SUCCESS BERHAD
(Incorporated in Malaysia)

REPORTS AND FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2021

CASGlobal

CAS MALAYSIA PLT
(LLP0009918-LCA) & (AF1476)
Chartered Accountants

DISCLAIMER

While we strived to ensure information in this publication is fairly presented and up to date at the time of printing, users of this publication must take cognizance that MFRSs and their interpretations change over time. This publication also does not show all possible accounting and disclosure requirements of the MFRSs. Therefore, this publication should not be relied upon to identify all disclosures and changes that an entity may need to make as a result of the new or amendments to MFRSs and IC interpretations nor be considered to be the only acceptable form of presentation for a set of financial statements. Accordingly, this Illustrative Directors' Report and Financial Statements should not be used as a substitute for reading the standards and interpretation themselves or for professional advice relevant to a particular situation.

No representation or warranty, express or implied, is made with respect to, and no reliance should be placed on, the accuracy, completeness or fairness of the information set out in this publication. Neither CAS Malaysia, its partners nor its staff shall have any liability whatsoever for any loss arising from any use or otherwise in connection with this publication. Furthermore, we accept no duty or responsibility and deny any liability to the users of this publication, whether or not this publication influences any of your decisions. This is in itself not an opinion document.

CONTENTS

This Success Berhad Illustrative Financial Statements and Directors' Report illustrates one possible format for annual financial statements and director' report, which reflect the requirements for first time adoption under MFRS 1 -First-time Adoption of Malaysian Financial

These Success Berhad illustrative financial statements is not real, incorporated and domiciled in Malaysia, with principal activities that of an investment holding company, that is listed on the Main Market of Bursa Malaysia Securities Berhad.

The names of people and corporations presented in this publication are purely fictitious and created for illustration purposes. Any resemblance to any person or corporation are purely coincidental.

REFERANCES AND GUIDANCE

Additional guidance and reference to standards and legislation has been provided throughout these illustrative financial statements, which is presented at the right side of each item disclosed. Explanatory notes have been provided in the footnote in small print. Such guidance is only explanatory and is not intended to be an integral part of the financial statements or the director's report.

Contents **Page**

Registration No.: 202101234567 (123456-H)

SUCCESS BERHAD
(Incorporated in Malaysia)

CORPORATE INFORMATION

BOARD OF DIRECTORS	:	AAA BBB CCC DDD
COMPANY SECRETARY/IES	:	Janet (MAISA xxxxx) (SSM PC No. 201901000xxx)
REGISTERED OFFICE	:	[Address]
PRINCIPAL PLACE OF BUSINESS	:	[Address]
AUDITORS	:	CAS Malaysia PLT (LLP0009918-LCA) & (AF 1476) Chartered Accountants
PRINCIPAL BANKERS	:	Malayan Banking Berhad UOB Bank Berhad

Registration No.: 202101234567 (123456-H)

SUCCESS BERHAD
(Incorporated in Malaysia)

DIRECTORS' REPORT

Reference to CA2016 and Accounting Standards Remarks

The directors have pleasure in submitting (if profit making)/hereby submit (if loss making) their report and the audited financial statements of the Company for the financial period from 1 October 2020 to 31 December 2021.

S252 (1) CA 2016

CHANGE OF NAME (**IF APPLICABLE)

Commentary:
S30(2) A company shall disclose its registered name and company registration number on all other forms of its business correspondence and documentation. S30(4) For this purposes of subsection (2), where a company changed its name, the former name of the company shall appear beneath its present registered name for a period of not less than twelve months form the date of the change.

S30(2)
S30(4)

CHANGE OF FINANCIAL YEAR END (**IF APPLICABLE)

The Group and the Company changed its accounting period end from 30 September to 31 December. Therefore, the financial period covered in these financial statements is for a period of 14 months from 1 October 2020 to 31 December 2021. Thereafter, the financial year of the Company shall revert to twelve (12) months ending 31 December, for each subsequent year. The comparatives are for the financial year from 1 October 2019 to 30 September 2020.

MFRS 101.36

Commentary:
Refer to disclosure in Note on General Information section.
If the financial year end is for 12 months ended, the disclosure in all the respective section should be change to "the financial year ended xxx".

PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of investment holding.

S253(1) (b)

The information on the name, place of incorporation, principal activities and percentage of issued and paid-up share capital held by the holding company in each subsidiary is as disclosed in Note 9 to the financial statements.

Fifth sch 1 (7)

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

FINANCIAL RESULTS

Fifth schedule 1 (1)(a)

	Group 01.10.2020 to 31.12.2021 RM'000	**Company 01.10.2020 to 31.12.2021 RM'000**
Profit for the financial period		
- Continuing operations	16,020	4,170
- Discontinued operations	440	-
Profit for the financial period	16,460	4,170
Attributable to:		
Owners of the Company		
- Continuing operations	15,444	4,170
- Discontinued operations	440	
Non-controlling interests	576	-
	16,460	4,170

Reference to CA2016 and Accounting Standards Remarks

DIRECTORS' REPORT (continued)

FINANCIAL RESULTS (continued)

In the opinion of the directors, the results of the operations of the Group and of the Company during the financial period have not been substantially affected by any item, transaction or event of a material and unusual nature other than as disclosed in the notes to the financial statements. *Fifth sch 1(1)(n)*

RESERVES AND PROVISIONS *Fifth sch 1 (1)(b)*

There were no material transfers to or from reserves and provisions during the financial period except as disclosed in the financial statements.

DIVIDENDS *(Refer resolution and dividend voucher for details)* *Fifth sch 1 (1)(f) S127(8)(b)*

The amount of dividend paid by the Company since 30 September 2020 were as follows:

	RM'000	
In respect of the financial year ended 30 September 2020:		*Previous year declared dividend paid in current year*
i) Final dividend of 6 sen per ordinary share declared on 1 October 2020 and paid on 15 November 2020	2,336	
In respect of the financial period ended 31 December 2021:		*Declared in current year but not necessary paid in current year*
i) First interim dividend of 5 sen per ordinary share declared on 1 December 2021 and paid on 13 January 2022	2,442	
	4,778	

The final ordinary dividend recommended by the Directors in respect of the financial period ended 31 December 2021 is 4 sen per ordinary share totalling RM1,954,000, is subject to shareholders' approval at the forthcoming Annual General Meeting of the Company. The financial statements for the current financial period 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. *Declared final dividend in current year* *MFRS 110.13 MFRS 110.12*

*** If no dividend was paid or declared since the previous financial year end:*
No dividend has been paid or declared since the previous financial year end. The directors do not recommend that a dividend to be paid in respect of the current financial period.

SHARES AND DEBENTURES *Fifth sch 1(1)(c)*

During the financial period, the ordinary share capital of the Company was increased from 38,936,000 units to 53,336,000 units by way of the following:

(i) issuance of new ordinary shares of 14,406,000 at an issue price of RM1.00 per share on 5 January 2021.

(ii) Issuance of new ordinary share of 58,000 arising from the exercise of options.

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

The proceeds from the issuance may be utilised to fund the working capital.

There were no debentures issued during the financial period.

Reference to CA2016 and Accounting Standards Remarks

EMPLOYEE SHARE OPTION SCHEME ("ESOS")

The Company's ESOS is governed by the by-laws approved by the shareholders at the Extraordinary General Meeting held on 23 April 2018 and was effected on 15 June 2018. Under the ESOS, ordinary shares in the Company are granted to eligible employees and executive directors of the Group. The ESOS is in force for a maximum period of five (5) years from the effective date and is administered by the Nomination & Remuneration Committee ("NRC"). *Fifth sch 1 (1)(5)* *Fifth sch 1 (1)(6)*

The salient features and other details of the ESOS are disclosed in Note 30 to the financial statements.

On 17 May 2021, 350,000 ESOS were vested, the Company issued 58,000 new ordinary shares and remaining 292,000 were issued via treasury shares at an issue price of RM1.00.

The number of shares granted under the ESOS and the number of shares outstanding at the end of the financial period are as follows:

	'000
At 1 October 2020	1,728
Granted	964
Vested	(350)
At 31 December 2021	2,342

- or -

The options offered for the subscription of unissued ordinary shares and the respective exercise prices are as follows:

		Number of option over ordinary shares			
Grant date	**Exercise price**	**At 1 January 2021**	**Granted**	**Vested**	**At 31 December 2021**
17 May 2021	RM1.00	1,728,000	964,000	(350,000)	2,342,000
		1,728,000	964,000	(350,000)	2,342,000

DIRECTORS

The name of the directors of the Company in office during the financial period and the period from the end of the financial period to the date of this report are: *S253(1)(a)*

AAA
BBB
CCC (appointed on 30 May 2021)
DDD (appointed on 7 January 2022)
EEE (resigned on 7 July 2021)
FFF (resigned on 5 March 2022)

The names of the directors of the subsidiaries of the Company during the financial period and the period from the end of the financial period to the date of this report, not including those directors listed above are:

ZZZ (appointed on 7 January 2022)
YYY (resigned on 7 July 2021)

DIRECTORS' REPORT (continued)		***Reference to CA2016 and Accounting Standards Remarks***

DIRECTORS' INTERESTS

According to the register of directors' shareholdings, the interests of directors in office at the end of the financial period in the ordinary shares of the Company during the financial period were as follows:

Fifth sch 1 (1)(e)

	Number of ordinary shares			
	As at 01.10.2020/ Date of appointment '000	**Acquired '000**	**Sold '000**	**As at 31.12.2021 '000**
Shareholdings in the name of directors				
Direct interest				
AAA	1,000	500	-	1,500
FFF	700	-	(500)	200
Indirect interest				
AAA*	-	800	-	800

* Deemed interest pursuant to Section 197 of the Companies Act 2016, held through his spouse, KKK.

Refer to Company sectretary documents and Bursa Malaysia announcement

By virtue of their interest in the shares of the Company, the above directors are also deemed to have interests in the shares of the subsidiary companies to the extent the Company have their interests.

S59(11)(c)
S8(4)

Other than disclosed above, the other directors in office at the end of the financial period did not have any interest in the shares of the Company or its related corporations during the financial period.

Commentary:
Pursuant to Section 8(4) of the Companies Act 2016, a person shall be deemed to have an interest in the Company when a body corporate holds shares in the Company and that person has a controlling or substantial financial interest of not less than 20% of the votes in that body

S8(4)(c)

DIRECTORS' REMUNERATIONS

Fifth Schedule 2(a) to 2(c)

The details of the directors' remuneration paid or payable to the directors or past directors of the Group and of the Company during the financial period are disclosed in Note 35 to the financial statements.

None of the directors or past directors of the Group and of the Company have received any other benefits otherwise than in cash from the Group and the Company during the financial period.

No payment has been paid to or payable to any third party in respect of the services provided to the Group and the Company by the directors or past directors of the Group and of the Company during the financial period.

DIRECTORS' REPORT (continued)	***Reference to CA2016 and Accounting Standards Remarks***

INDEMNITY AND INSURANCE COSTS

No indemnities have been given or insurance premiums paid, during or since the end of the financial period, for any person who is or has been the director, officer or auditor of the Company. *Fifth Schedule 2(d)*

Commentary
If there are indemnity and insurance costs paid to director, officer or auditor:
During the financial year, the total amount of indemnity insurance coverage and insurance premium paid for the directors and officers of the Company were RMXXX and RMXXX respectively.

DIRECTORS' BENEFITS *Fifth sch 1 (1)(d)*

During and at the end of the financial period, no arrangements subsisted to which the Company is a party, with the objects of enabling directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any body corporate.

Since the end of the previous financial period, none of the directors of the Company has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of remuneration received or due and receivable by the directors shown in the financial statements or the fixed salary of a full-time employee of the Company as shown in Note 35 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. *Fifth sch 1(2)* *Fifth sch 1(3)*

OTHER STATUTORY INFORMATION

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

(i) *(if have provision of doubtful debt and bad debts written off)* *Fifth sch1 (1)(g)*
to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and have satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and

(i) *(if no provision of doubtful debt and no bad debts written off)*
to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and have satisfied themselves that no known bad debts had been written off and that no provision for doubtful debts was necessary; and

(ii) to ensure that any current assets which were unlikely to be realised at their book values in the ordinary course of business including the value of current assets as shown in the accounting records of the Group and of the Company had been written down to an amount which the current assets might be expected so to realise. *Fifth sch 1 (1)(i)*

DIRECTORS' REPORT (continued)

Reference to CA2016 and Accounting Standards Remarks

OTHER STATUTORY INFORMATION

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

(i) *(if have provision of doubtful debt and bad debts written off)*
which would render the amount written off for bad debts or the amount of the provision for doubtful debts inadequate to any substantial extent in respect of the financial statements of the Group and of the Company; or — *Fifth sch 1 (1)(h)*

(i) *(if no provision of doubtful debt and no bad debts written off)*
which would render it necessary to write off for any bad debts or to make any provision for doubtful debts in respect of the financial statements of the Company; or

(ii) which would render the values attributed to the current assets in the financial statements of the Group and of the Company misleading; or — *Fifth sch 1 (1)(j)(i)*

(iii) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; or — *Fifth sch 1(1)(j)(ii)*

(iv) not otherwise dealt with in this report or financial statements which would render any amount stated in the financial statements of the Group and of the Company misleading. — *Fifth sch 1 (1)(m)*

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

(i) any charge on the assets of the Group and of the Company which has arisen since the end of the financial period which secures the liabilities of any other person; or — *Fifth sch 1(1)(k)(i)*

(ii) any contingent liability in respect of the Group and of the Company which has arisen since the end of the financial period. — *Fifth sch 1(1)(k)(ii)*

No contingent or other liability has become enforceable, or is likely to become enforceable, within the period of twelve months after the end of the financial period which, in the opinion of the directors, will or may substantially affect the ability of the Group and of the Company to meet its obligations as and when they fall due. — *Fifth sch 1 (1)(l)*

Commentary:
Fifth sch 1(1)(l)
If the Group or the Company has material uncertainty relating to going concern, the illustrative disclosure is as follows:
Other than as disclosed in Note X, the directors are of the opinion, that no contingent or other liability has become enforceable, or is likely to become enforceable, within the period of twelve months after the end of the financial period which, in the opinion of the directors, will or may substantially affect the ability of the Group and of the Company to meet its obligations as and when they fall due.

In the opinion of the directors, no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial period and the date of this report which is likely to affect substantially the results of operations of the Group and of the Company for the financial period in which this report is made. — *Fifth sch 1(1)(o)*

DIRECTORS' REPORT (continued)

Reference to CA2016 and Accounting Standards Remarks

SIGNIFICANT EVENTS DURING THE FINANCIAL PERIOD

Significant events during financial period is disclosed in Note 44 to the financial statements.

