed exemption for Dato' Ahmad Sebi Bakar and the persons acting in concert with him, namely Suasana Dinamik Sdn. Bhd., Bright Existence Sdn. Bhd., Aryati Sasya Dato' Ahmad Sebi, Anton Syazi Dato' Ahmad Sebi and Eighth Review (M) Sdn. Bhd. (collectively known as the "PACs") under Paragraph 4.08 of the Rules on Take-Overs, Mergers and Compulsory Acquisitions from the obligation to undertake a mandatory take-over offer for the remaining ASB Shares not already owned by them, upon the completion of the Proposed Rights Issue; and

(iii) Proposed establishment of a share grant scheme of up to ten percent (10%) of the total number of issued shares of the Company (excluding treasury shares, if any) at any point of time during the duration of the scheme for the eligible directors of the Company and employees of the Company and its subsidiaries ("ASB Group" or "Group") (excluding subsidiary(ies) listed on any stock exchange as well as its group of companies, and any dormant subsidiary(ies) of the Group).

(collectively referred to as the "Proposals").

The application to Bursa Securities Malaysia Berhad ("Bursa Securities") in relation to the Proposals has been submitted to Bursa Securities for approval. Barring any unforeseen circumstances, the Proposals are expected to be completed by the third quarter of 2022.

40. RESTATEMENT OF COMPARATIVE

A prior year adjustment was made in respect of the financial statements for the financial year ended 31 December 2020, as a result of an understatement of fair value gains on an investment held at fair value through profit or loss. The adjustment was made to correct an error in an assumption and input parameter used in the external valuation performed on an investee company, in accordance with MFRS 108 *Accounting Policies, Changes in Accounting Estimates and Errors*. As such, the financial statement for the financial year ended 31 December 2020 are restated during the financial year.

Effect on consolidated statement of financial position for the financial year ended 31 December 2020 are as follow:

Group	**As previously reported RM'000**	**Adjustment RM'000**	**As restated RM'000**
Statement of financial position			
As at 31.12.2020			
Non-current assets			
Investment securities	51,546	6,251	57,797
Equity			
Foreign curreny translation reserve	12,793	(27)	12,766
Retained earnings	42,827	3,671	46,498
Non-controlling interests	67,659	2,607	70,266

Effects on consolidated statement of comprehensive income for the financial year ended 31 December 2020 are as follows:

Statement of comprehensive income For the financial year ended 31 December 2020			
Other operating income	26,619	5,744	32,363
Other operating expenses	(38,111)	534	(37,577)
Exchange differences on translation of foreign operations	5,013	(27)	4,986
Profit/(loss) attributable to:			
- Owners of the Company	(34,299)	3,671	(30,628)
- Non-controlling interests	1,127	2,607	3,734
Total comprehensive income/(loss) attributable to:			
- Owners of the Company	(29,370)	3,644	(25,726)
- Non-controlling interests	75	2,607	2,682

40. RESTATEMENT OF COMPARATIVE (CONTINUED)

There were no effect on consolidated statement of cash flows for the financial year ended 31 December 2020.

There was no restatement to the statement of financial position as at 1 January 2020.

Statement By Directors

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

We, **LEE SU NIE** and **YONG TECK MING**, being two of the directors of Advance Synergy Berhad, do hereby state that in the opinion of the directors, the accompanying financial statements set out on pages 109 to 285 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2021 and of their financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of the directors:

LEE SU NIE
Director

YONG TECK MING
Director

Selangor

Date: 11 April 2022

Statutory Declaration

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

I, **LEE SU NIE**, being the director primarily responsible for the financial management of Advance Synergy Berhad, do solemnly and sincerely declare that to the best of my knowledge and belief, the accompanying financial statements set out on pages 109 to 285 are correct, and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

LEE SU NIE

Subscribed and solemnly declared by the abovenamed at Shah Alam, Selangor on 11 April 2022.

Before me,
SITI MARYAM KAMARUDIN
No. B498

Commissioner for Oaths
Malaysia

Independent Auditors' Report

to the Members of Advance Synergy Berhad

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Advance Synergy Berhad, which comprise the statements of financial position as at 31 December 2021 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 109 to 285.

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

Basis for Opinion

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

Independence and Other Ethical Responsibilities

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

Key Audit Matters

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

Group

Impairment of goodwill (Notes 4.1 and 9 to the financial statements)

The carrying amount of the goodwill relating to the information and communications technology ("ICT") and travel and tours ("TT") CGUs amounted to RM83,684,000 and RM3,659,000 respectively. The recoverable amount of the CGUs was determined based on its value-in-use ("VIU"). Cash flow projections used in the VIU calculation were based on financial budgets and forecasts approved by management covering three to five year period using a discount rate and forecasted growth rate. Significant judgements arise over the discount rates applied in the recoverable amount calculation and assumptions supporting the underlying cash flow projections, including forecasted growth rates and gross profit margins.

Our audit response:

Our audit procedures focus on evaluating the cash flow projections and the Group's projection procedures which included, among others:

- assessing the methodology adopted by the Group;
- comparing the actual results with previous cash flow projections to assess the performance of the business and historical accuracy of the projections;
- testing the mathematical accuracy of the impairment assessment;
- performing a sensitivity analysis around the key inputs that are expected to be most sensitive to the recoverable amount;
- comparing the Group's assumptions to externally derived data as well as our assessments in relation to key inputs such as discount rates, forecasted growth rates and profit margin; and
- ensuring that the assumptions used and key inputs used has been assessed by the component auditors.

Key Audit Matters (Continued)

Group (Continued)

Impairment of right-of-use assets (Note 4.2 and 6 to the financial statements)

The Group has significant balances of right-of-use assets relating to its hotel operations. The recent Movement Control Order ("MCO") has adversely affected the hotel's operation. This indicates that the right-of-use assets may be impaired. As such, there is risk the future performance of these assets may not lead to carrying values being recoverable in full. The Group has performed an impairment assessment to estimate the recoverable amount of these assets which involved significant judgement. The significant judgement is applied over the discount rate used in determining the recoverable amount calculation and assumptions supporting the underlying cash flow projections which includes forecast growth rates and profit margin.