SIGNIFICANT EVENTS SUBSEQUENT TO THE FINANCIAL PERIOD

110.19
110.20

Significant events subsequent to the financial period is disclosed in Note 45 to the financial statements.

INTEREST IN HOLDING COMPANY AND RELATED COMPANIES

Fifth sch 1(9)

(APPLICABLE TO DISCLOSURE AT SUBSIDIARY LEVEL ONLY)

The interest of the Company in shares in holding company and its related corporation during the financial are as follows:

	Number of ordinary shares			
	As at 01.10.2020 '000	Acquired '000	Sold '000	As at 31.12.2021 '000
Ultimate Holding Company				
- XXX Sdn. Bhd.	xx	xx	(xx)	xxx
Related Company/ies				
- YYY Sdn. Bhd.	xx	xx	(xx)	xxx

If the Company does not have interest in shares then put the following statement:
The Company does not have any interest in shares in the holding company and its related corporations.

SUBSIDIARY COMPANIES

Fifth sch 1(8)

(APPLICABLE WHERE THERE IS QUALIFICATION IS A SUBSIDIARY COMPANY)

Commentary:
Fifth sch 1(8) states that if the auditor's report on the accounts of a subsidiary company is qualified in any way, the consolidated balance sheet of the holding company, as the case may be, shall contain particulars of the manner in which the report is qualified in so far as the matter which is the subject of the qualification, is not covered by the holding company's own accounts and is material from the view point of its members.

HOLDING COMPANY

Fifth sch 1(4)

The Company is a subsidiary of Parent Holdings Sdn. Bhd., a company incorporated in Malaysia, which is also regarded by the directors as holding company.

DIRECTORS' REPORT (continued)

Reference to CA2016 and Accounting Standards Remarks

AUDITORS

The auditors, CAS Malaysia PLT, Chartered Accountants have indicated their willingness to continue in office.

The auditors' remuneration is disclosed in Note 33 to the financial statements. *Fifth sch 1(10)*

Signed on behalf of the Board of Directors in accordance with a resolution of the directors dated 30 April 2022. *S252(2)(a)* *S252(2)(b)*

AAA
Director

BBB
Director

Reference to CA2016

STATEMENT BY DIRECTORS

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

We, AAA and BBB, being two of the directors of SUCCESS BERHAD, do hereby state that, in the opinion of the directors, the accompanying financial statements as set out on pages 23 to 191 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 period then ended. *S251(2)*

Signed on behalf of the Board of Directors in accordance with a resolution of the directors dated 30 April 2022.

AAA
Director

BBB
Director

STATUTORY DECLARATION
Pursuant to Section 251(1)(b) of the Companies Act 2016

Reference to CA2016

I, AAA, being the director primarily responsible for the accounting records and financial management of SUCCESS BERHAD, do solemnly and sincerely declare that the accompanying financial statements set out on pages 23 to 191 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960. *S251(1)*

Subscribed and solemnly declared by	)	
AAA	)	
at Puchong in the state of Selangor Darul Ehsan	)	
on 30 April 2022	)	AAA

Before me,

CCC
Commissioner for Oath

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
SUCCESS BERHAD (Registration No.: 202101234567 (123456-H))
(Incorporated in Malaysia)

Reference to ISA

Report on the Audit of the Financial Statements

Opinion ①

We have audited the financial statements of SUCCESS BERHAD, which comprise the statements of financial position as at 31 December 2021 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the period then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 23 to 191. *700.23 - 27*

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 period 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 *700.28*

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.

Report on the Audit of the Financial Statements (continued)

Key Audit Matters ② *700.30 - 31 701*

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year/period. 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. In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matters below to be the key audit matters to be communicated in our report. ③

Key audit matters	How our audit addressed the key audit matters

Report on the Audit of the Financial Statements (continued)

Key Audit Matters (continued)

Key audit matters	How our audit addressed the key audit matters

Report on the Audit of the Financial Statements (continued)

Information Other Than the Financial Statements and Auditors' Report thereon ④ *700.32* *720*

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, which we obtained prior to the date of this auditors' 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 *700.33 - 36*

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

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

Report on the Audit of the Financial Statements (continued)

Auditors' Responsibilities for the Audit of the Financial Statements *700.37 - 40*

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:

(i) 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.

(ii) 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.

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

(iv) 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.

Report on the Audit of the Financial Statements (continued)

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

(v) 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.

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

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

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

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current 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 the Audit of the Financial Statements (continued)

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

Report on Other Legal and Regulatory Requirements ⑤ *700.43 - 45*

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 9 to the financial statements.

Other Matters ⑥ *700.43 - 45*

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

Commentary:
Applicable if change of auditor:
(b) The financial statements of the Group and of the Company as at 30 September 2020, were audited by another firm of auditors whose report dated 28 January 2021, expressed an unmodified opinion on those statements.

CAS MALAYSIA PLT *CA 2016 S. 265(5)*
[No. (LLP0009918-LCA) & (AF 1476)]
Chartered Accountants

CHEN VOON HANN *700.46*
[No. 01234/01/2023(J)] *CA 2016 S. 265(5)*
Chartered Accountant

Date: 30 April 2022 *700.49*

Puchong *700.48*

Commentary:
Applicable if the Company has Material uncertainty related to going concern:
[To insert after Independence and Other Ethical Responsibilities paragraph]
Material Uncertainty Related to Going Concern *700.29*

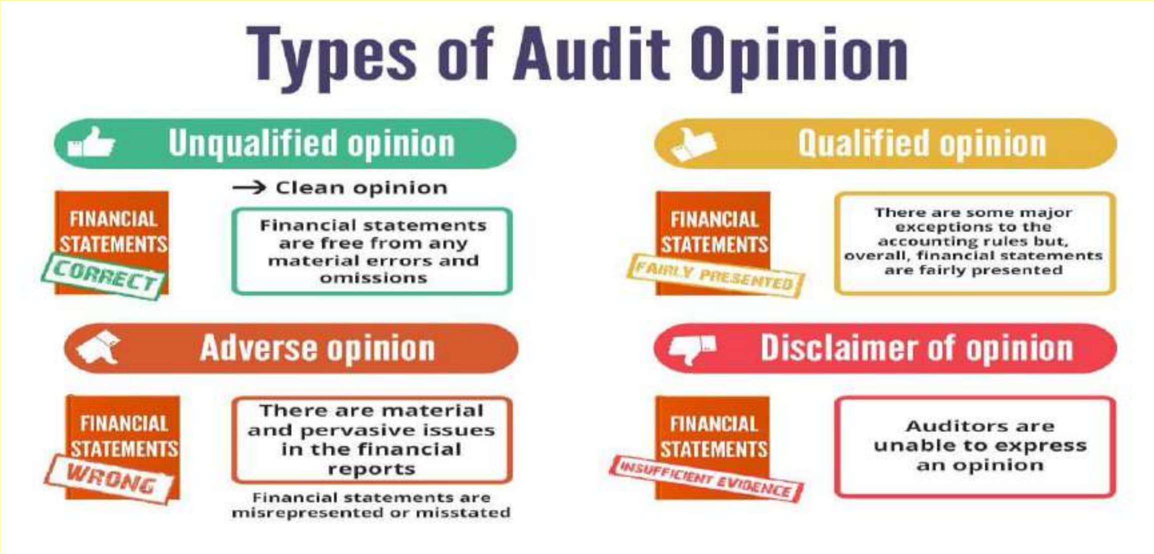
We draw attention to Note X to the financial statements, which disclosed that the Group incurred a net loss of RMXXX during the financial year ended XXX and, as of that date, the Group's current liabilities exceeded its current assets by RMXXX and recorded a capital deficiency of RMXXX, thereby indicating the existence of a material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern.

The ability of the Company to operate as going concern is dependent on successful outcome and implementation of the current business plans to generate sufficient cash in the future to fulfil their obligations as and when they fall due. The financial statements of the Company do not include any adjustment relating to the amount and classification of assets and liabilities that might be necessary should the Company be unable to continue as a going concern. In view of the fact that the preparation of the financial statements is on a going concern basis, we consider that these disclosures should be brought to your attention. As stated in Note 2.X, these conditions, along with other matters as set forth in Note 2.X, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as going concern. Our conclusion is not modified in respect of this matter.

[To modify the paragraph based on the circumstances of the engagement]

Commentary:
① **Types of Modified Opinions**

ISA 705(revised) Types of Modified Opinions
The table below illustrates how the auditors' judgement about the nature of the matter giving rise to the modification, and the pervasiveness of its effects or possible effects on the financial statements, affects the type of opinion to be expressed.



Commentary:

② **Key Audit Matters**

The following illustrates the presentation in the auditors' report if the auditor has determined there are no key audit matters to communicate:

We have determined that there are no key audit matters to communicate in our report which arose from the audit of the financial statements of the Company.

③ **Modified opinion or a material uncertainty related to going concern**

For a matter giving rise to a modified opinion or a material uncertainty related to going concern, a reference to the Basis for Qualified (Adverse) Opinion or the Material Uncertainty Related to Going Concern Section(s) shall be included in the Key Audit Matter section.

④ **Disclaimer of opinion**

When the auditor disclaims an opinion on the financial statements, providing further details about the audit, including a section to address other information may overshadow the disclaimer of opinion on the financial statements as a whole. Accordingly, in these circumstances, the auditors' report does not include a section addressing the reporting requirements under ISA 720 (Revised) The Auditor's Responsibilities Relating to Other Information.

⑤ **Report on other legal and regulatory requirements**

<u>For the auditors' report with Qualified opinion due to a material misstatement of financial statements</u>

In accordance with the requirement of the Companies Act 2016 in Malaysia, we report that:

(a) the subsidiaries of which we have not acted as auditors, are disclosed in Note X to the financial statements.

(b) in our opinion, the accounting and other records for the matter as described in the *Basis for Qualified Opinion* section have not been properly kept by the Company in accordance with the provision of the Companies Act 2016 in Malaysia.

<u>For the auditors' report with Qualified opinion due to inability to obtain sufficient appropriate audit evidence</u>

In accordance with the requirement of the Companies Act 2016 in Malaysia, we report that:

(a) the subsidiaries of which we have not acted as auditors, are disclosed in Note X to the financial statements.

(b) in our opinion, the accounting and other records for the matter as described in the *Basis for Qualified Opinion* section have not been properly kept by the Company in accordance with the provision of the Companies Act 2016 in Malaysia.

(c) in our opinion, we have not obtained all the information and explanations that we required.

OR

In accordance with the requirement of the Companies Act 2016 in Malaysia, we report that:

(a) the subsidiaries of which we have not acted as auditors, are disclosed in Note X to the financial statements.

(b) in our opinion, we have not obtained all the information and explanations that we required.

Commentary:

⑤ **Report on other legal and regulatory requirements** (continued)

For the auditors' report with Adverse opinion

In accordance with the requirement of the Companies Act 2016 in Malaysia, we report that:

(a) the subsidiaries of which we have not acted as auditors, are disclosed in Note X to the financial statements.

(b) in our opinion, the accounting and other records for the matters as described in the *Basis for Adverse Opinion* section have not been properly kept by the Company in accordance with the provision of the Companies Act 2016 in Malaysia.

For the auditors' report with Disclaimer of opinion due to inability to obtain sufficient appropriate audit evidence about multiple elements of the financial statements

In accordance with the requirement of the Companies Act 2016 in Malaysia, we report that:

(a) the subsidiaries of which we have not acted as auditors, are disclosed in Note X to the financial statements.

(b) in our opinion, the accounting and other records for the matter as described in the Basis for Disclaimer of Opinion section have not been properly kept by the Company in accordance with the provision of the Companies Act 2016 in Malaysia.

(c) in our opinion, we have not obtained all the information and explanations that we required.

⑥ **Matters to be included under "Other Matter" section**

This paragraph is only applicable for financial statements prepared in accordance with the MFRS framework for the first time

As stated in Note X to the financial statements, Success Berhad adopted the Malaysian Financial Reporting Standards on 1 January 20XX with a transition date of 1 January 20XX-1. These standards were applied retrospectively by directors to the comparative information in these financial statements, including the statements of financial position of the Group and of the Company as at 31 December 20XX-1 and 1 January 20XX-1, 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 ended 31 December 20XX-1 and related disclosures. We were not engaged to report on the restated comparative information and it is unaudited. Our responsibilities as part of our audit of the financial statements of the Group and of the Company for the financial year ended 31 December 20XX have, in these circumstances, included obtaining sufficient appropriate audit evidence that the opening balances as at 1 January 20XX do not contain misstatements that materially affect the financial position as at 31 December 20XX and the financial performance and cash flows for the financial year then ended.

This paragraph is only applicable for if there are unaudited comparative figures

Without qualifying our report, we draw attention to Note XX to the financial statements which states that the Group's comparative figures disclosed in the financial statements have not been audited.

The comparative financial statements of the Group and of the Company were audited by another firm of chartered accountants

The financial statements of the Group and of the Company for the financial year ended XXX were audited by another firm of chartered accountants whose report dated XXX expressed an unmodified opinion on those financial statements.

Commentary:

⑥ **Matters to be included under "Other Matter" section** (continued)

The comparative financial statements of the Group and of the Company were audited by another firm of chartered accountants (continued)

OR

The financial statements of the Group and of the Company for the financial year ended XXX were audited by another firm of chartered accountants whose report dated XXX expressed an unmodified opinion, had the following material uncertainty related to going concern paragraph on those financial statements:

[Copy the MURGC paragraph in previous auditors' report]

The financial statements of the Group and of the Company for the financial year ended XXX were audited by another firm of chartered accountants whose report dated XXX expressed the following qualified opinion/disclaimer opinion/adverse opinion on those financial statements:

Basis for Qualified/Disclaimer/Adverse Opinion

[Copy the Basis for Qualified/Disclaimer/Adverse paragraph in previous auditors' report]

⑦ **Matters to be included under "Emphasis of Matter" section**

The auditor may consider it necessary to include an Emphasis of Matter paragraph in accordance with ISA 706 (Revised) Emphasis of Matter Paragraphs in the Independent Auditor's Report if the COVID-19 pandemic has had, or continues to have, a significant effect on the reporting entity's financial position.

Registration No.: 202101234567 (123456-H)

SUCCESS BERHAD
(Incorporated in Malaysia)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

	Note	As at 31.12.2021 RM'000	As at 30.09.2020 RM'000 Restated	As at 01.10.2019 RM'000 Restated ①	*Reference*
					101.10(a) *101.10(f)* *101.51(e)* *101.54* *101.113*
NON-CURRENT ASSETS					
Property, plant and equipment	5	65,958	48,658	47,656	
Investment properties	6	18,139	16,319	14,182	
Intangible assets	7	12,038	4,922	3,385	
Right-of-use assets	8.1	5,816	5,464	5,830	
Investment in an associate	10	3,938	2,877	1,819	
Investment in a joint venture	11	2,436	2,155	1,937	
Other non-current financial assets	12	7,522	5,632	4,546	
Deferred tax assets	26	767	730	642	
		116,614	86,757	79,997	*101.60*
CURRENT ASSETS					
Inventories	13	52,054	37,660	48,592	
Trade and other receivables	14	51,344	27,104	41,564	
Contract assets	15	9,082	10,360	6,900	
Other current assets	16	2,975	2,188	2,164	
Other current financial assets	12	1,102	306	274	
Cash and short-term deposits ②	17	35,056	29,832	22,132	
		151,613	107,450	121,626	
Assets held for sale	18	26,869	27,476	-	*5.38-5.40*
		178,482	134,926	121,626	*101.60*
TOTAL ASSETS		295,096	221,683	201,623	
EQUITY					
Share capital	19	53,336	38,936	38,776	
Treasury shares		(1,016)	(1,308)	(1,548)	
Other capital reserves	20	2,342	1,728	1,132	
Retained earnings		63,272	51,858	43,164	
Other components of equity	21	(1,284)	(1,010)	(836)	
Reserves of a disposal group held for sale	18	92	-	-	
Total equity attributable to owners of the Company		116,742	90,204	80,688	
Non-controlling interest		4,820	1,480	416	
TOTAL EQUITY		121,562	91,684	81,104	*101.60*

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

SUCCESS BERHAD
(Incorporated in Malaysia)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021 (continued)

	Note	As at 31.12.2021 RM'000	As at 30.09.2020 RM'000 Restated	As at 01.10.2019 RM'000 Restated ①	*Reference*
NON-CURRENT LIABILITIES					
Interest-bearing loans and borrowings	22	44,294	46,626	42,716	
Other non-current financial liabilities	12	1,612	-	-	
Provisions	23	3,796	38	30	
Government grants	24	6,600	2,800	2,600	
Contract liabilities	16	5,924	1,776	1,384	
Net employee defined benefit liabilities	25	6,100	5,954	5,052	
Deferred tax liabilities	26	4,908	1,214	1,560	
		73,234	58,408	53,342	*101.60*
CURRENT LIABILITIES					
Trade and other payables	27	32,670	13,128	36,272	
Contract liabilities	16	5,760	4,972	3,672	
Refund liabilities	28	12,484	11,688	7,592	
Interest-bearing loans and borrowings	22	5,664	6,284	9,668	
Other current financial liabilities	12	5,906	508	606	
Government grants	24	298	302	300	
Current tax liabilities		7,022	7,100	8,897	
Provisions	23	1,804	312	170	
Dividends payables	29	2,442	-	-	
		74,050	44,294	67,177	
Liabilities directly associated with the assets held for sale	18	26,250	27,297	-	*5.38-5.40*
		100,300	71,591	67,177	*101.60*
TOTAL LIABILITIES		173,534	129,999	120,519	
TOTAL EQUITY AND LIABILITIES		295,096	221,683	201,623	

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

Registration No.: 202101234567 (123456-H)

SUCCESS BERHAD
(Incorporated in Malaysia)

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

Reference

	Note	31.12.2021 RM'000	30.09.2020 RM'000	As at 01.10.2019 RM'000 ①	Reference
NON-CURRENT ASSETS					
Property, plant and equipment	5	10,572	10,271	7,722	
Investment properties	6	18,139	16,319	14,182	
Investment in subsidiary companies	9	15,162	10,986	9,869	
		43,873	37,576	31,773	*101.60*
CURRENT ASSETS					
Other receivables	15	20,636	14,153	17,509	
Prepayments		66	44	16	
Cash and short-term deposits ②	17	10,994	9,390	5,732	
		31,696	23,587	23,257	*101.60*
TOTAL ASSETS		75,569	61,163	55,030	
EQUITY					
Share capital	19	53,336	38,936	38,776	
Treasury shares		(1,016)	(1,308)	(1,548)	
Other capital reserve	20	2,776	1,328	1,132	
Retained earnings		8,911	9,005	6,818	
Total equity attributable to owners of the Company		64,007	47,961	45,178	*101.60*
NON-CURRENT LIABILITIES					
Net employee defined benefit liabilities	25	6,100	5,954	5,052	*101.60*
CURRENT LIABILITIES					
Trade and other payables	27	2,997	7,236	4,792	
Current tax liabilities		23	12	8	
Dividends payables	29	2,442	-	-	
		5,462	7,248	4,800	*101.60*
TOTAL LIABILITIES		11,562	13,202	9,852	
TOTAL EQUITY AND LIABILITIES		75,569	61,163	55,030	

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

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

Reference

Commentary:

① An entity shall present a third statement of financial position as at the beginning of the preceding period based on the following requirements: *101.40A(b)*

Nature	Third statement of financial position		Related notes	
	Yes?	Required by	Yes?	Required by
(a) First-time adoption of MFRSs	✓	MFRS 1.21	✓	MFRS 1.21
(b) Retrospective application *	✓	MFRS 101.40A	x	MFRS 101.40C
(c) Retrospective restatement *	✓	MFRS 101.40A	x	MFRS 101.40C
(d) Reclassification *	✓	MFRS 101.40A	x	MFRS 101.40C

* An entity shall present a third statement of financial position <u>if and only if</u> the retrospective application, retrospective restatement or reclassification has a material effect on the information in the statement of financial position as at the beginning of the preceding period.

In this illustrative financial statements, the retrospective application of changes in accounting policy is deemed to have a material effect on the information in the statements of financial position as at the beginning of the preceding period to illustrate the third statement of financial position.

② An entity shall classify an asset as current when the asset is cash or a cash equivalent (as defined in MFRS 107) unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. *101.66(d)*

SUCCESS BERHAD
(Incorporated in Malaysia)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE FINANCIAL PERIOD FROM 1 OCTOBER 2020 TO 31 DECEMBER 2021

	Note	01.10.2020 to 31.12.2021 RM'000	01.10.2019 to 30.09.2020 RM'000 Restated	*Reference*
				101.10(b) *101.10A* *101.51(e)* *101.81A* *101.82* *101.99* *101.113*
CONTINUING OPERATIONS				
Revenue	31	360,924	320,930	*15.2;15.113(a)*
Cost of sales		(273,098)	(256,772)	
Gross profit		87,826	64,158	
Other opearting income		4,870	5,096	
Selling and distribution expenses		(28,002)	(25,928)	
Administrative expenses		(36,580)	(24,022)	
Other operating expenses		(5,108)	(706)	
Operating profit		23,006	18,598	
Finance costs	32	(2,732)	(2,536)	*101.82(b)*
Finance income		404	290	*101.82(a)*
Other income		196	132	
Share of profit of an associate and a joint venture		1,342	1,276	*101.82(c)*
Profit before tax from continuing operations	33	22,216	17,760	
Income tax expenses	34	(6,196)	(4,466)	*101.82(d)*
Profit for the period/year from continuing operations		16,020	13,294	
DISCONTINUED OPERATIONS				
Profit/(loss) after tax for the period/year from discontinued operations	18	440	(376)	*101.82(ea)*
Profit for the period/year		16,460	12,918	
Other comprehensive income/(loss)				
Other comprehensive loss that may be reclassified to profit or loss in subsequent periods (net of tax):				
Net gain on hedge of a net investment		390	-	
Exchange differences on translation of foreign operations		(492)	(234)	
Net (loss)/gain on cash flow hedges		(1,236)	48	
Net change in costs of hedging		(44)	-	
Net loss on debt instruments at fair value through other comprehensive income		(30)	(2)	
Share of other comprehensive loss of an associate		(60)	-	
Net other comprehensive loss that may be reclassified to profit or loss in subsequent periods		(1,472)	(188)	

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

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (continued)

Reference

	Note	01.10.2020 to 31.12.2021 RM'000	01.10.2019 to 30.09.2020 RM'000 Restated	Reference
Other comprehensive income/(loss) (continued)				
Other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent periods (net of tax):				
Net (loss)/gain on equity instruments designated at fair value through other comprehensive income		(36)	14	
Remeasurement gain/(loss) on defined benefit plans		514	(546)	
Revaluation of properties		1,184	-	
Share of other comprehensive income of an associate		60	-	
Net other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent periods		1,722	(532)	
Other comprehensive income/(loss) for the period/year, net of tax		250	(720)	
Total comprehensive income for the period/year, net of tax		16,710	12,198	
Profit attributable to:				
Owners of the Company				*101.81B(a)*
- From continuing operations		15,444	12,816	
- From discontinued operation		440	(376)	
		15,884	12,440	
Non-controlling interests		576	478	
		16,460	12,918	
Total comprehensive income attributable to:				*101.81B(b)*
Owners of the Company				
- From continuing operations		15,694	12,096	
- From discontinued operation		440	(376)	
		16,134	11,720	
Non-controlling interests		576	478	
		16,710	12,198	
Basic, profit/(loss) for the period/year attributable to ordinary equity holders of the Company	36			*133.66*
- From continuing operations (sen)		28.92	36.45	
- From discontinued operations (sen)		0.85	(1.04)	
		29.76	35.41	
Diluted, profit/(loss) for the period/year attributable to ordinary equity holders of the Company	36			*133.66*
- From continuing operations (sen)		27.67	34.79	
- From discontinued operations (sen)		0.81	(0.99)	
		28.48	33.80	

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

SUCCESS BERHAD
(Incorporated in Malaysia)

STATEMENT OF PROFIT OR LOSS
FOR THE FINANCIAL PERIOD FROM 1 OCTOBER 2020 TO 31 DECEMBER 2021

	Note	01.10.2020 to 31.12.2021 RM'000	01.10.2019 to 30.09.2020 RM'000	*Reference*
				101.10(b) *101.10A* *101.51(e)* *101.81A* *101.82* *101.99* *101.113*
Revenue	31	6,798	5,809	*15.2;15.113(a)*
Cost of sales		-	-	
Gross profit		6,798	5,809	
Other opearting income		27	13	
Selling and distribution expenses		-	-	
Administrative expenses		(1,798)	709	
Other operating expenses		(579)	(277)	
Operating profit/profit before tax	33	4,448	6,254	
Income tax expenses	34	(278)	(321)	*101.82(d)*
Profit for the period/year		4,170	5,933	
Other comprehensive income/(loss)				
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods (net of tax):				
Revaluation of properties		1,184	-	
Remeasurement gain/(loss) on defined benefit plans		514	(546)	
Other comprehensive income/(loss) for the period/year, net of tax		1,698	(546)	
Total comprehensive income for the period/year, net of tax		5,868	5,387	

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

Registration No.: 202101234567 (123456-H)

SUCCESS BERHAD
(Incorporated in Malaysia)

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

Reference
101.10(c)
101.106
101.107
101.113

		Attributable to owners of the Company													
	Note	Share capital RM'000	Treasury shares RM'000	Other capital reserves RM'000	Retained earnings RM'000	Cash flow hedge reserve RM'000	Cost of hedging reserve RM'000	Fair value reserve of financial assets at FVOCI RM'000	Foreign currency translation reserve RM'000	Asset revaluation surplus RM'000	Reserve of disposal group held for sale RM'000	Total RM'000	Non-controlling interest RM'000	Total equity RM'000	Reference
As at 1 October 2020		38,936	(1,308)	1,728	53,147	(140)	-	18	(888)	-	-	91,493	1,480	92,973	
Adjustment on MFRS adoption		-	-	-	(1,289)	-	-	-	-	-	-	(1,289)	-	(1,289)	
As at 1 October 2020, restated		38,936	(1,308)	1,728	51,858	(140)	-	18	(888)	-	-	90,204	1,480	91,684	
Profit for the period		-	-	-	15,884	-	-	-	-	-	-	15,884	576	16,460	*101.106(d)(i)*
Other comprehensive income/(loss)		-	-	-	514	(1,236)	(44)	(126)	(102)	1,244	-	250	-	250	*101.106(d)(ii)*
Total comprehensive income/(loss)		-	-	-	16,398	(1,236)	(44)	(126)	(102)	1,244	-	16,134	576	16,710	*101.106(a)*
Depreciation transfer for properties		-	-	-	160	-	-	-	-	(160)	-	-	-	-	
Discontinued operations		-	-	-	-	-	-	(92)	-	-	92	-	-	-	
Share-based payments		-	-	964	-	-	-	-	-	-	-	964	-	964	
Transfer of fair value reserve of equity instruments designated at FVOCI		-	-	-	14	-	-	(14)	-	-	-	-	-	-	
Transfer of cash flow hedge reserve to inventories		-	-	-	-	252	4	-	-	-	-	256	-	256	
Transactions with owners:															*101.106(d)(iii)*
Issued of share capital	19	14,406	-	-	-	-	-	-	-	-	-	14,406	-	14,406	
Exercise of options		58	292	(350)	-	-	-	-	-	-	-	-	-	-	
Transaction costs		(64)	-	-	-	-	-	-	-	-	-	(64)	-	(64)	
Dividends	29	-	-	-	(4,778)	-	-	-	-	-	-	(4,778)	(60)	(4,838)	*101.107*
Total transactions with owners		14,400	292	(350)	(4,778)	-	-	-	-	-	-	9,564	(60)	9,504	
Acquisition of a subsidiary		-	-	-	-	-	-	-	-	-	-	-	3,094	3,094	
Acquisition of non-controlling interests		-	-	-	(380)	-	-	-	-	-	-	(380)	(270)	(650)	
As at 31 December 2021		53,336	(1,016)	2,342	63,272	(1,124)	(40)	(214)	(990)	1,084	92	116,742	4,820	121,562	

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

Registration No.: 202101234567 (123456-H)

SUCCESS BERHAD
(Incorporated in Malaysia)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2020 (restated)