Our audit response:

Our audit procedures included, among others:

- understanding the valuation methodology on recoverable amount on adopted by the Group in accordance to the requirements of MFRS 136 *Impairment of Assets*;
- comparing the Group's assumptions to externally derived data as well as our assessments in relation to key inputs such as discount rates, forecast growth rates and profit margin;
- testing the mathematical accuracy of the impairment assessment; and
- performing a sensitivity analysis around the key inputs that are expected to be most sensitive to the recoverable amount.

Key Audit Matters (Continued)

Group (Continued)

Valuation of property, plant and equipment and investment properties (Note 4.3, 5 and 7 to the financial statements)

The Group has hotel properties and investment properties carried at revalued amount and fair value respectively. Valuation of these assets is based on valuation performed by independent professional property valuers. The valuation methods adopted by the valuers include direct comparison method, being comparison of current prices in an active market for similar properties in the same location and condition and where necessary, adjusting for location, size, tenure, title restrictions, neighbourhood and other relevant factors. Judgement is made in determining the appropriate valuation methods and the key assumptions used in the valuations. Any changes in these assumptions will have an impact on the carrying amounts of the freehold land and buildings.

Our audit response:

Our audit procedures focus on evaluating the cash flow projections which included, among others:

- evaluating the competence, capabilities and objectivity of the external valuers which included consideration of their qualifications and experience;
- understanding the scope and purpose of the valuation by reading the terms of engagement to assess whether any matters that might have affected their objectivity or limited the scope of their work;
- reading the valuation reports for all significant properties and discussed with external valuers on their valuation approach and the significant judgements they made; and
- assessing the valuation approach used and the key assumptions based on our knowledge of the properties.

Key Audit Matters (Continued)

Group (Continued)

Fair value of unquoted investment (Notes 4.4 and 13 to the financial statements)

The unquoted investments are not traded in an active market and the quoted price is not readily and regularly available. The fair value is established by using valuation techniques that are appropriate in circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. The fair value measurement requires the selection among a range of different valuation methodologies, making estimates about expected future cash flows and discounted rates.

Our audit response:

As the unquoted investments are held in a component where we are not the auditors, we performed our review of the work of the component auditors in accordance with ISA 600 Special Considerations - Audits of Group Financial Statements (including the Work of Component Auditors) and their audit procedures performed included, among others:

- discussing with management the basis used in determining the fair values;
- reviewing work of in-house specialist, especially in determining whether such valuation methodology is consistent with market practice;
- ensuring that the assumptions used and key inputs used has been assessed by the component auditors;
- testing the mathematical accuracy of the valuation methodology used; and
- reviewing the adequacy of the disclosures made in the financial statements in compliance with MFRS 7 *Financial Instruments.*

Key Audit Matters (Continued)

Company

Investment in a subsidiary (Note 4.5 and 10 to the financial statements)

The Company has significant balance of investment in a subsidiary, namely Advance Synergy Capital Sdn. Bhd. The Company has assessed whether there is any indication that the cost of investment in the subsidiary is impaired at the end of each reporting date. Impairment is measured by comparing the carrying amount of an asset with its recoverable amount. Recoverable amount is measured at the higher of the fair value less cost to sell for that asset and its value-in-use ("VIU").

We focused on this area because the Company's assessment of the recoverable amount involved significant judgement. The recoverable amount of investment in the subsidiary was determined based on VIU. Cash flow projections used in the VIU calculation is based on financial budgets with business plan and forecasts approved by management covering a five-year period using a discount rate and forecasted growth rate in the recoverable amount calculation. The assumption supporting the underlying cash flow projections include future sales, gross profit margin and operating expenses.

Our audit response:

Our audit procedures focus on evaluating the cash flow projections which included, among others:

- comparing the Company's assumptions to our assessments in relation to key assumptions to assess their reasonableness of the projections;
- testing the mathematical accuracy of the impairment assessment; and
- performing a sensitivity analysis around the key assumptions.

Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

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

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

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

Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with the 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.

The Directors of the Company are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

Auditors' Responsibilities for the Audit of the Financial Statements (Continued)

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 10 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 contents of this report.

Baker Tilly Monteiro Heng PLT
201906000600 (LLP0019411-LCA) & AF 0117
Chartered Accountants

Ng Jou Yin
No. 03460/11/2023 J
Chartered Accountant

Kuala Lumpur

Date: 11 April 2022

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OTHER INFORMATION

Contents

List of Properties

The top 10 properties of the Group as at 31 December 2021 are as follows:

Location	Description	Approx. land area	Approx. age of building (Years)	Tenure	Carrying Amount (RM'000)	Date of last revaluation / acquisition
57 & 58 Philbeach Gardens - LN69764 59 Philbeach Gardens - LN205767 57 - 59 Philbeach Gardens Earl Courts, London SW5 9ED	Land with hotel building	1,118 sq. m.	> 142	Freehold	58,651	21.02.2019
GM1126 Lot 1301, GM424 Lot 1302, GM857 Lot 1303, GM405 Lot 1305, HS(M) 1096 PT 1300 & HS(M) 1082 PT 1303 Mukim Sungai Karang Cherating Pahang Darul Makmur	Land with hotel building, recreational facilities, restaurants and apartment block	15 acres	28.5 - 34	Freehold	44,000	19.01.2022
17, Jalan Yap Ah Shak 50300 Kuala Lumpur	Five storey commercial building	722 sq. m.	4	Freehold	29,139	30.11.2018
9, Jalan Kajibumi U1/70 Seksyen U1 Temasya Glenmarie 40150 Shah Alam Selangor Darul Ehsan	Four storey commercial building	3,314 sq. m.	4	Freehold	26,565	30.11.2018
Geran 85, Lot 2034 69, Jalan Haji Hussein 50300 Kuala Lumpur	Eighteen storey hotel building	3,214 sq. m.	46	Freehold	23,401	06.01.2020

The top 10 properties of the Group as at 31 December 2021 are as follows (continued):