	Note	Attributable to owners of the Company													Reference
		Share capital RM'000	Treasury shares RM'000	Other capital reserves RM'000	Retained earnings RM'000	Cash flow hedge reserve RM'000	Cost of hedging reserve RM'000	Fair value reserve of financial assets at FVOCI RM'000	Foreign currency translation reserve RM'000	Asset revaluation surplus RM'000	Reserve of disposal group held for sale RM'000	Total RM'000	Non-controlling interest RM'000	Total equity RM'000	*101.10(c)* *101.106* *101.107* *101.113*
As at 1 October 2019		38,776	(1,548)	1,132	44,564	(188)	-	6	(654)	-	-	82,088	436	82,524	
Adjustment on MFRS adoption		-	-	-	(1,400)	-	-	-	-	-	-	(1,400)	(20)	(1,420)	
As at 1 October 2019, restated		38,776	(1,548)	1,132	43,164	(188)	-	6	(654)	-	-	80,688	416	81,104	
Profit for the year		-	-	-	12,440	-	-	-	-	-	-	12,440	478	12,918	*101.106(d)(i)*
Other comprehensive income		-	-	-	(546)	48	-	12	(234)	-	-	(720)	-	(720)	*101.106(d)(ii)*
Total comprehensive income		-	-	-	11,894	48	-	12	(234)	-	-	11,720	478	12,198	*101.106(a)*
Share-based payments		-	-	996	-	-	-	-	-	-	-	996	-	996	
Transactions with owners:															
Exercise of options		160	240	(400)	-	-	-	-	-	-	-	-	-	-	*101.106(d)(iii)*
Dividends	29	-	-	-	(3,200)	-	-	-	-	-	-	(3,200)	(98)	(3,298)	*101.107*
Total transactions with owners:		160	240	(400)	(3,200)	-	-	-	-	-	-	(3,200)	(98)	(3,298)	
Non-controlling interests arising on a business combination		-	-	-	-	-	-	-	-	-	-	-	684	684	
As at 30 September 2020, restated		38,936	(1,308)	1,728	51,858	(140)	-	18	(888)	-	-	90,204	1,480	91,684	

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

SUCCESS BERHAD
(Incorporated in Malaysia)

STATEMENT OF CHANGES IN EQUITY
AS AT 31 DECEMBER 2021

	Note	Attributable to owners of the Company Share capital RM'000	Treasury shares RM'000	Other capital reserves RM'000	Retained earnings RM'000	Total RM'000	Reference
							101.10(c) 101.106 101.107 101.113
As at 1 October 2020		38,936	(1,308)	1,328	9,005	47,961	
Profit for the period		-	-	-	4,170	4,170	*101.106(d)(i)*
Other comprehensive income		-	-	1,184	514	1,698	*101.106(d)(ii)*
Total comprehensive income		-	-	1,184	4,684	5,868	*101.106(a)*
Share based payments		-	-	614	-	614	
Transactions with owners:							*101.106(d)(iii)*
Dividends	29	-	-	-	(4,778)	(4,778)	*101.107*
Exercise of options		58	292	(350)	-	-	
Issue of share capital	19	14,406	-	-	-	14,406	
Transaction costs		(64)	-	-	-	(64)	
Total transactions with owners:		14,400	292	(350)	(4,778)	9,564	
As at 31 December 2021		53,336	(1,016)	2,776	8,911	64,007	

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

SUCCESS BERHAD
(Incorporated in Malaysia)

STATEMENT OF CHANGES IN EQUITY
AS AT 30 SEPTEMBER 2020

	Note	Attributable to owners of the Company					Reference
							101.10(c) *101.106* *101.107* *101.113*
	Note	**Share capital RM'000**	**Treasury shares RM'000**	**Other capital reserves RM'000**	**Retained earnings RM'000**	**Total RM'000**	
As at 1 October 2019		38,776	(1,548)	1,132	6,818	45,178	
Profit for the year		-	-	-	5,933	5,933	*101.106(d)(i)*
Other comprehensive income		-	-	-	(546)	(546)	*101.106(d)(ii)*
Total comprehensive income		-	-	-	5,387	5,387	*101.106(a)*
Share-based payments		-	-	596	-	596	
Transactions with owners:							*101.106(d)(iii)*
Dividends	29	-	-	-	(3,200)	(3,200)	*101.107*
Exercise of options		160	240	(400)	-	-	
Total transactions with owners:		160	240	(400)	(3,200)	(3,200)	
As at 30 September 2020		38,936	(1,308)	1,328	9,005	47,961	

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

SUCCESS BERHAD
(Incorporated in Malaysia)

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

Reference
101.10(d)
101.113
107.10
107.18(b)

	Note	1.10.2020 to 31.12.2021 RM'000	1.10.2019 to 30.09.2020 RM'000 Restated
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax from continuing operations		22,216	17,760
Profit/(loss) before tax from discontinued operations		734	(203)
Profit before tax		22,950	17,557
Adjustments for:			
Depreciation of property, plant and equipment	5	12,534	8,066
Depreciation of right-of-use assets	8	329	366
Fair value gain on investment properties	6	(899)	(856)
Fair value loss on derivative financial assets or liabilities	33	20	18
Amortisation of intangible assets	7	1,000	700
Impairment loss on:			
- trade receivables	14	6,204	7,790
- other receivables	14	-	2,588
Gain on disposal of property, plant and equipment	33	(100)	(82)
Reversal of impairment losses on:			
- trade receivables	14	(3,315)	(300)
- other receivables	14	(1,026)	-
Unrealised gain on foreign exchange	33	(1,018)	(962)
Unrealised loss on foreign exchange	33	371	639
Inventories written off	13	14,771	6,283
Reversal of inventories written off	13	(123)	-
Share of profit of:			
- associate company	10	(1,061)	(1,058)
- joint venture	11	(281)	(218)
Impairment of property, plant and equipment	5	-	15
Impairment of intangible assets	7	500	-
Interest expense	32	2,732	2,536
Interest income	33	(404)	(290)
		53,184	42,792
Working capital changes:			
Increase in right of return assets		(390)	(146)
(Increase)/Decrease in inventories		(19,111)	3,802
(Increase)/Decrease in prepayment		(397)	122
Decrease/(Increase) in contract assets		1,278	(3,460)
Increase in trade and other receivables		(5,177)	(11,304)
Increase in trade and other payables		16,352	3,977
Increase in contract liabilities		4,936	1,692
Increase in refund liabilities		796	4,096
Movement in provision		(1,042)	150
Movement in government grant		(300)	(298)
		50,129	41,423
Interest paid	32	(2,732)	(2,536)
Interest received	33	404	290
Income tax paid		(6,081)	(6,844)
Net cash flows from operating activities ①		41,720	32,333

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

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2021 (continued)

Reference
101.10(d)
101.113
107.10
107.18(b)

	Note	1.10.2020 to 31.12.2021 RM'000	1.10.2019 to 30.09.2020 RM'000 Restated
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		141	96
Purchase of property, plant and equipment	5	(17,930)	(9,460)
Purchase of investment properties	6	(921)	(1,281)
Purchase of financial instruments		(3,724)	(1,506)
(Placement)/Withdrawal of fixed deposit		(401)	831
Development expenditures		-	(2,237)
Acquisition of a subsidiary, net of cash acquired	9	(26,045)	(5,900)
Acquisition of non-controlling interest	9	(650)	-
Receipt of government grants		5,588	500
Net cash flows used in investing activities		(43,942)	(18,957)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issuance of shares	19	14,406	-
Transaction costs on issue of shares	19	(64)	-
Repayment/drawdown of borrowings		(2,715)	187
Dividends paid to equity holders of the parent	29	(2,336)	(3,200)
Dividends paid to non-controlling interests		(60)	(98)
Net cash flows from/(used in) financing activities		9,231	(3,111)
Net increase in cash and cash equivalents		7,009	10,265
Net foreign exchange difference		103	(55)
Cash and cash equivalents at 1 October		29,729	19,519
Cash and cash equivalents at 31 December/30 September		36,841	29,729
Deposits with licensed banks	17	4,883	4,650
Less:			
Fixed deposits with maturity of more than 3 months		(2,183)	(1,782)
Overdraft		(498)	(241)
		2,202	2,627
Cash and bank balances	17	30,173	25,182
Cash and bank balances classified as held for sale	18	4,466	1,920
Cash and cash equivalents at 31 December/30 September		36,841	29,729

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

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2021 (continued)

Reference
101.10(d)
101.113
107.10
107.18(b)

	Note	2021 RM'000	2020 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		4,448	6,254
Adjustments for:			
Depreciation of property, plant and equipment	5	501	479
Fair value gain on investment properties	6	(899)	(856)
Fair value loss on derivative financial assets or liabilities	33	2	3
Impairment loss on amount owing by subsidiaries	14	1,406	2,681
Impairment loss on investment in subsidiary companies	9	1,000	-
Reversal of impairment of amount owing by subsidiaries	14	-	(11,347)
		6,458	(2,786)
Working capital changes:			
Increase in prepayment		(22)	(28)
(Increase)/decrease in trade and other receivables		(6,617)	12,971
(Increase)/decrease in trade and other payables		(3,055)	2,444
		(3,236)	12,601
Income tax paid		(267)	(317)
Net cash flows (used in)/from operating activities		(3,503)	12,284
CASH FLOWS FROM INVESTING ACTIVITIES			
Placement of fixed deposits		(281)	-
Purchase of property, plant and equipment	5	(802)	(3,028)
Purchase of investment properties	6	(921)	(1,281)
Additional investment in subsidiary companies	9	(5,176)	(1,117)
Net cash flows used in investing activities		(7,180)	(5,426)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid	29	(2,336)	(3,200)
Proceeds from issuance of shares	19	14,406	-
Transaction costs on issuance of shares	19	(64)	-
Net cash flows from/(used in) investing activities		12,006	(3,200)
Net increase in cash and cash equivalents		1,323	3,658
Cash and cash equivalents at 1 October		9,390	5,732
Cash and cash equivalents at 31 December/ 30 September		10,713	9,390
Deposits with licensed banks	17	1,638	949
Less:			
Fixed deposits with maturity of more than 3 months		(281)	-
		1,357	949
Cash and bank balances	17	9,356	8,441
Cash and cash equivalents at 31 December/ 30 September		10,713	9,390

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

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2021 (continued)

Reference

Commentary:

① MFRS 107 Statement of Cash Flows and other standards do not specify where cash flows from interest and dividends received and paid should be presented. Cash flows from interest and dividends received and paid shall each be disclosed separately in a consistent manner from period to period as either operating, investing or financing activities. *107.31*

In accordance with MFRS 107, an entity has a policy choice for the classification of interest paid and interest and dividends received in statements of cash flows, either: *107.33*

(i) classified as operating cash flows because they enter into the determination of profit or loss; or
(ii) classified as financing cash flows and investing cash flows respectively, because they are costs of obtaining financial resources or returns on investments.

NOTES TO THE FINANCIAL STATEMENTS
for the financial period ended 31 December 2021

Reference
101.10(e)
101.51(c)
101.112

1. GENERAL INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad. *101.51(a)* *101.138(a)*

The holding company is Parent Holdings Sdn. Bhd., a company incorporated in Malaysia. *101.138(c)*

The Company's registered office is located at [address].

The principal place of business is located at [address].

The consolidated financial statements of the Company as at and for the financial period ended 31 December 2021 comprise the Company and its subsidiaries (together referred to as the "Group"). The financial statements of the Company as at and for the financial period ended 31 December 2021 do not include other entities.

The Company is principally engaged in the business of investment holding. *101.138(b)*

The information on the name, place of incorporation, principal activities and percentage of issued and paid-up share capital held by the holding company in each subsidiaries are as disclosed in Note 9 to the financial statements. *101.138(b)*

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

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 30 April 2022. *110.17*

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

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 ("MFRS"), International Financial Reporting Standards ("IFRS") and the requirements of the Companies Act 2016 ("CA 2016") in Malaysia. *101.16* *101.MY16.1* *101.114(c)(i)*

For all periods up to and including the year ended 30 September 2020, the Group and the Company prepared its financial statements in accordance with Malaysian Private Entities Reporting Standards ("MPERS"). These financial statements for the period ended 31 December 2021 are the first time the Group and the Company has prepared in accordance with MFRS. The transition for first-time adoption of MFRS is disclosed in Note 2.2 to the financial statements. *1.7*

Reference

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS (continued)

2.2 First-time adoption of MFRS

The Group and the Company has prepared financial statements that comply with MFRS applicable as at 31 December 2021, together with the comparative financial statements for the financial year ended 30 September 2020. In preparing the financial statements, the Group's and the Company's opening statement of financial position was prepared as at 1 October 2019, the Group's and the Company's date of transition to MFRS. *1.8 - 17*

In accordance with MFRS 1, first-time adopters are allowed to apply for certain exemptions from the retrospective application under MFRS requirements. The Group and the Company has applied the following exemptions: *1.18*

(a) Business combinations

MFRS 3 Business Combinations is not applied to either acquisitions of subsidiaries that are considered businesses under MFRS, or acquisitions of interests in associates and joint ventures that occurred before 1 January 2020. Under this exemption, the MPERS carrying amounts of assets and liabilities, that are required to be recognised under IFRS, are their deemed cost at the date of the acquisition. After the date of the acquisition, measurement is in accordance with MFRS. Assets and liabilities that do not qualify for recognition under MFRS are excluded from the opening MFRS statement of financial position. *1.Appx C*

MFRS 1 also requires that the MPERS carrying amount of goodwill must be used in the opening MFRS statement of financial position (apart from adjustments for goodwill impairment and recognition or derecognition of intangible assets). In accordance with MFRS 1, the Group has tested goodwill for impairment at the date of transition to MFRS. There was no impairment recognised on goodwill at 1 October 2019.

(b) The effects of changes in foreign exchange rates *1.Appx D36*

The Group elects not to adjust retrospectively effects of changes in foreign exchange to fair value adjustments and goodwill from business combinations that occurred before the date of transition to MFRS. Such fair value adjustments and goodwill are treated as assets and liabilities of the parent rather than as assets and liabilities of the acquiree.

Therefore, those assets and liabilities are already expressed in the functional currency of the parent or are non-monetary foreign currency items and no further translation differences occur.

Reference

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS (continued)

2.2 First-time adoption of MFRS (continued)

(c) Property, plant and equipment

1.Appx D5 - D8

Freehold land and buildings, other than investment property, were carried in the statement of financial position prepared in accordance with MPERS on the basis of valuations performed on 30 September 2019. The Group and the Company has elected to regard those values as deemed cost at the date of the revaluation since they were broadly comparable to fair value.

Certain items of property, plant and equipment have been measured at fair value at the date of transition to MFRS.

(d) Lease liabilities

1.Appx D9 - D9E

The Group and the Company assessed all contracts existing at 1 October 2019 to determine whether a contract contains a lease based upon the conditions in place as at 1 October 2019.

Lease liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate at 1 October 2019. Right-of-use assets were measured at the amount equal to the lease liabilities, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the statement of financial position immediately before 1 October 2019.

The lease payments associated with leases for which the lease term ends within 12 months of the date of transition to MFRS and leases for which the underlying asset is of low value have been recognised as an expense on either a straight-line basis over the lease term or another systematic basis.