Location	Description	Approx. land area	Approx. age of building (Years)	Tenure	Carrying Amount (RM'000)	Date of last revaluation / acquisition
Suite No. 3A-5-1 Level 5, Block 3A Plaza Sentral Jalan Stesen Sentral 5 Kuala Lumpur	Office Suite	749 sq. m. (floor area)	18	Freehold	6,600	31.12.2021
GRN 49945, Lot 39472 Mukim of Petaling District of Kuala Lumpur 20, Jalan Menara Gading 1 Taman Connaught, Cheras 56000 Kuala Lumpur	Three storey mid terrace shop office	164 sq. m.	16	Freehold	2,780	31.12.2021
9, Jalan SS3/39 47300 Petaling Jaya Selangor Darul Ehsan	Double storey bangalow	669 sq. m.	54	Freehold	2,750	31.12.2021
GRN 232740, Lot 3063 Pekan Kinrara, District of Petaling 167, Jalan Kenari 23A Bandar Puchong Jaya 47170 Puchong Selangor Darul Ehsan	Three and a half storey mid terrace shop office	156 sq. m.	12	Freehold	2,500	31.12.2021
B-16-8, Megan Avenue II 12 Jalan Yap Kwan Seng 50450 Kuala Lumpur	Office	364 sq. m. (floor area)	23	Freehold	1,799	10.01.2013

Statement on Directors' Interests in the Company

and related corporations as at 6 April 2022

	Ordinary shares	
	Number	Percentage
Direct Interest in the Company		
Dato' Ahmad Sebi Bakar *	76,810,009	8.27
Aryati Sasya Dato' Ahmad Sebi	22,308,000	2.40
Deemed Interest in the Company		
Dato' Ahmad Sebi Bakar *	[1] 139,391,853	15.00
Anton Syazi Dato' Ahmad Sebi	[2] 30,467,000	3.28
Lee Su Nie	[3] 365,000	0.04
Puan Sri Datin Masri Khaw Abdullah	[4] 12,000,000	1.29
Direct Interest in related corporation		
Captii Limited ("Captii")		
Anton Syazi Dato' Ahmad Sebi	517,600	1.62
Lee Su Nie	20,000	0.06
Arcylic Synergy Sdn Bhd		
Anton Syazi Dato' Ahmad Sebi	1	negligible
Deemed Interest in related corporation		
Captii		
Kam Kin Foong	[5] 55,000	0.17
Segi Koleksi Sdn Bhd ("SKSB")		
Dato' Ahmad Sebi Bakar	[6] 105,000	30.00
Anton Syazi Dato' Ahmad Sebi	[7] 105,000	30.00
Aryati Sasya Dato' Ahmad Sebi	[7] 105,000	30.00
Metroprime Corporation Sdn Bhd ("MCSB")		
Dato' Ahmad Sebi Bakar	[8] 350,000	100.00
Anton Syazi Dato' Ahmad Sebi	[9] 350,000	100.00
Aryati Sasya Dato' Ahmad Sebi	[9] 350,000	100.00
Osteria Gamberoni Sdn Bhd ("Osteria")		
Anton Syazi Dato' Ahmad Sebi	[10] 345,000	30.00
Aryati Sasya Dato' Ahmad Sebi	[10] 345,000	30.00
Primo Espresso Sdn Bhd ("Primo")		
Anton Syazi Dato' Ahmad Sebi	[10] 600,000	30.00
Aryati Sasya Dato' Ahmad Sebi	[10] 600,000	30.00
Temasya House Sdn Bhd ("Temasya")		
Anton Syazi Dato' Ahmad Sebi	[10] 150,000	30.00
Aryati Sasya Dato' Ahmad Sebi	[10] 150,000	30.00
Yap Ah Shak House Sdn Bhd ("YAS")		
Anton Syazi Dato' Ahmad Sebi	[10] 15,000	30.00
Aryati Sasya Dato' Ahmad Sebi	[10] 15,000	30.00
Jiwa Baru Sdn Bhd ("Jiwa Baru")		
Anton Syazi Dato' Ahmad Sebi	[11] 40	40.00
Aryati Sasya Dato' Ahmad Sebi	[11] 40	40.00

	Ordinary shares	
	Number	Percentage
Deemed Interest in related corporation (continued)		
	Ordinary shares of CHF500.00 each	
Posthotel Arosa AG ("Arosa")		
Anton Syazi Dato' Ahmad Sebi	⑩ 3,150	35.00
Aryati Sasya Dato' Ahmad Sebi	⑩ 3,150	35.00
	Ordinary shares GBP1.00 each	
57-59 Philbeach Gardens Limited ("PGL")		
Anton Syazi Dato' Ahmad Sebi	⑫ 100	100.00
Aryati Sasya Dato' Ahmad Sebi	⑫ 100	100.00
Beaver Hotels Limited ("BHL")		
Anton Syazi Dato' Ahmad Sebi	⑬ 1,100	100.00
Aryati Sasya Dato' Ahmad Sebi	⑬ 1,100	100.00

Notes:

* By virtue of his interest in ASB, Dato' Ahmad Sebi Bakar is also deemed to be interested in the shares of all investee companies (including subsidiaries) to the extent that ASB has an interest.

① By virtue of his interest in Bright Existence Sdn. Bhd. ("BESB") and Suasana Dinamik Sdn. Bhd. ("SDSB"), Dato' Ahmad Sebi Bakar is also deemed to be interested in the ordinary shares of ASB to the extent that BESB and SDSB have an interest respectively.

② By virtue of his interest in Eighth Review (M) Sdn. Bhd. ("ERSB"), he is also deemed to be interested in the ordinary shares of ASB to the extent that ERSB has an interest.

③ This is her spouse's interest in the ordinary shares of ASB which shall be treated as her interest in the ordinary shares of ASB pursuant to Section 59(11)(c) of the Companies Act 2016 in Malaysia.

④ By virtue of her interest in ASH Holdings Sdn. Bhd. ("ASH"), Puan Sri Datin Masri Khaw Abdullah is also deemed to be interested in the ordinary shares of ASB to the extent that ASH has an interest.

⑤ This is her spouse's interest in the ordinary shares of Captii which shall be treated as her interest in the ordinary shares of Captii pursuant to Section 59(11)(c) of the Companies Act 2016 in Malaysia.

⑥ This is the interest of his children (Ms Aryati Sasya Dato' Ahmad Sebi and Mr Anton Syazi Dato' Ahmad Sebi) in SKSB which shall be treated as his interest in the ordinary shares of SKSB pursuant to Section 59(11)(c) of the Companies Act 2016 in Malaysia.

⑦ By virtue of their interest in Pacific Existence Sdn. Bhd. ("PESB"), Ms Aryati Sasya Dato' Ahmad Sebi and Mr Anton Syazi Dato' Ahmad Sebi are also deemed to be interested in the shares to the extent that PESB has an interest in SKSB.

⑧ By virtue of his interest in SKSB pursuant to Section 8 of the Companies Act 2016 in Malaysia, Dato' Ahmad Sebi Bakar is also deemed to be interested in the shares to the extent that SKSB has an interest in MCSB.

⑨ By virtue of their interest in SKSB via PESB, Ms Aryati Sasya Dato' Ahmad Sebi and Mr Anton Syazi Dato' Ahmad Sebi are also deemed to be interested in the shares to the extent that SKSB has an interest in MCSB.

⑩ By virtue of their interest in Kibar Konsep Sdn. Bhd. ("KKSB"), Ms Aryati Sasya Dato' Ahmad Sebi and Mr Anton Syazi Dato' Ahmad Sebi are also deemed to be interested in the shares to the extent that KKSB has an interest in Arosa, Osteria, Primo, Temasya and YAS.

⑪ By virtue of their interest in Campbell House Sdn. Bhd. ("CHSB"), Ms Aryati Sasya Dato' Ahmad Sebi and Mr Anton Syazi Dato' Ahmad Sebi are also deemed to be interested in the shares to the extent that CHSB has an interest in Jiwa Baru.

⑫ By virtue of their interest in Arosa via KKSB, Ms Aryati Sasya Dato' Ahmad Sebi and Mr Anton Syazi Dato' Ahmad Sebi are also deemed to be interested in the shares to the extent that Arosa has an interest in PGL.

⑬ By virtue of their interest in PGL via Arosa, Ms Aryati Sasya Dato' Ahmad Sebi and Mr Anton Syazi Dato' Ahmad Sebi are also deemed to be interested in the shares to the extent that PGL has an interest in BHL.

Statistics on Shareholdings

as at 6 April 2022

TOTAL NUMBER OF ISSUED SHARES	:	929,194,943
ISSUED SHARE CAPITAL	:	RM381,376,644.99
CLASS OF SHARE	:	Ordinary Shares
VOTING RIGHT	:	1 vote per ordinary share

ANALYSIS OF SHAREHOLDINGS

Size of shareholdings	No. of shareholders	% of shareholders	No. of shares held	% of issued shares
Less than 100 shares	351	1.88	11,270	negligible
100 - 1,000 shares	4,200	22.47	3,624,759	0.39
1,001 - 10,000 shares	8,975	48.01	41,210,652	4.44
10,001 - 100,000 shares	4,357	23.31	159,090,877	17.12
100,001 - less than 5% of issued shares	807	4.32	509,055,523	54.78
5% and above of issued shares	3	0.02	216,201,862	23.27
	18,693	100.00	929,194,943	100.00

LIST OF TOP 30 SHAREHOLDERS

No.	Name	No. of shares held	Percentage
1.	SJ Sec Nominees (Tempatan) Sdn Bhd Suasana Dinamik Sdn Bhd	80,799,926	8.70
2.	Dato' Ahmad Sebi Bakar	76,810,009	8.27
3.	SJ Sec Nominees (Tempatan) Sdn Bhd Bright Existence Sdn Bhd	58,591,927	6.31
4.	SJ Sec Nominees (Tempatan) Sdn Bhd Eighth Review (M) Sdn Bhd	30,467,000	3.28
5.	HSBC Nominees (Asing) Sdn Bhd Exempt An for Bank Julius Baer & Co. Ltd. (Singapore Branch)	25,605,400	2.76
6.	Affin Hwang Investment Bank Berhad IVT (CEN)	25,300,000	2.72
7.	SJ Sec Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Aryati Sasya Dato' Ahmad Sebi	22,308,000	2.40
8.	Malpac Capital Sdn Bhd	21,269,150	2.29
9.	Chew Lee Hwa	12,895,200	1.39
10.	ASH Holdings Sdn Bhd	12,000,000	1.29
11.	PM Nominees (Tempatan) Sdn Bhd Malpac Management Sdn Bhd	9,874,361	1.06

LIST OF TOP 30 SHAREHOLDERS (continued)

No.	Name	No. of shares held	Percentage
12.	Tay Teck Ho	8,505,000	0.91
13.	Wong Ten An	7,100,000	0.76
14.	Goh Boon Seng	6,881,450	0.72
15.	CGS-CIMB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tay Hock Soon (MY1055)	6,600,000	0.71
16.	Lim Hong Liang	6,160,850	0.66
17.	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tan Chin Seoh	6,000,000	0.65
18.	Chuah Kim Seng	5,634,300	0.61
19.	CGS-CIMB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Lee Yoon Sing (MY3586)	5,200,000	0.56
20.	Ong Ngoh Ing @ Ong Chong Oon	5,000,000	0.54
21.	Kenanga Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Francis Chai Kim Lung	4,484,400	0.48
22.	Maybank Nominees (Tempatan) Sdn Bhd Lay Man Wan @ Lai Mun Wan	4,224,452	0.45
23.	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Ong Kok Thye	4,000,000	0.43
24.	Lee Jooi Seng	3,514,000	0.38
25.	Lee Eng Gee	2,720,000	0.29
26.	Tey Alk Teng	2,650,000	0.28
27.	Maybank Nominees (Tempatan) Sdn Bhd Toh Swee Ying	2,559,813	0.28
28.	Yeoh Swee Leng	2,500,000	0.27
29.	Ong Bee Lian	2,317,500	0.25
30.	Cartaban Nominees (Asing) Sdn Bhd Exempt An for Union Bancaire Privee, UBP SA, Singapore Branch	2,226,500	0.24
		463,999,238	49.94

SUBSTANTIAL SHAREHOLDERS

Name of substantial shareholders	No. of shares held		% of issued share capital	
	Direct	Deemed	Direct	Deemed
Dato' Ahmad Sebi Bakar	76,810,009	139,391,853	8.27	15.00
Suasana Dinamik Sdn Bhd	80,799,926	-	8.70	-
Bright Existence Sdn Bhd	58,591,927	-	6.31	-