Reference

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS (continued)

2.2 First-time adoption of MFRS (continued)

The comparative financial statements are restated as follows: *1.21*

Group reconciliation of equity as at 30 September 2020

	MPERS RM'000	Reclassification and remeasurements RM'000	MFRS as at 30.09.2020 RM'000
Non-current assets			
Property, plant and equipment	48,885	(227)	48,658
Investment properties	15,966	-	15,966
Intangible assets	5,765	(843)	4,922
Start-up cost	700	(700)	-
Right-of-use assets	5,464	-	5,464
Investment in an associate	2,877	-	2,877
Investment in a joint venture	2,155	-	2,155
Non-current financial assets	5,607	25	5,632
Deferred tax assets	730	-	730
	88,149	(1,745)	86,404
Current assets			
Inventories	47,660	-	47,660
Right of return assets	1,858	-	1,858
Trade and other receivables	44,099	481	44,580
Contract assets	10,360	-	10,360
Prepayments	330	-	330
Other current financial assets	306	-	306
Cash and short-term deposits	29,832	-	29,832
	134,445	481	134,926
Total assets	222,594	(1,264)	221,330

Reference

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS (continued)

2.2 First-time adoption of MFRS (continued)

Group reconciliation of equity as at 30 September 2020 (continued) *1.21*

	MPERS	Reclassification and remeasurements	MFRS as at 30.09.2020
	RM'000	RM'000	RM'000
Equity			
Share capital	38,936	-	38,936
Treasury shares	(1,308)	-	(1,308)
Other capital reserves	1,728	-	1,728
Retained earnings	53,147	(1,289)	51,858
Other components of equity	(1,035)	25	(1,010)
Equity attributable to owners of the parent	91,468	(1,264)	90,204
Non-controlling interests	1,480	-	1,480
Total equity	92,948	(1,264)	91,684
Non-current liabilities			
Interest-bearing loans and borrowings	46,626	-	46,626
Provisions	38	-	38
Government grants	2,800	-	2,800
Contract liabilities	1,776	-	1,776
Net employee defined benefit liabilities	5,954	-	5,954
Deferred tax liabilities	1,214	-	1,214
	58,408	-	58,408
Current liabilities			
Trade and other payables	40,046	-	40,046
Contract liabilities	4,972	-	4,972
Refund liabilities	11,688	-	11,688
Interest-bearing loans and borrowings	6,284	-	6,284
Other current financial liabilities	508	-	508
Government grants	302	-	302
Current tax liabilities	7,126	-	7,126
Provisions	312	-	312
	71,238	-	71,238
Total liabilities	129,646	-	129,646
Total equity and liabilities	222,594	(1,264)	221,330

Reference

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS (continued)

2.2 First-time adoption of MFRS (continued)

The comparative financial statements are restated as follows: *1.21*

Group reconciliation of equity as at 1 October 2019

	MPERS RM'000	Reclassification and remeasurements RM'000	MFRS as at 01.10.2019 RM'000
Non-current assets			
Property, plant and equipment	47,792	(136)	47,656
Investment properties	13,829	-	13,829
Intangible assets	4,228	(843)	3,385
Start-up cost	800	(800)	-
Right-of-use assets	5,830	-	5,830
Investment in an associate	1,819	-	1,819
Investment in a joint venture	1,937	-	1,937
Non-current financial assets	4,546	-	4,546
Deferred tax assets	642	-	642
	81,423	(1,779)	79,644
Current assets			
Inventories	48,592	-	48,592
Right of return assets	1,712	-	1,712
Trade and other receivables	41,205	359	41,564
Contract assets	6,900	-	6,900
Prepayments	452	-	452
Other current financial assets	274	-	274
Cash and short-term deposits	22,132	-	22,132
	121,267	359	121,626
Total assets	202,690	(1,420)	201,270
Equity			
Share capital	38,776	-	38,776
Treasury shares	(1,548)	-	(1,548)
Other capital reserves	1,132	-	1,132
Retained earnings	44,564	(1,400)	43,164
Other components of equity	(836)	-	(836)
Equity attributable to owners of the parent	82,088	(1,400)	80,688
Non-controlling interests	436	(20)	416
Total equity	82,524	(1,420)	81,104

Reference

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS (continued)

2.2 First-time adoption of MFRS (continued)

Group reconciliation of equity as at 1 October 2019 (continued) *1.21*

	MPERS RM'000	Reclassification and remeasurements RM'000	MFRS as at 01.10.2019 RM'000
Non-current liabilities			
Interest-bearing loans and borrowings	42,716	-	42,716
Provisions	30	-	30
Government grants	2,600	-	2,600
Contract liabilities	1,384	-	1,384
Net employee defined benefit liabilities	5,052	-	5,052
Deferred tax liabilities	1,560	-	1,560
	53,342	-	53,342
Current liabilities			
Trade and other payables	35,919	-	35,919
Contract liabilities	3,672	-	3,672
Refund liabilities	7,592	-	7,592
Interest-bearing loans and borrowings	9,668	-	9,668
Other current financial liabilities	606	-	606
Government grants	300	-	300
Current tax liabilities	8,897	-	8,897
Provisions	170	-	170
	66,824	-	66,824
Total liabilities	120,166	-	120,166
Total equity and liabilities	202,690	(1,420)	201,270

Reference

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS (continued)

2.2 First-time adoption of MFRS (continued)

Group reconciliation of total comprehensive income for the year ended 30 September 2020 1.21

1.24
1.25
1.26
1.27
1.28

	MPERS RM'000	Reclassification and remeasurements RM'000	MFRS for the year ended 30.09.2020 RM'000
Continuing operations			
Revenue	320,930	-	320,930
Cost of sales	(256,772)	-	(256,772)
Gross profit	64,158	-	64,158
Other operating income	5,096	-	5,096
Selling and distribution expenses	(25,928)	-	(25,928)
Administrative expenses	(22,733)	(1,289)	(24,022)
Other operating expenses	(706)	-	(706)
Operating profit	19,887	(1,289)	18,598
Finance costs	(2,536)	-	(2,536)
Finance income	290	-	290
Other income	132	-	132
Share of profit of an associate and a joint venture	1,276	-	1,276
Profit before tax from continuing operations	19,049	(1,289)	17,760
Income tax expenses	(4,466)	-	(4,466)
Profit for the year from continuing operations	14,583	(1,289)	13,294
DISCONTINUED OPERATIONS			
Loss after tax for the year from discontinued operations	(376)	-	(376)
Profit/(Loss) for the year	14,207	(1,289)	12,918

Reference

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS (continued)

2.2 First-time adoption of MFRS (continued)

Group reconciliation of total comprehensive income for the year ended 30 September 2020 (continued)

1.21
1.24
1.25
1.26
1.27
1.28

	MPERS RM'000	Reclassification and remeasurements RM'000	MFRS for the year ended 30.9.2020 RM'000
Other comprehensive income			
Exchange differences on translation of foreign operations	(234)	-	(234)
Net gain/(loss) on cash flow hedges	85	(37)	48
Net loss on debt instruments at fair value through OCI	(2)	-	(2)
Net other comprehensive loss that may be reclassified to profit or loss in subsequent periods	(151)	(37)	(188)
Other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent periods (net of tax):			
Net (loss)/gain on equity instruments designated at fair value through OCI	(48)	62	14
Remeasurement gain/(loss) on defined benefit plans	(546)	-	(546)
Net other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent periods	(594)	62	(532)
Other comprehensive income/(loss) for the year, net of tax	(745)	25	(720)
Total comprehensive income for the year, net of tax	13,462	(1,264)	12,198

Reference

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS (continued)

Commentary:
If the Company not first-time adoption of MFRS

2.2 Adoption of Amendments to MFRSs and Annual Improvements

At the beginning of the financial year, the Group and the Company adopted the following Amendments to MFRSs and Annual Improvements which are mandatory for the financial periods beginning on or after 1 January 2021:

Amendments to MFRS 9	Financial Instruments
Amendments to MFRS 139	Financial Instruments: Recognition and Measurement
Amendments to MFRS 7	Financial Instruments: Disclosure
Amendments to MFRS 4	Insurance Contracts
Amendments to MFRS 16	Leases

Amendments to References to Conceptual Framework in IFRS Standards

The adoption of the above pronouncements did not have any material impact on the financial statements of the Group and of the Company.

2.3 Standards issued but not yet effective

The Group and the Company has not adopted the following Standards, Amendments and Annual Improvements that have been issued but are not yet effective by the Malaysian Accounting Standards Board ("MASB"). *108.30&31*

Effective for financial periods beginning on or after 1 April 2021

Amendments to MFRS 16	Leases

Effective for financial periods beginning on or after 1 January 2022

Amendments to MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards
Amendments to MFRS 3	Business Combinations
Amendments to MFRS 9	Financial Instruments
Amendments to MFRS 116	Property, Plant and Equipment
Amendments to MFRS 137	Provisions, Contingent Liabilities and Contingent Assets
Amendments to MFRS 141	Agriculture

Amendments to Annual Improvements to MFRS Standards 2018-2020

Effective for financial periods beginning on or after 1 January 2023

MFRS 17	Insurance Contracts
Amendments to MFRS 101	Presentation of Financial Statements
Amendments to MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors
Amendments to MFRS 112	Income Taxes

Reference

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS (continued)

2.3 Standards issued but not yet effective (continued) *108.30&31*

Effective date to be determined by Malaysian Accounting Standards Board

Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The Group and the Company will adopt the above mentioned standards, amendments or interpretations, if applicable, when they become effective in respective financial periods. The Directors do not expect any material impact to the financial statements of the upon adoption above pronouncements.

2.4 Basis of measurement

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

2.5 Functional and presentation currency

These financial statements are presented in Ringgit Malaysia ("RM"), which is the Group's and the Company's functional currency. All financial information are presented in RM, unless otherwise stated.

Commentary:

Illustrative disclosure when there are significant doubts about going concern but mitigating actions judged sufficient to make going concern appropriate and material uncertainties about going concern remain after considering mitigating actions (Material Uncertainty Related to Going Concern) *101.25*

Financial statements are prepared on going concern assumption. The disclosure of going concern is by exception. If there are material uncertainties affecting the ability of a reporting entity to continue as a going concern, those uncertainties should be disclosed together with the reasons supporting the preparation of the financial statements as a going concern. Accordingly, the management shall adequately disclose the following:

(i) the principal events or conditions that may cast significant doubt on the entity's ability to continue as a going concern;
(ii) management's plans to deal with these events or conditions; and
(iii) the material uncertainty related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

The illustrative disclosure is as follows:

2.x Fundamental accounting principle

The financial statements of the Group have been prepared on the assumption that the Group will continue as a going concern. The application of the going concern basis is based on the assumption that the Group will be able to realise its assets and discharge its liabilities in the normal course of business.

Reference

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS (continued)

Commentary:

2.x Fundamental accounting principle (continued)

During the financial year ended 31 December 20XX, the Group incurred a net loss of RMXXX and, as of that date, the Group's current liabilities exceeded its current assets by RMXXX. These events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. *101.25*

The ability of the Group and the Company to operate as going concern is dependent on successful outcome and implementation of the current business plans to generate sufficient cash in the future to fulfil their obligations as and when they fall due. The financial statements of the Company do not include any adjustment relating to the amount and classification of assets and liabilities that might be necessary should the Company be unable to continue as a going concern.

In the event that these are not forthcoming, the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. Accordingly, the financial statements of the Group may require adjustments relating to the recoverability and classification of recorded assets and liabilities that may be necessary should the Group be unable to continue as going concern.

The directors of the Company are of the opinion that the preparation of the financial statements of the Group and of the Company on a going concern basis remains appropriate as they believe XXX, and accordingly, realise their assets and discharge their liabilities in the normal course of business.

Reference

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 December 2021.

The financial statements of the Company's subsidiaries are prepared for the same reporting date as the Company, using consistent accounting policies to like transactions and events in similar circumstances. *10.B92*

(a) Subsidiaries and business combination

Subsidiaries are entities over which the Group has control. The Group controls an entity when the Group has power over the entity, has exposure to or rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Company has such power over another entity. *10.6* *10.7*

In the Company's separate financial statements, investments in subsidiaries are stated at cost less impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.6 below. On disposal of such investments, the difference between the net disposal proceeds and their carrying amounts is recognised in profit or loss. *127.10*

Subsidiaries are consolidated using the acquisition method of accounting. Under the acquisition method of accounting, subsidiaries are fully consolidated from the date on which control is transferred to the Group and de-consolidated from the date that control ceases. The consideration is measured at the fair value of the assets given, equity instruments issued and liabilities incurred at the date of exchange. ①②③ *10.20*

Commentary:

① **In cases where merger accounting is applied:**

The Group applies the acquisition method of accounting except for those business combinations which were accounted for using merger method of accounting. Three subsidiaries (i.e. ABC Sdn Bhd, DEF Sdn Bhd and GHI Sdn Bhd) are consolidated using acquisition method of accounting, the rest of the subsidiaries are accounted for using the merger method of accounting.

A business combination involving entities under common control is a business combination in which all the combining entities or subsidiaries are ultimately controlled by the same party and parties both before and after the business combination, and that control is not transitory. Subsidiaries acquired which have met the criteria for pooling of interest are accounted for using merger accounting principles. Under the merger method of accounting, the results of subsidiaries are presented as if the business combination had been affected throughout the current and previous financial years. The assets and liabilities combined are accounted for based on the carrying amounts from the perspective of the common control shareholder at the date of transfer. On consolidation, the difference between costs of acquisition over the nominal value of share capital of the subsidiaries is taken to merger reserve or merger deficit. *3.B1-B4*

Reference

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.1 Basis of consolidation (continued)

(a) Subsidiaries and business combination (continued)

Commentary: (continued)

② **In cases where reorganisation scheme is applied:**

Acquisition of entities under a reorganisation scheme does not result in any change in economic substance. Accordingly, the consolidated financial statements of the Company are a continuation of the acquired entity and is accounted for as follows:

(i) the assets and liabilities of the acquired entity are recognised and measured in the consolidated financial statements at the pre-combination carrying amounts, without restatement to fair value;

(ii) the retained earnings and other equity balances of acquired entity immediately before the business combination are those of the Group; and

(iii) the equity structure, however, reflects the equity structure of the Company and the differences arising from the change in equity structure of the Group will be accounted for in other reserves.

③ **In cases where reverse acquisition is applied:**

On XXX, the Company had entered into a share sales agreement to acquire the entire equity interests in ABC Sdn Bhd. The said acquisition was completed on XXX and ABC Sdn Bhd became a wholly owned subsidiary of the Company.