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the **Ninety-Eighth ANNUAL GENERAL MEETING** ("98th AGM") of Advance Synergy Berhad will be held and conducted by way of virtual meeting entirely through live streaming via Remote Participation and Voting ("RPV") Facilities from Dvote Online operated by Dvote Services Sdn Bhd at the Board Room, Ground Floor, Synergy 9, 9 Jalan Kajibumi U1/70, Temasya Glenmarie, 40150 Shah Alam, Selangor, Malaysia ("Webcast Venue") via the link at *https://www.DigitizeVote.my* on Thursday, 30 June 2022, at 10.00 a.m. or at any adjournment thereof for the following purposes:

1. To receive the audited financial statements for the financial year ended 31 December 2021 and the Directors' and Auditors' reports thereon. — **Please refer to Explanatory Note**

2. To declare a single tier dividend of 0.15 sen per ordinary share in respect of the financial year ended 31 December 2021. — **Resolution 1**

3. To approve the payment of Directors' fees for the financial year ended 31 December 2021. — **Resolution 2**

4. To approve the payment of benefits to the Directors from 1 July 2022 until the conclusion of the next annual general meeting of the Company. — **Resolution 3**

5. To re-elect the following Directors:
   5.1 Dato' Ahmad Sebi Bakar — **Resolution 4**
   5.2 Ms Lee Su Nie — **Resolution 5**

6. To re-appoint Messrs Baker Tilly Monteiro Heng PLT as auditors of the Company and to authorise the Directors to fix their remuneration. — **Resolution 6**

SPECIAL BUSINESS

To consider and, if thought fit, pass with or without modifications the following resolutions:

7. **Ordinary Resolution 1 — Retention of Independent Non-Executive Director** — **Resolution 7**

   "THAT authority be and is hereby given for Mr Yong Teck Ming who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than twelve (12) years to continue to act as an Independent Non-Executive Director of the Company until the conclusion of the next Annual General Meeting in accordance with the Malaysian Code on Corporate Governance."

8. **Ordinary Resolution 2 — Authority to allot and issue securities** — **Resolution 8**

   "THAT subject always to the Companies Act 2016, Constitution of the Company and/or approvals of the relevant governmental/regulatory authorities, the Directors be and are hereby authorised and empowered pursuant to Section 75(1) and Section 76(1) of the Companies Act 2016 to allot and issue new shares or convertible securities in the Company, from time to time at such price and upon such terms and conditions, for such purpose and to such person or persons whomsoever as the Directors may, in their absolute discretion deem fit, provided that the aggregate number of shares or convertible securities to be issued pursuant to this resolution does not exceed ten per centum (10%) of the total number of issued shares (excluding any treasury shares) of the Company for the time being AND THAT the Directors be and are hereby empowered to obtain the approval for the listing of and quotation for the additional shares or convertible securities so issued from Bursa Malaysia Securities Berhad AND THAT such authority shall continue to be in force until the conclusion of the next annual general meeting of the Company."

9. To transact any other ordinary business of which due notice shall have been given.

NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT

NOTICE IS ALSO HEREBY GIVEN that subject to the approval of the shareholders at the 98th AGM, a first and final single tier dividend of 0.15 sen per ordinary share in respect of the financial year ended 31 December 2021 will be paid on 18 August 2022 to the shareholders whose names appear in the Record of Depositors on 28 July 2022.

A depositor shall qualify for entitlement only in respect of:

a. Shares transferred to the Depositor's Securities Account before 4.30 p.m. on 28 July 2022 in respect of transfer; and

b. Shares bought on the Bursa Malaysia Securities Berhad on a cum entitlement basis according to the rules of Bursa Malaysia Securities Berhad.

BY ORDER OF THE BOARD

HO TSAE FENG
Secretary

Selangor
29 April 2022

Notes:

1. In respect of deposited securities, only members whose names appear in the Record of Depositors on 3 June 2022 (General Meeting Record of Depositors) shall be entitled to attend, speak and vote at this meeting.

2. The 98th AGM will be conducted on a fully virtual meeting through live streaming and online remote voting via the RPV Facilities from the Dvote Online operated by Dvote Services Sdn Bhd in Malaysia via the link at *https://www.DigitizeVote.my*. No member or proxy should be physically present at the Webcast Venue. If a member is not able to participate via the fully virtual meeting, the member can appoint the Chair of the meeting or such other person(s) as proxy(ies) and indicate the voting instructions in the proxy form. The appointment of proxy may be done in the manner as detailed below. Please follow the procedures in the enclosed Administrative Guide in order to register, participate and vote remotely via the RPV Facilities.

3. A member of the Company entitled to attend, speak and vote at the general meeting is entitled to appoint a proxy or proxies to exercise all or any of his/her rights to attend, speak and vote on a show of hands or by poll on any question at this meeting. A proxy need not be a member.

4. A member of the Company may appoint at least one (1) proxy but not more than two (2) proxies to attend, speak and vote in his/her stead. A member of the Company who is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991 may appoint at least one (1) proxy but not more than two (2) proxies in respect of each securities account it holds with shares of the Company standing to the credit of the said securities account. If a member appoints more than one (1) proxy, they must specify the proportion of the member's shareholdings to be represented by each proxy.

   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 holds.

5. The instrument appointing a proxy in the case of an individual must be signed by the individual or an attorney who is authorised to act on behalf of the individual and in the case of a corporation, the instrument appointing a proxy must be sealed with the corporation's common seal or signed by an officer of the corporation or an attorney who is authorised to act on behalf of the corporation.

6. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed (or a notarially certified copy of such power or authority) shall be deposited at the Registered Office of the Company at Ground Floor, Synergy 9, 9 Jalan Kajibumi U1/70, Temasya Glenmarie, 40150 Shah Alam, Selangor, Malaysia not less than 48 hours before the time appointed for holding the meeting or any other adjournment thereof, either (a) by hand or post; or (b) electronically via email to *Dvoteservice@gmail.com.*

PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the 98th AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the 98th AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the 98th AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes") and (ii) warrants and agrees that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) for the Purposes, the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

EXPLANATORY NOTES ON ORDINARY BUSINESS

Agenda 1 — Audited Financial Statements for financial year ended 31 December 2021

The audited financial statements for the financial year ended 31 December 2021 are laid in accordance with Section 340(1)(a) of the Companies Act 2016 for discussion only under Agenda 1. They do not require shareholders' approval and hence, will not be put for voting.