In substance, ABC Sdn Bhd is the accounting acquirer although legally the Company is regarded as the legal parent and ABC Sdn Bhd is regarded as the legal subsidiary as ABC Sdn Bhd has the power to govern the financial and operating policies of the Company so as to obtain benefits from its activities. *3.B19*

Accordingly, the consolidated financial statements of the Group prepared following a reverse acquisition represent a continuation of the financial statements of ABC Sdn Bhd. Under the reverse acquisition accounting:

(i) the assets and liabilities of ABC Sdn Bhd are recognised and measured at their precombination carrying value;
(ii) the retained earnings and other equity balances of ABC Sdn Bhd immediately before the business combination are those of the Group;
(iii) the amount recognised as issued equity instruments in the consolidated financial statements is determined by adding to the issued equity interest of ABC Sdn Bhd outstanding immediately before the business combination the cost of combination. However, the equity structure reflects the equity structure of the Company, including the equity interests issued by the Company to effect the combination; and

Reference

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.1 Basis of consolidation (continued)

(a) Subsidiaries and business combination (continued)

Commentary: (continued)

③ **In cases where reverse acquisition is applied:** (continued)

(iv) the comparative information presented in the consolidated financial statements is that of ABC

Business combinations involving entities under common control are accounted for by applying the pooling of interest method. The assets and liabilities of the combining entities are reflected at their carrying amounts reported in the consolidated financial statements of the controlling holding company. Any difference between the consideration paid and the share capital of the "acquired" entity is reflected within equity as merger reserve. The statement of profit or loss and OCI reflects the results of the combining entities for the full year, irrespective of when the combination takes place. Comparatives are presented as if the entities have always been combined since the date the entities had come under common control. *3.B1 3.B21 3.B22*

All other business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at fair value on the date of acquisition and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquirer's identifiable net assets at the acquisition date. Acquisition-related costs are expensed as incurred and included in administrative expenses. *3.4 3.18 3.19 3.53 3.B64(m)*

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree. *3.15 3.16*

If the business combination is achieved in stages, any previously held equity interest is remeasured at fair value on the date of acquisition and any resulting gain or loss is recognised in profit or loss or OCI. *3.42*

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of ' 9 Financial Instruments, is measured at fair value with changes in fair value recognised in either profit or loss or as a change to OCI. If the contingent consideration is not within the scope of ' 9, it is measured in accordance with the appropriate '. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity. *3.39 3.58*

Reference

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.1 Basis of consolidation (continued)

(a) Subsidiaries and business combination (continued)

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss. *3.32* *3.36*

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.6. *3.B63(a)* *136.80*

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained. *136.86*

A change in the ownership interest of a subsidiary, without loss of control, is accounted for as an equity transaction. If the Group losses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts; *10.25*
- Derecognises the carrying amount of any non-controlling interest in the former subsidiary; *10.B98* *10.B99*
- Derecognises the cumulative foreign exchange translation differences recorded in equity;
- Recognises the fair value of the consideration received;
- Recognises the fair value of any investment retained in the former subsidiary;
- Recognises any surplus or deficit in the profit or loss; and
- Reclassifies the parent's share of components previously recognised in other comprehensive income ("OCI") to profit or loss or retained earnings, if required in accordance with other 's.

All of the above will be accounted for from the date when control is lost.

Reference

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.1 Basis of consolidation (continued)

(b) Non-controlling interests

Non-controlling interests ("NCI") represent the portion of profit or loss and net assets in subsidiaries not owned, directly and indirectly by the Company. NCI are presented separately in the consolidated statements of profit or loss and OCI and within equity in the consolidated statement of financial position, but separate from parent shareholders' equity. Total comprehensive income is allocated against the interest of NCI, even if this results in a deficit balance. Changes in the Company owners' ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the parent. *10.B94* *10.B96*

(c) 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. *10.B86*

(d) Investment in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies. *128.03*

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. *128.03* *11.16* *11.07*

The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries.

The Group's investment in its associate and joint venture are accounted for using the equity method. *128.10*

Under the equity method, the investment in an associate or a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment separately. *128.10* *128.32*

Reference

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.1 Basis of consolidation (continued)

(d) Investment in associates and joint ventures (continued)

The statement of profit or loss reflects the Group's share of the results of operations of the associate or joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture. *101.82*

The aggregate of the Group's share of profit or loss of an associate and a joint venture is shown on the face of the statement of profit or loss outside operating profit and represents profit or loss after tax and noncontrolling interests in the subsidiaries of the associate or joint venture.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognises the loss within 'Share of profit of an associate and a joint venture' in the statement of profit or loss. *128.40*

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. *128.28 128.29*

Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss. *128.22(c)*

NOTES TO THE FINANCIAL STATEMENTS
for the financial period ended 31 December 2021

Reference

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.1 Basis of consolidation (continued)

Commentary:

If the Group and the Company have joint arrangement, the illustrative disclosure is as follows:

(e) 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. *11.5* *11.7*

Joint arrangements are classified and accounted for as follows:

(i) 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 the assets (including its share of any assets held jointly), the 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). *11.15* *11.20*

(ii) 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 interest in the joint venture using the equity method in accordance with ' 128 Investments in Associates and Joint Ventures. *11.16* *11.24*

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

3.2 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. The cost of an item of property, plant and equipment initially recognised includes its purchase price, any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management and costs of dismantling and removing the items and restoring the site on which they are located. Cost also includes borrowing costs that are directly attributable to the acquisition, construction, or production of a qualifying asset. *116.30* *116.16* *123.22*

 Reference

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 Property, plant and equipment (continued)

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance costs are charged to the profit or loss during the financial year in which they are incurred. *116.7 116.12 116.13*

When an asset is revalued, the accumulated depreciation is eliminated against the gross carrying amount of the asset. The net amount is then restated to the revalued amount of the asset. When an asset's carrying amount is increased as a result of a revaluation, the increase is recognised in OCI as a revaluation surplus reserve. When the asset's carrying amount is decreased as a result of a revaluation, the decrease is recognised in profit or loss. However, the decrease is recognised in to the extent of any credit balance existing in the revaluation surplus reserve of that asset. *116.29 116.35 (b) 116.39 116.40 116.41*

Freehold land and buildings and leasehold land and buildings are stated at their revalued amount, being its fair value at the date of revaluation, less subsequent accumulated depreciation and subsequent impairment losses, if any. Revaluation is made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the reporting date. *116.31*

Except for freehold land and building under construction, depreciation on the property, plant and equipment are calculated so as to write off the cost or valuation of the assets to their residual values on a straight line basis over the expected useful lives of the assets, summarised as follows: *116.43 116.46 116.50 116.73(b)*

Freehold buildings	50 - 100 years	*116.73(c)*
Leasehold buildings	Over the period of lease (65 - 93 years)	
Electrical fittings	10 - 20 years	
Motor vehicles	4 - 10 years	
Furniture and fittings, laboratory, signboard, research and development, demo, store, office, equipment and machinery	4 - 20 years	
Renovation	5 - 10 years	

Depreciation of an asset begins when it is ready for its intended use.

Freehold land is not depreciated as it has an infinite life. *116.58*

Building under construction in property, plant and equipment are not depreciated as these assets are not yet available for use.

Reference

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 Property, plant and equipment (continued)

Residual values and useful lives of assets are reviewed, and adjusted if appropriate, at each reporting date. *116.51* *116.61*

At each reporting date, the Group and the Company assess whether there is any indication of impairment. If such indications exist, an analysis is performed to assess whether the carrying amount of the asset is fully recoverable. A write down is made if the carrying amount exceeds the recoverable amount.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains and losses on disposals are determined by comparing proceeds with carrying amounts and are included in the profit or loss. On disposal of revalued assets, amounts in the revaluation reserve relating to those assets are transferred to retained earnings. *116.67* *116.68* *116.71*

3.3 Investment properties carried at fair value

Investment properties are properties which are owned or held under a leasehold interest to earn rental income or for capital appreciation or both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. *140.5*

Investment properties are initially measured at cost, including transaction costs and subsequently at fair value, representing open market value determined annually by independent valuers or assessed by the Directors. Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific assets. If this information is not available, the Group will use alternative valuation method such as recent prices on less active markets or discounted cash flow projections. Changes in fair values are recognised in profit or loss for the period in which they arise. *140.20* *140.30* *140.33* *140.35*

The cost of major renovations and improvements is capitalised and the carrying amounts of the replaced components are recognised in profit or loss. The cost of maintenance, repairs and minor improvements is recognised in profit or loss when incurred. *140.18* *140.19*

Investment property is derecognised when either it has been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gain or loss on the retirement or disposal of an investment property is recognised in profit or loss in the year of retirement or disposal. *140.66* *140.69*

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. For a transfer from owner-occupied property to investment property, the property is accounted for in accordance with the accounting policy for property, plant and equipment up to the date of change in use. *140.57* *140.60* *140.61*

Reference

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.3 Investment properties carried at fair value (continued)

Commentary:

In accordance with ' 140, an entity has a policy choice to account for investment properties either in accordance with the fair value model or the cost model. The model selected is applied to all investment properties (subject to exception cases when the entity is unable to determine fair value reliably on certain property – See Paragraph 53 and 54 of ' 140). *140.3*

When a lessee uses the fair value model to measure an investment property that is held as a right-of-use asset, it shall measure the right-of-use asset, and not the underlying property, at fair value. *140.40A*

If the entity accounts for investment property using cost model, then it discloses the depreciation method and the useful lives or the depreciation rates used, as well as the fair value of such investment property. *140.79*

Illustrative accounting policy where the entity accounts the entire investment properties at cost model:

The Group uses the cost model to measure its investment properties after initial recognition. Accordingly, investment properties are stated 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 3.6.

3.4 Intangible assets

An intangible asset shall be recognised if, and only if it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and that the cost of the asset can be measured reliably. An entity shall assess the probability of the expected future economic benefits using reasonable and supportable assumptions that represent management's best estimate of the set of economic conditions that will exist over the useful life of the asset. An intangible asset shall be measured initially at cost. *138.21* *138.22*

The useful lives of intangible assets are assessed to be either finite or indefinite. *138.88*

Intangible assets with finite lives are amortised over their useful economic lives and assessed for impairment whenever there is an indication that the intangible assets may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed annually. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the profit or loss in the expense category consistent with the function of the intangible asset. *138.88* *136.09*

Reference

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.4 Intangible assets (continued)

Intangible assets that have been capitalised are amortised on a straight line basis over the period of their expected benefit, but not exceeding 5 years commencing from the period when the intangible assets are available for use. *based on Company policy*

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash generating unit level. Such intangible are not amortised. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is made on a prospective basis. *136.09*

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss. *138.112 (Applicable if any disposal during the yr)*

3.5 Research and development expenditure

Research expenditure is recognised as an expense when it is incurred.

Development expenditure is recognised as an expense except that expenditure incurred on development projects relating to the design and testing of new or improved products or process are recognised as intangible assets if, and only if an entity can demonstrate all of the following: *138.54 138.57*

(i) its ability to measure reliably the expenditure attributable to the assets under development;
(ii) the product or process is technically and commercially feasible;
(iii) its future economic benefits are probable;
(iv) its ability to use or sell the developed asset; and
(v) the availability of adequate technical, financial and other resources to complete the assets under development.

Capitalised development expenditures are measured at cost less accumulated amortisation and impairment losses, if any. Development expenditure initially recognised as an expense is not recognised as assets in the subsequent period. *138.74*

Development expenditures are amortised on a straight-line basis over its useful life. Impairment is assessed whenever there is an indication of impairment and the amortisation period and method are also reviewed at the end of each reporting period. See accounting policy Note 3.6 on impairment of non-financial assets. *based on Company policy*

136.09

Reference

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.6 Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when an annual impairment assessment for an asset is required, the Company make an estimate of the asset's recoverable amount. *136.2 136.9 136.10(a)*

For plant and equipment that are not yet available for use, the recoverable amount is estimated at each financial year end or more frequently when indicators of impairment are identified.

An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use. For the purpose of impairment testing, assets are grouped together in to 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 ("CGU"). *136.10 136.80*

In assessing value in use, the estimated future cash flows expected to be generated by the assets are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is written down 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. *136.6 136.30 136.66 136.59 136.104*

Impairment losses are recognised in profit or loss except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in up to the amount of any previous revaluation. *136.60 136.61*

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. A previously recognised impairment loss is reversed only when there has been a change in the estimates used to determine the assets recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of that asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognised previously. 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. Impairment loss on goodwill is not reversed in a subsequent year. *136.110 136.114 136.117 136.119 136.24*

Reference

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.7 Inventories

Inventories are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost of inventories is measured by using the weighted average cost formula. *102.9 102.10 102.12 102.13 102.25*

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. *102.6*

Property under development

Cost includes freehold and leasehold rights for land, amount 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. *102.23*

3.8 Non-current assets held for sale

Non-current assets or disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. The criteria for held for sale classification is regarded as met only when: *5.6 5.7 5.8*

(i) the asset or disposal group is available for immediate sale in its present condition;
(ii) the management is committed to a plan to sell the asset and the asset or disposal group is actively marketed for sale at a price that is reasonable in relation to its current fair value; and
(iii) the sale is expected to be completed within one year from the date of classification and actions required to complete the plan indicates that it is unlikely that significant changes to the plan will be made or that the sale will be withdrawn.

Immediately before classification as held for sale, the assets, or components of a disposal group, are remeasured in accordance with the Group's accounting policies. Thereafter, generally the assets or disposal groups are measured at the lower of carrying amount and fair value less costs to sell. *5.15 5.18*

Reference

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.8 Non-current assets held for sale (continued)

Any impairment loss on the disposal group is first allocated to goodwill, and then to remaining assets and liabilities on pro-rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets and investment property that is measured at fair value, which continue to be measured in accordance with the Group's accounting policies. Impairment losses on initial classification as held for sale and subsequent gains or losses on remeasurement are recognised in profit or loss. A gain for any subsequent increase in fair value less costs to sell of an asset is recognised but not in excess of the cumulative impairment loss that has been recognised. *5.5 5.23 5.21*

Intangible assets and property, plant and equipment once classified as held for sale are not amortised or depreciated. In addition, equity accounting of equity-accounted associates and joint venture ceases once classified as held for sale. *5.25 128.20*

Assets and liabilities classified as held for sale are presented separately as current items in the statements of financial position. *101.54*

3.9 Discontinued operations

A disposal group qualifies as discontinued operation if it is a component of an entity that either has been disposed of, or is classified as held for sale, and: *5.32*

(i) represents a separate major line of business or geographical area of operations;
(ii) is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or
(iii) is a subsidiary acquired exclusively with a view to resale.

Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale. When an operation is classified as a discontinued operation, the comparative statements of profit or loss and OCI is re-presented as if the operation has been discontinued from the start of the comparative period. *5.34*

Reference

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.10 Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease based on whether the contract conveys to the user the right to control the use of an identified asset for a period of time in exchange for consideration. If a contract contains more than one lease component, or a combination of leasing and servicing elements, the consideration is allocated to each of the lease and non-lease components and on each subsequent re-measurement of the contract on the basis of their relative stand-alone selling prices. For a contract that is, or contains, a lease, an entity shall account for each lease component within the contract as a lease separately from non-lease components of the contract. *16.9 16.B9-B31*

(a) Group as a lessee

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows: ① *16.23-24 16.30 16.32*

Plant and machinery	3 to 15 years
Motor vehicles	3 to 5 years

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

Commentary:

① After the commencement date, a lessee shall measure the right-of-use asset applying a cost model, unless it applies either fair value model or the revaluation model. *16.29*

If a lessee applies the fair value model in MFRS140 Investment Property to its investment property, the lessee shall also apply that fair value model to right-of-use assets that meet the definition of investment property in MFRS140. *16.34*

If right-of-use assets relate to a class of property, plant and equipment to which the lessee applies the revaluation model in MFRS116, a lessee may elect to apply that revaluation model to all of the right-of-use assets that relate to that class of property, plant and equipment. *16.35*

Reference

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.10 Leases (continued)

(a) Group as a lessee (continued)

<u>Lease liabilities</u>

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. *16.26 16.27*

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs. *16.38(b)*

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset. *16.36(a) 16.36(b) 16.36(c) 16.40 16.42-43 16.45(c)*

<u>Short-term leases and leases of low-value assets</u>

The Group and the Company elected to apply exemption to those short term leases in which the lease term is 12 months or less from the commencement date and without purchase option. Besides, exemption is also applied for the lease of low value assets. The lease payments incurred on the exempted leases are recognised as expenses on a straight-line basis over the lease term. *16.21 16.51 16.60 16.5-6*

<u>Lease term</u>

The lease term includes non-cancellable period of a lease together with periods covered by an option to extend or terminate the lease if the Group and the Company are reasonably certain to exercise that option.

Under some of the leases, the Group and the Company are offered with the option to extend the lease term for additional one to two years. The Group and the Company apply judgement in considering all relevant facts and circumstances that create an economic incentive to exercise the extension option or not to exercise the termination option, to evaluate whether it is reasonably certain that the option will be exercised. After the commencement date, the Group and the Company reassess the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise the option to renew or not to terminate.

NOTES TO THE FINANCIAL STATEMENTS
for the financial period ended 31 December 2021

Reference

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.10 Leases (continued)

(b) Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned. *16.61-62* *16.81*

3.11 Financial assets *7.21* *7.B5*

(i) Classification

Financial assets are recognised in the statement of financial position when, and only when, the Company has become a party to the contractual provisions of the financial instruments. *9.3.1.1*

Financial assets are classified, at initial recognition, and subsequently measured at amortised cost, fair value through OCI ("FVOCI"), and fair value through profit or loss ("FVTPL"). *9.4.1.1*

(ii) Initial recognition and measurement

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company have applied the practical expedient, the Company initially measure a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Company have applied the practical expedient are measured at the transaction price determined under ' 15. *9.4.1.1* *9.5.1.3*

The Company's business model for managing financial assets refer to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. *9.4.1.2A*

NOTES TO THE FINANCIAL STATEMENTS
for the financial period ended 31 December 2021

Reference

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.11 Financial assets (continued)

(iii) Subsequent measurement

For the purpose of subsequent measurement under ' 9, financial assets are classified as follows: *9.5.2.1*

3.11.1 Financial assets at amortised cost

Financial assets shall be measured at amortised cost if both of the following conditions are met: *9.4.1.2*

(a) the financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and

(b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest ("EIR") method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired. *9.5.7.2*

The Group's and the Company's financial assets at amortised cost includes trade receivables and other receivables and cash and short term deposit.

3.11.2 Financial assets at FVOCI

Debt instruments

Debt instruments are measured at FVOCI if both of the following conditions are met: *9.4.1.2A*
9.5.7.10
9.5.7.11

(a) the financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling; and

(b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Reference

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.11 Financial assets (continued)

(iii) Subsequent measurement (continued)

3.11.2 Financial assets at FVOCI (continued)

Debt instruments (continued)

For debt instruments at FVOCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is recycled to profit or loss. *9.5.6.7*

The Group's debt instruments at FVOCI is included under other non-current financial assets.

Equity instruments

This category comprises investment in equity that is not held for trading, and the Group and the Company irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis. Dividends are recognised as income in profit or loss when the right of payment has been established unless the dividend clearly represents a recovery of part of the cost of investment. Other net gains and losses are recognised in . On derecognition, gains and losses accumulated in are not reclassified to profit or loss. *9.5.7.5* *9.5.7.1* *9.B5.7.1*

The Group's financial assets at fair value through OCI includes investment in quoted shares.

Reference

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.11 Financial assets (continued)

(iii) Subsequent measurement (continued)

3.11.3 Financial assets at FVTPL

Financial assets at FVTPL include financial assets held for trading, financial assets designated upon initial recognition at FVTPL, 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 separately 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 FVTPL, 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. *9.4.1.4* *9.5.7.1*

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

This category includes derivative instruments and listed equity investments which the Group had not irrevocably elected to classify at FVOCI. Dividends on listed equity investments are also recognised as other income in the statement of profit or loss when the right of payment has been established. *9.5.7.1A*

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if: *9.4.3.3*

(a) the economic characteristics and risks are not closely related to the host;

(b) a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and

(c) hybrid contract is not measured at fair value through profit or loss.

NOTES TO THE FINANCIAL STATEMENTS ***Reference***
for the financial period ended 31 December 2021

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.11 Financial assets (continued)

(iii) Subsequent measurement (continued)

3.11.3 Financial assets at FVTPL (continued)

Embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category. *9.4.3.3* *9.4.3.4*

(iv) Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (such as removed from the statements of financial position) when: *9.3.2.3* *9.3.2.4* *9.3.2.5* *9.3.2.6*

(a) the rights to receive cash flows from the asset have expired; or

(b) the Group and the Company have transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group 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.

On derecognition of a financial asset, the difference between the carrying amount of the financial asset and the sum of consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss. *9.3.2.12*

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group or the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and liability simultaneously. *132.42*

Reference

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.11 Financial assets (continued)

(iv) Derecognition (continued)

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.

3.12 Impairment of financial assets

The Group and the Company recognise an allowance for expected credit losses ("ECL") for all financial assets measured at amortised cost, debt instruments measured at fair value through OCI, contract assets and lease receivables. ECL are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group and the Company expect to receive, discounted at an approximation of the original effective interest rate. *9.5.5.1*

The Group and the Company measure loss allowance at an amount equal to lifetime expected credit loss, except for debt securities that are determined to have low credit risk at the reporting date, cash and bank balances and other debt securities for which credit risk has not increased significantly since initial recognition, which are measured at 12-month expected credit loss. For trade receivables, contract assets and lease receivables, loss allowance are measured based on lifetime expected credit losses at each reporting date. The Group and the Company estimate the expected credit losses on trade receivables using a provision matrix with reference to historical credit loss experience, adjusted for forward looking factor specific to the debtors and the economic environment. *9.5.5.3* *9.B5.5.35*

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of the asset, while the 12-month expected credit losses are the portion of the expected credit losses that result from default events that are possible within the 12 months after the reporting date.

In determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit loss, the Group and the Company consider reasonable and supportable information that is relevant and available without undue cost or effort. *9.5.5.9*

An impairment loss in respect of the financial assets measured at amortised cost and debt investments measured at fair value through OCI are recognised in profit or loss. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows of the financial asset. *9.B3.2.16 (r)*

At each reporting date, the Group and the Company assess whether the financial assets carried at amortised cost and debt securities carried at fair value through OCI 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.

 Reference

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.13 Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability. *9.4.2.1 9.4.2.2*

The categories of financial liabilities at an initial recognition are as follows:

3.13.1 Financial liabilities at FVTPL

On initial recognition, the Group and the Company may irrevocably designate a financial liability that otherwise meets the requirements to be measured at amortised cost at fair value through profit or loss: *9.4.2.2*

(a) if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise;

(b) a group of financial liabilities or assets and financial liabilities is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the group is provided internally on that basis to the Group's and the Company's key management personnel; or

(c) if a contract contains one or more embedded derivative and the host is not a financial asset in the scope of ' 9, where the embedded derivative significantly modifies the cash flows and separation is not prohibited. *9.4.3.5*

Financial liabilities categorised as FVTPL are subsequently measured at fair value with gains or losses, including any interest expense are recognised in the profit or loss.

For financial liabilities where it is designated as FVTPL upon initial recognition, the Group and the Company recognise the amount of change in fair value of the financial liability that is attributable to change in credit risk in the OCI and remaining amount of the change in fair value in profit or loss, unless the treatment of the effects of changes in the liability's credit risk would create or enlarge an accounting mismatch. *9.5.7.7*

3.13.2 Amortised cost

Other financial liabilities not categorised as FVTPL are subsequently measured at amortised cost using the effective interest method. *9.5.7.2*

Interest expense and foreign exchange gains and losses are recognised in the profit or loss. Any gains or losses on derecognition are also recognised in the profit or loss.

Reference

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.13 Financial liabilities (continued)

3.13.3 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. *9.App A*

Financial guarantees issued are initially measured at fair value, net of transaction costs. Subsequently, they are measured at higher of: *9.4.2.1(c)* *9.B2.5*

(a) the amount of the loss allowance; and

(b) the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance to the principles of ' 15, Revenue from Contracts with Customers.

Liabilities arising from financial guarantees are presented together with other provisions.

Derecognition

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. A financial liability is also derecognised when its terms are modified and the cash flows of the modified liability are substantially different, in which case, a new financial liability based on modified terms is recognised at fair value. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss. *9.3.3.1* *9.3.3.3*

3.14 Provisions

General

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement. *137.14*

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. *137.45* *137.47* *137.60*

Reference

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.14 Provisions (continued)

Warranty provisions

The Group provides warranties for general repairs of defects that existed at the time of sale, as required by law. Provisions related to these assurance-type warranties are recognised when the product is sold, or the service is provided to the customer. Initial recognition is based on historical experience. The estimate of warranty-related costs is revised annually. *137.39*

Decommissioning liability

The Group records a provision for decommissioning costs of a manufacturing facility for the production of fire retardant materials. Decommissioning costs are provided for at the present value of expected costs to settle the obligation using estimated cash flows and are recognised as part of the cost of the relevant asset. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the decommissioning liability. The unwinding of the discount is expensed as incurred and recognised in the statement of profit or loss as a finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs, or in the discount rate applied, are added to or deducted from the cost of the asset. *137.21 116.16(c) 137.45 135.47*

Onerous contracts

If the Group has a contract that is onerous, the present obligation under the contract is recognised and measured as a provision. However, before a separate provision for an onerous contract is established, the Group recognises any impairment loss that has occurred on assets dedicated to that contract. *137.66 137.68 137.69*

An onerous contract is a contract under which the unavoidable costs (i.e., the costs that the Group cannot avoid because it has the contract) of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it. The cost of fulfilling a contract comprises the costs that relate directly to the contract (i.e., both incremental costs and an allocation of costs directly related to contract activities).

Commentary:

Other illustrative accounting policy for provisions:

Illustrative accounting policy for Legal claims

For lawsuit provisions, a probability-weighted expected outcome is applied in the measurement, taking into account past court judgements made in similar cases and advice of legal experts. *137.16*

Reference

3. SIGNIFICANT ACCOUNTING POLICIES

3.14 Provisions (continued)

Commentary:

Other illustrative accounting policy for provisions: (continued)

Illustrative accounting policy for decommissioning liability

The Group records a provision for decommissioning costs of a manufacturing facility for the production of retardant materials. Decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognised as part of the cost of the particular asset. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the decommissioning liability. 116.16(c) 137.45 137.47

Illustrative accounting policy for restructuring

A provision for restructuring is recognised when the Group has approved a detailed formal restructuring plan, and the restructuring either has commenced or has been announced publicly. Future operating losses are not provided for. 137.71 137.72 137.82

Illustrative accounting policy for contingent liabilities acquired in a business combination

A contingent liability acquired in a business combination is initially measured at fair value at the acquisition date. Subsequently, it is measured at the higher of the amount that would be recognised in accordance with ' 137 and the amount initially recognised less, if appropriate, cumulative amount of income recognised in accordance with the principles of ' 15. 3.56

If entity has not adopted ' 15, the subsequent measurement of contingent liabilities acquired in a business combination is as follow:

Subsequently, it is measured at the higher of the amount that would be recognised in accordance with ' 137 and the amount initially recognised less, if appropriate, cumulative amortisation recognised in profit or loss.

3.15 Contingencies

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is not recognised in the Statements of Financial Position and is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote. *137.10*

Contingent liabilities and assets are not recognised in the statements of financial position of the Group and of the Company in the current and previous financial year end. *137.27* *137.31*

Reference

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.16 Foreign currency transactions and operations

3.16.1 Functional and presentation currency

The financial statements of the Group and of the Company are measured using the currency of the primary economic environment in which the Group and the Company operate ("the functional currency"). The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is also the Group's and the Company's functional currency.

3.16.2 Translation of foreign currency transactions

Transactions in currencies other than the Group and the Company's functional currency ("foreign currencies") are recorded in the functional currency using the exchange rates prevailing at the dates of the transactions. At each reporting date, monetary items denominated in foreign currencies are translated at the rates prevailing on the reporting date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not translated. Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are included in profit or loss for the period. Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised directly in equity.

121.21
121.23
121.28
121.30

 Reference

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.16 Foreign currency transactions and operations (continued)

3.16.3 Translation of foreign operations

The assets and liabilities of foreign operations denominated in the functional *121.47*
currency different from the presentation currency, including goodwill and fair *121.39*
value adjustments arising on acquisition, are translated into the presentation *121.59*
currency at exchange rates prevailing at the reporting date. The income and expenses of foreign operations are translated at exchange rates at the dates of the transactions.

Exchange differences arising on the translation are recognised in OCI. However, if *121.32*
the foreign operation is a non-wholly owned subsidiary, then the relevant *121.41*
proportionate share of the translation difference is allocated to the non-controlling interests.

When a foreign operation is disposed of such that control is lost, the cumulative *121.48*
amount in foreign exchange translation reserves related to that foreign operation is *121.48A*
reclassified to profit or loss. For a partial disposal not involving loss of control of a *121.48C*
subsidiary that includes a foreign operation, the proportionate share of cumulative amount in foreign exchange translation reserve is reattributed to non-controlling interests.