Resolution 2 — Directors' Fees
Resolution 3 — Directors' Benefits

The proposed Resolution 2, if passed, will authorise the payment of Directors' fees for the financial year ended 31 December 2021 amounting to RM315,000 [2020: RM207,000 after the voluntary fee reduction of 50% for Dato' Ahmad Sebi Bakar and 20% for Mr Yong Teck Ming, Mr Rali Mohd Nor, Ms Kam Kin Foong and Ms Aryati Sasya Dato' Ahmad Sebi and 2019: RM315,000].

The proposed Resolution 3, if passed, will authorise the payment of benefits to the Directors if any from 1 July 2022 until the conclusion of the next annual general meeting of the Company as and when incurred. The Board is of the view that it is just and equitable for these benefits to be paid as and when incurred particularly after they have discharged their responsibilities and rendered their services to the Company throughout the said period.

Resolutions 4 and 5 — Re-election of Directors

The Nomination Committee had addressed the effectiveness of the Board, Board of Committees and individual Directors including the Directors standing for re-election under proposed Resolutions 4 and 5. The Nomination Committee also recommended that the said retiring Directors are suitable to be re-elected as they meet the criteria of characters, experience, integrity, competency and time commitment to effectively discharge their respective roles as Director of the Company. Based on the recommendation of the Nomination Committee, the Board (except for the retiring Directors who abstained) supports the re-election of Dato' Ahmad Sebi Bakar and Ms Lee Su Nie as Directors of the Company.

Details of the Directors standing for re-election under proposed Resolutions 4 and 5 are stated in Directors' profile on pages 59 to 61 of this Annual Report. Their securities holdings in the Company and its subsidiaries are stated on pages 302 to 303 of this Annual Report.

EXPLANATORY NOTES ON SPECIAL BUSINESS

Resolution 7 — Retention of Independent Non-Executive Director

The Nomination Committee had assessed the independence of Mr Yong Teck Ming who has served on the Board as an Independent Non-Executive Director of the Company for a cumulative term of more than fourteen (14) years, and the Board had discussed and agreed with the recommendation of the Nomination Committee that in his long service to the Company, he has performed very well as an Independent Non-Executive Director and there is no reason to believe that he would not continue to act independently and to contribute to the Company taking into consideration the following:

(a) he fulfilled the Independent Director criteria under the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and thus is able to function as a check and balance and to bring an element of objectivity to the Board;

(b) he is a member of the Institute of Chartered Accountants, Australia, New Zealand and a member of the Chartered Governance Institute (previously known as Institute of Chartered Secretaries and Administrators, United Kingdom). He has vast experience in accounting and a diverse range of business which will enable him to provide the Board with constructive opinion;

(c) he has been with the Company for more than fourteen (14) years and is familiar with the Company's business operations which will enable him to contribute actively and effectively during deliberation at meetings of the Board and Board Committees;

(d) he has exercised his objective and independent judgement on all Board deliberations;

(e) he has devoted sufficient time and attention to his professional obligations for informed and balanced decision making;

(f) he has exercised due care during his tenure as Independent Non-Executive Director of the Company and carried out his professional duties in the best interest of the Company and shareholders; and

(g) he has been providing invaluable contributions to the Board in his role as an Independent Non-Executive Director and Chair of the Audit Committee. He also served as Chair of the Risk Management Committee until 1 August 2021.

Resolution 8 — Authority to allot and issue securities

The proposed Resolution 8 is the renewal of the mandate obtained from the members at the last Annual General Meeting. As at the date of this Notice, the Company did not allot any shares or convertible securities pursuant to the mandate granted to the Directors at the Ninety-Seventh Annual General Meeting held on 30 June 2021 which will lapse upon conclusion of the forthcoming 98th AGM.

The proposed Resolution 8, if passed, would provide flexibility and authority to the Directors to undertake fund raising activities, including but not limited to further placement of shares or convertible securities for the purpose of funding the Company's future investment project(s), working capital and/or acquisition(s), by the issuance of shares or convertible securities in the Company to such persons at any time as the Directors may deem fit provided that the aggregate number of shares or convertible securities issued pursuant to the mandate does not exceed 10% of the total number of issued shares of the Company for the time being, without having to convene a general meeting. This authority, unless revoked or varied by the Company in a general meeting, will expire at the conclusion of the next Annual General Meeting of the Company.

If there should be a decision to issue new shares or convertible securities after the general mandate is obtained, the Company will make an announcement in respect of the purpose and utilisation of proceeds arising from such issue.

Administrative Guide

For the Fully Virtual 98th Annual General Meeting

Day/Date	:	Thursday, 30 June 2022
Time	:	10.00 a.m.
Webcast Venue	:	Board Room, Ground Floor, Synergy 9, 9 Jalan Kajibumi U1/70, Temasya Glenmarie, 40150 Shah Alam, Selangor, Malaysia.
Meeting Platform	:	Dvote Online website at *https://www.DigitizeVote.my*

Entitlement to participate and vote at the 98th AGM

Only members whose names appear in the Record of Depositors on 3 June 2022 shall be entitled to participate, speak and vote at this virtual meeting.

The 98th AGM will be conducted fully virtual and entirely via remote participation and electronic voting. **No member or proxy shall be allowed to be physically present at the Webcast Venue.**

Members who wish to participate in the fully virtual 98th AGM will have to register and attend remotely using the Remote Participation and Voting ("RPV") Facilities.

If a member is not able to participate via the fully virtual meeting but wishes to vote, the member must appoint the Chair of the meeting or such other person(s) as proxy(ies) and indicate the voting instructions in the proxy form.

The proxy form with the proxy's **email address and mobile phone number** must be deposited at the Registered Office of the Company at Ground Floor, Synergy 9, 9 Jalan Kajibumi U1/70, Temasya Glenmarie, 40150 Shah Alam, Selangor, Malaysia **not less than 48 hours** before the time appointed for holding the meeting or any other adjournment thereof either (a) by hand or post; or (b) electronically via email to *Dvoteservice@gmail.com*.

Kindly follow the steps below to ensure that you or your proxy(ies) is/are able to participate at the 98th AGM online.

If a member wishes to participate in fully virtual 98th AGM personally, please do not submit any proxy form. Member will not be allowed to participate in the 98th AGM together with the proxy appointed.

A member who has submitted proxy form and subsequently decide to appoint another person to be the proxy(ies) or wish to participate in the 98th AGM personally, please email to *tsaefeng@asb.com.my* to revoke the earlier appointed proxy **at least 48 hours** before the time for holding the meeting or any adjournment thereof.

Members or proxies may use the [Question] box to submit question(s) in real time during the meeting. Members may also submit questions **at least 72 hours** before the meeting to *tsaefeng@asb.com.my* in relation to the agenda items for the 98th AGM. The Chair and management will respond to their best endeavours, questions submitted by members or proxies which relate to the matters in the agenda items of the 98th AGM. The outcome of the 98th AGM will be announced to the Bursa Malaysia Securities Berhad ("Bursa Securities") on the same day after the meeting is concluded and the announcement shall be available on the website of Bursa Securities and the Company. Minutes of the 98th AGM will be circulated to shareholders by posting on the Company's website no later than 30 business days after the 98th AGM.

Voting Procedure

The voting at the fully virtual 98th AGM will be conducted by poll in accordance with Paragraph 8.29A of Main Market Listing Requirements of Bursa Securities.

The Company has appointed Dvote Services Sdn Bhd ("Dvote") as Poll Administrator to conduct the poll by way of electronic voting or online remote voting ("e-voting").

Kindly refer to item (2) below of the Procedures for RPV Facilities for guidance on how to vote remotely from Dvote Online website at *https://www.DigitizeVote.my*.

During the fully virtual 98th AGM, the Chair of the Meeting will invite the Poll Administrator to brief on the e-Polling housekeeping rules. The voting session will commence as soon as the Chair of the Meeting calls for the poll to be opened and until such time when the Chair of the Meeting announces the closure of the poll.

For the purposes of the fully virtual 98th AGM, e-voting will be carried out via personal smart mobile phones, tablets or personal computers/laptops.

Upon the conclusion of the poll session, the Scrutineers will verify the poll results followed by the declaration by the Chair of the Meeting whether the resolutions put to vote were successfully carried or not.

Kindly follow the steps below on how to register, request for login ID and password:

1. REMOTE PARTICIPATION AND E-VOTING FACILITIES

Members are to attend, speak (in the form of real time submission of typed texts) and vote (collectively, "participate") remotely at the fully virtual 98th AGM using RPV Facilities provided by Dvote via its Dvote Online website at *https://www.DigitizeVote.my*. Please refer to Procedure for RPV Facilities.

2. PROCEDURES FOR RPV FACILITIES

Member(s)/proxy(ies)/corporate representative(s)/attorney(s) who wish to participate in the fully virtual 98th AGM remotely using the RPV Facilities are to follow the requirements and procedures as summarised below:

BEFORE MEETING DAY — USER REGISTRATION

	Procedure	Action
a.	Sign-up as a user with **Dvote Online**	Note: If you are already a user with Dvote Online, you are not required to sign-up again. You may proceed to sign-in using your email address and password. • Access the website at *https://www.DigitizeVote.my*. • Click on **[Sign up]** to register as a new user with Dvote Online. • Complete registration and upload softcopy of Malaysia Identification Card (front and back) or Passport (foreigner(s)). You will be notified via email once your user registration is accepted/rejected by Dvote Online.

Voting Procedure (continued)

2. PROCEDURES FOR RPV FACILITIES (continued)

BEFORE MEETING DAY — USER REGISTRATION (continued)

	Procedure	Action
b.	Register Meeting with **Dvote Online**	• Registration for Remote Participation will remain open from **7 June 2022** until the commencement of the polling during the fully virtual 98th AGM. • Login to *https://www.digitizevote.my/Identity/Account/Login* with your user ID (i.e.: email address) and password. • Select event: "**Advance Synergy Berhad – 98th Annual General Meeting**" and click **[Register]**. • You will receive an email notifying on your registration for the remote participation and verification. • Once your registration has been verified against the Record of Depositors as at 3 June 2022, you will be notified via email whether your request for remote participation is approved/rejected. • If approved, you will receive an invitation email together with the meeting link to **[Join Meeting]**.

ON THE DAY OF 98TH AGM

a.	Join Meeting via Live Streaming	• Click on **[Join Meeting]** link in the invitation email and you will be directed to the live streaming room. • You are advised to log in early, at least 20 minutes, before the Meeting time.
b.	Post Questions during Live Streaming	• If you have any question(s) for the Board of Directors, you may use the **[Question]** box to transmit your question(s).
c.	Online Voting during Live Streaming	• Click on **[Vote]**, to cast your votes for each resolution(s). • Review your casted votes, confirm and submit your votes.
d.	End of remote participation	• Upon the announcement by the Chair on the closure of the 98th AGM, the live streaming room will end.

Notes to users of the RPV Facilities:

- The quality of the live streaming is highly dependent on the bandwidth and stability of the internet connection at the location of the user and the device of the user.
- Users are advised to afford themselves ample time to complete the log in process in advance of the meeting.
- In the event you encounter any issues with logging-in, connection to live streamed meeting or online voting on the meeting day, kindly call 603-22766138 and/or email to *Dvoteservice@gmail.com* for assistance.

Voting Procedure (continued)

3. APPOINTMENT OF PROXY(IES)/CORPORATE REPRESENTATIVE(S)/ATTORNEY(S)

A member who has appointed a proxy(ies)/authorised representative(s)/attorney(s) to participate in the fully virtual 98th AGM via RPV Facilities must request his/her proxy(ies)/authorised representative(s)/attorney(s) to register himself/herself for RPV Facilities via Dvote Online website at *https://www.DigitizeVote.my*.

No door gifts/vouchers

No door gift(s) or e-voucher(s) will be distributed to member(s)/proxy(ies) who participate in the 98th AGM.

Participation through live streaming and voting at the 98th AGM

Please note that no recording or photography of the AGM proceedings is allowed without the prior written permission of the Company.

Communication guidance

Members are reminded to monitor the Company's website or announcements from time to time for any changes to the 98th AGM arrangements.

The Company seeks the understanding and cooperation of all members to minimise the risk of community spread of COVID-19.

Enquiry

If you have any enquiry(ies) relating to the 98th AGM, Administrative Guide for the fully virtual 98th AGM, RPV Facilities or encounters issues with the log in, steps to connect to Live Streaming and online voting, you may send them in advance or contact the following during office hours from Monday to Friday (except for public holiday):

For Agenda of the 98th AGM related:
Email : *tsaefeng@asb.com.my*

For Pre-Registration via RPV Facilities:
DVOTE SERVICES SDN BHD
Lot 9-7, Menara Sentral Vista
No. 150, Jalan Sultan Abdul Samad
Brickfields, 50470 Kuala Lumpur

Name : Ms Sangetha / Mr Hugo
Telephone No. : 603-2276 6138
Email : *Dvoteservice@gmail.com*

Consent to the use of personal data

By registering for the Dvote Online registration facilities and/or submitting the instrument appointing a proxy(ies) and/or representative(s), the member of the Company has consented to the collection, use and disclosure of his/her personal data for purposes of processing and administration by the Company or its agents and to comply with any governing laws, listing rules, regulations and/or guidelines and agreed to the Personal Data Privacy terms set out in the Notice of the 98th AGM dated 29 April 2022.

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ADVANCE SYNERGY BERHAD [Company No. 192001000024 (1225-D)]

Proxy Form

I/We ____

(full name in block letters)

NRIC No./Passport No./Registration No. ____________________ or CDS Account No. ____________________

(for nominee companies only)

of ____

(full address)

Email Adress: ____________________ Contact No. ____________________

being a shareholder/shareholders of ADVANCE SYNERGY BERHAD, hereby appoint:

Full Name in block letters	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			
Email Address			
Mobile Phone No.			

and / or*

Full Name in block letters	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			
Email Address			
Mobile Phone No.			

or failing him/her, THE CHAIR OF THE MEETING as my/our proxy to vote for me/us and on my/our behalf at the Ninety-Eighth Annual General Meeting ("98th AGM") of the Company to be conducted by way of virtual meeting entirely through live streaming via Remote Participation and Voting ("RPV") Facilities from Dvote Online operated by Dvote Services Sdn Bhd at the Board Room, Ground Floor, Synergy 9, 9 Jalan Kajibumi U1/70, Temasya Glenmarie, 40150 Shah Alam, Selangor, Malaysia ("Webcast Venue") via the link *https://www.DigitizeVote.my* on Thursday, 30 June 2022, at 10.00 a.m. or at any adjournment thereof and thereat to vote as indicated below:

Please indicate with (✓) how you wish to cast your vote. If neither "**FOR**" nor "**AGAINST**" is indicated, the proxy will vote or abstain from voting at his/her discretion.

NO.	RESOLUTION	FOR	AGAINST
1.	Declaration of dividend.		
2.	Approval of the payment of Directors' fees.		
3.	Approval of the payment of benefits to the Directors from 1 July 2022 until the next annual general meeting of the Company.		
4.	Re-election of Dato' Ahmad Sebi Bakar as Director.		
5.	Re-election of Ms Lee Su Nie as Director.		
6.	Re-appointment of Messrs Baker Tilly Monteiro Heng PLT as auditors of the Company and authorisation for the Directors to fix their remuneration.		
7.	Retention of Mr Yong Teck Ming as Independent Non-Executive Director.		
8.	Authorisation for Directors to allot and issue new securities pursuant to Sections 75(1) and 76(1) of the Companies Act 2016.		

Dated this __________ day of ____________________ 2022

Number of shares held	

____

Signature

Notes:

1. In respect of deposited securities, only members whose names appear in the Record of Depositors on 3 June 2022 (General Meeting Record of Depositors) shall be entitled to attend, speak and vote at this meeting.
2. The 98th AGM will be conducted on a fully virtual meeting through live streaming and online remote voting via the RPV Facilities from the Dvote Online operated by Dvote Services Sdn Bhd in Malaysia via the link at *https://www.DigitizeVote.my*. No member or proxy should be physically present at the Webcast Venue. If a member is not able to participate via the fully virtual meeting, the member can appoint the Chair of the meeting or such other person(s) as proxy(ies) and indicate the voting instructions in the proxy form. The appointment of proxy may be done in the manner as detailed below. Please follow the procedures in the enclosed Administrative Guide in order to register, participate and vote remotely via the RPV Facilities.
3. A member of the Company entitled to attend, speak and vote at the general meeting is entitled to appoint a proxy or proxies to exercise all or any of his/her rights to attend, speak and vote on a show of hands or by poll on any question at this meeting. A proxy need not be a member.
4. A member of the Company may appoint at least one (1) proxy but not more than two (2) proxies to attend, speak and vote in his/her stead. A member of the Company who is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991 may appoint at least one (1) proxy but not more than two (2) proxies in respect of each securities account it holds with shares of the Company standing to the credit of the said securities account. If a member appoints more than one (1) proxy, they must specify the proportion of the member's shareholdings to be represented by each proxy.

   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 holds.
5. The instrument appointing a proxy in the case of an individual must be signed by the individual or an attorney who is authorised to act on behalf of the individual and in the case of a corporation, the instrument appointing a proxy must be sealed with the corporation's common seal or signed by an officer of the corporation or an attorney who is authorised to act on behalf of the corporation.
6. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed (or a notarially certified copy of such power or authority) shall be deposited at the Registered Office of the Company at Ground Floor, Synergy 9, 9 Jalan Kajibumi U1/70, Temasya Glenmarie, 40150 Shah Alam, Selangor, Malaysia not less than 48 hours before the time appointed for holding the meeting or any other adjournment thereof, either (a) by hand or post; or (b) electronically via email to *Dvoteservice@gmail.com*.

Personal Data Privacy: *By submitting an instrument appointing a proxy(ies) and /or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 29 April 2022.*

Fold this flap for sealing

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AFFIX STAMP

THE SECRETARY

ADVANCE SYNERGY BERHAD
Ground Floor, Synergy 9
9 Jalan Kajibumi U1/70
Temasya Glenmarie
40150 Shah Alam
Selangor, Malaysia

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ADVANCE SYNERGY BERHAD
[Company No. 192001000024 (1225-D)]
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40150 Shah Alam, Selangor, Malaysia