3.17 Fair value measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in *13.6*
an orderly transaction between market participants at the measurement date. The fair *13.9*
value measurement is based on the presumption that the transaction to sell the asset or *13.16*
transfer the liability takes place either in the principal market for the asset or liability or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Company.

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.	*13.76*
Level 2:	Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.	*13.81*
Level 3:	Unobservable inputs for the asset or liability.	*13.86*

NOTES TO THE FINANCIAL STATEMENTS
for the financial period ended 31 December 2021

Reference

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.17 Fair value measurements (continued)

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

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

3.18 Share capital

(a) Ordinary shares

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Ordinary shares are equity instruments. 132.11

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. 132.37 132.35

Proceeds from the issuance of warrants, net of issue costs, are credited to warrants reserve. This reserve is non-distributable and will be transferred to share capital upon the exercise of warrants. The warrants reserve in relation to unexercised warrants at the expiry of the warrants will be transferred to retained earnings.

(b) Treasury shares

When shares of the Company, that have not been cancelled, recognised as equity are reacquired, the amount of consideration paid is recognised directly in equity. Reacquired shares are classified as treasury shares and presented as a deduction from total equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of treasury shares. When treasury shares are reissued by resale, the difference between the sales consideration and the carrying amount is recognised in equity. 132.33

Commentary:

(c) Preference shares

Preference share capital is classified as equity if it is non-redeemable, or is redeemable but only at the Company's option, and any dividends are discretionary. Dividends thereon are recognised as distributions within equity. 132.35 132.AG25-26

Redeemable convertible preference shares ("RCPS") are regarded as compound instruments, consisting of a liability component and an equity component. The component of RCPS that exhibits characteristics of a liability is recognised as a financial liability in the statement of financial position. 132.18(a) 132.36

NOTES TO THE FINANCIAL STATEMENTS
for the financial period ended 31 December 2021

Reference

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.18 Share capital (continued)

Commentary:

(c) Preference shares (continued)

On issuance of the RCPS, the fair value of the liability component is determined using a market rate for an equivalent non-convertible debt and this amount is carried as a financial liability. The residual amount, after deducting the fair value of the liability component, is recognised and included in shareholder's equity, net of transaction costs.

3.19 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and short term, highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value with original maturities of three months or less, and are used by the Company in management of their short term funding requirements. 107.6 107.46

3.20 Government grants

Grants from the government are recognised at their fair values where there is a reasonable assurance that the grants will be received and the Group will comply with all attached conditions. *120.7*

Government grants relating to the acquisition of assets and operational maintenance of the concession assets are classified as non-current liabilities and are credited to profit or loss over the expected lives of the related assets, on bases consistent with the depreciation of the related assets. *120.12 120.24 120.26 120.29*

Reference

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.20 Government grants (continued)

The Group also treats the benefit of a government loan at below market rate of interest as a government grant. In accordance with the transitional provision of the amendments to ' 120 "Accounting for Government Grants and Disclosure of Government Assistance", loans received on or after 1 April 2010 are recognised and measured initially at their fair value. The benefit of the government loan at below market rate of interest is measured as the difference between the initial carrying value of the loan and the proceeds received, and is recognised as a government grant, which will be credited to profit or loss over the expected lives of the related assets on bases consistent with the depreciation of the related assets for which the loan was granted to the Group. *120.10A*

3.21 Construction contracts

Where the financial outcome of a construction contract can be reliably estimated, contract revenue and contract costs are recognised as revenue and expenses respectively by using the stage of completion method. Refer to Note 3.22.2 for additional comments on revenue recognition in respect of construction contracts. The measure of progress i.e. the stage of completion is determined by the proportion that contract costs incurred for work performed to date bear to the estimated total contract costs.

Where the financial outcome of a construction contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that are likely to be recoverable. Contract costs are recognised as expenses in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

Contract revenue comprises the initial amount of revenue agreed in the contract and variations in contract work, claims and incentive payments to the extent that it is probable that they will result in revenue and they are capable of being reliably measured.

When the total of costs incurred on construction contracts plus recognised profits (less recognised losses) exceeds progress billings, the balance is classified as contract assets within trade receivables. When progress billings exceed costs incurred on construction contracts plus recognised profits (less recognised losses), the balance is classified as contract liabilities within trade payables.

Reference

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.22 Revenue from contracts with customers and other income recognition

Revenue from contracts with customers

3.22.1 Sale of electronic gadgets

Revenue from sales of goods is recognised at the point in time when the customer obtains control of goods, which is generally at the time of delivery. Revenue is measured at the fair value of the consideration received or receivables, net of discounts and taxes applicable to the revenue. *15.119(a)*

The goods are often sold with volume discounts based on aggregate sales over a 12 month period. Revenue is recognised based on the price specified in the contract, net of the estimated volume discounts. Accumulated experience with the customer's purchasing pattern is used to estimate and provide for the discounts, using the expected value method. The estimated volume discounts recognised is constrained to the extend that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved. *15.119(b) 15.47 15.53(a) 15.56*

The Group gives a 24 months customer service warranties, except for warranties included within the initial contract, are generally recognised as a distinct service for which revenue is allocated and recognised over the service period. Warranties provided on terminal devices and accessories are generally standard assurance in nature and are accounted for as a warranty provision at the time of the sale as mentioned in Note 3.22 for warranty. *15.B28 TO 15.B31*

It is the Group's policy to sell its products to the end customer with a right of return within 60 days. Therefore, a refund liability and a right to the returned goods are recognised for the products expected to be returned. Accumulated experience is used to estimate such returns at the time of sale at a portfolio level (expected value method). The validity of this assumption and the estimated amount of returns are reassessed at each reporting date. *15.119(d) 15.53(a) 15.56*

Revenue is measured at the fair value of the consideration received or receivable, adjusted at contract inception for penalties, price concessions, returns, trade discounts, volume rebates and other sales incentives, such as coupons, provided that the level of expected return of goods, volume rebates and other incentives given can be estimated reliably and that revenue is only recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. When making an estimate for variable consideration, the Group considers several factors, including but not limited to, contract commitments, business practices, historical experience, customer take-up rates, and expected purchase volumes. *15.50 15.50 15.51 15.54*

Reference

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.22 Revenue from contracts with customers and other income recognition (continued)

Revenue from contracts with customers (continued)

3.22.1 Sale of electronic gadgets (continued)

When revenue is recognised under a contract with a customer before the Group becomes unconditionally entitled to the consideration under the relevant payment terms of the contract, a contract asset is recognised. Contract assets are reclassified to trade receivables when the right to consideration becomes unconditional. *15.106*

When consideration is received (or the right to consideration is unconditional) before the related revenue is recognised, a contract liability is recognised. *15.106*

3.22.2 Construction contracts

Revenue from construction contracts is recognised as and when the performance obligation is satisfied over time. This occurs when the following is met:

(a) The construction works create or enhances an that the customer controls as the asset is created or enhanced; or

(b) The construction works does not create an asset with an alternative use to the entity and the entity has enforceable right to payment for the performance completed to date

Revenue is recognised over time using the input method, that is based on the costs incurred, relative to the total expected costs for the respective contract, to determine the progress of satisfaction of performance obligation. The input method has been assessed to be the suitable method to measure progress as there exist a direct relationhsip between the costs incurred and the satisfaction of performance obligations progressively.

3.22.3 Property development

Property development contracts with customers may include multiple promises to customers and are accounted for as separate performance obligations. Transaction price will be allocated to each performance obligation based on the stand-alone selling prices. When these are not directly observable, they are estimated based on expected cost-plus margin. *15.119(c)* *15.22* *15.73* *15.79(b)*

Revenue from property development is recognised as and when the control of the asset is transferred to the customer. Depending on the terms of the contract and the laws that apply to the contract, control of the asset may transfer over time or at a point in time. Control of the asset is transferred over time if 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. *15.119(a)* *15.35(c)* *15.39* *15.B18*

Reference

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.22 Revenue from contracts with customers and other income recognition (continued)

Revenue from contracts with customers (continued)

3.22.3 Property development (continued)

This is generally established when:

(a) the promised properties are specifically identified by its plot, lot and parcel number and its attributes (such as its size and location) in the sale and purchase agreements and the attached layout plan and the purchasers could enforce its rights to the promised properties if the Group seeks to sell the unit to another purchaser. The contractual restriction on the Group's ability to direct the promised residential property for another use is substantive and the promised properties sold to the purchasers do not have an alternative use to the Group; and

(b) the Group has the right to payment for performance completed to date and is entitled to continue to transfer to the customer the development units promised and has the rights to complete the construction of the properties and enforce its rights to full payments.

If control of the asset is transferred over time, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, the Group recognises the revenue at a point of time to the sale of completed properties and properties under contract of sale when the control of the properties has been transferred to the customers and it is probable that the Group will collect the consideration it is entitled to. *15.119(a) 15.35(b) 15.39 15.B18*

Revenue that is recognised over time is determined using the input method, that is based on the costs incurred, relative to the total expected costs for the respective contract, to determine the progress of satisfaction of performance obligation. The input method has been assessed to be the suitable method to measure progress as there exist a direct relationhsip between the costs incurred and the satisfaction of performance obligations progressively.

The Group recognises sales at a point in time for the sale of completed properties, when the control of the properties has been transferred to the purchasers, being when the properties have been completed and delivered to the customers. *15.119(a)*

3.22.4 Rendering of repair and maintenance service

Revenue from sales of goods is recognised over time measured using input method based on staff costs incurred for the provision of repair and maintenance service over the contract term. The input method is assessed to be the best method to measure progress as there exist a direct relationship between the staff time spent and hence the staff costs, and the transfer of service to the customer.

3.22.5 Dividend income

Dividend income is recognised when the shareholders' rights to receive payment is established.

Reference

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.22 Revenue from contracts with customers and other income recognition (continued)

Revenue from contracts with customers (continued)

3.22.6 Management fee

Management fee is recognised on an accrual basis when service is rendered.

Other income

3.22.7 Rental income

Rental income is recognised on a straight-line basis over the term of the tenancy agreement subject to revision of rental rate.

3.22.8 Interest income

Interest income is recognised as it accrues, taking into account the principal outstanding and the effective rate over period of maturity.

3.23 Income tax

(a) Income tax expenses

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income. *112.46*

Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate. *112.58*

(b) Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. *112.15*

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

(a) When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; *112.24*

(b) In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future. *112.44*

NOTES TO THE FINANCIAL STATEMENTS
for the financial period ended 31 December 2021

Reference

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.23 Income tax (continued)

(b) Deferred tax (continued)

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except: *112.15 112.24 112.39 112.44*

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

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

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered. *112.37 112.56*

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. *112.47*

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 OCI or directly in equity. *112.61A*

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. The adjustment is either treated as a reduction in goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or recognised in profit or loss. *112.68*

Reference

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.23 Income tax (continued)

(b) Deferred tax (continued)

The Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered. *112.71*

3.24 Related parties

A party is related to an entity if:- *124.09*

(i) directly, or indirectly through one or more intermediaries, the party:-
- controls, is controlled by, or is under common control with, the entity (this includes parents, subsidiaries and fellow subsidiaries);
- has an interest in the entity that gives it significant influence over the entity; or
- has joint control over the entity;

(ii) the party is an associated of the entity;
(iii) the party is a joint venture in which the entity is a venturer;
(iv) the party is a member of the key management personnel of the entity or its parent;
(v) the party is a close member of the family of any individual referred to in (i) or (iv);
(vi) the party is an entity that is controlled, joint controlled or significantly influenced by, or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (iv) or (v); or
(vii) the party is a post-employment benefit plan for the benefit of employees of the entity, or of any entity that is a related party of the entity.

Close members of the family of an individual are those family members who may be expected to influence, or be influenced by, that individual in their dealings with entity.

Reference

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.25 Employee benefits

3.25.1 Short term employee benefits

Wages, salaries, social security contributions, paid annual leave, paid sick leave, bonuses and non-monetary benefits are recognised as expense in the financial year in which the associated services are rendered by employees of the Company. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick leave are recognised when the absences occur. *119.11*

3.25.2 Defined contribution plans

Defined contribution plans are post-employment benefits plans under which the Company pays fixed contributions into separate entities or funds and will have no legal or constructive obligation to pay further contributions if any of the funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years. The contributions are charged as an expense in the financial year in which the employees render their services. As required by law, the Company make such contributions to the Employees Provident Fund ("EPF"). *119.44*

3.25.3 Defined benefit plans

The Group operates defined benefit pension plans (funded) and provides a postemployment 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. *119.67 119.68 119.83*

Reference

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.25 Employee benefits (continued)

3.25.3 Defined benefit plans (continued)

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 OCI. Remeasurements are not reclassified to profit or loss in subsequent periods. *119.122* *119.127-130*

The net interest is calculated by applying the discount to the net balance of the defined benefit obligation and fair value of plan assets. *119.123* *119.134*

The Group recognises the following costs in profit or loss:

(i) Service costs comprising current service costs, past service costs, gains and losses on curtailments and non-routine settlements;
(ii) Net interest or income.

3.25.4 Other long-term employee benefits

The Group's and the Company's other long-term employee benefits include long term paid absences, long term disability benefits and other long service benefits.

Liability recognised in respect of other long term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group and the Company in respect of services provided by employees up to the reporting date. The net total of the following amounts should be recognised in profit or loss, except to the extent that another ' requires or permits their inclusion in the cost of an asset: *119.155* *119.156*

(i) service cost;
(ii) net interest on the net defined benefit liability or asset; and
(iii) remeasurements of the net defined benefit liability or asset.

3.25.5 Termination benefits

Termination benefits are expensed at the earlier of when the Group and the Company can no longer withdraw the offer of those benefits and when the Group and the Company recognise costs for restructuring. If benefits are not expected to be settled wholly within 12 months of the end of the reporting period, then they are discounted. *119.165*

NOTES TO THE FINANCIAL STATEMENTS
for the financial period ended 31 December 2021

Reference

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.25 Share-based payments

3.25.1 Equity-settled share-based payment

The cost of equity-settled share-based payment is determined by the fair value at the date when the grant is made using an appropriate valuation model. *2.10 2.46*

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share option reserve. *2.7 2.19 2.20*

The fair value of the employee share options is measured using the Trinomial Option Pricing Model. Measurement inputs include share price on measurement date, exercise price of the instrument, expected volatility (based on weighted average historic volatility adjusted for changes expected due to publicly available information), weighted average expected life of the instruments (based on historical experience and general option holder behaviour), expected dividends, and the risk-free interest rate (based on government bonds). Service and non market performance conditions attached to the transactions are not taken into account in determining fair value.

Equity-settled share-based payments with parties other than employees are measured at the fair value of the goods and services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted at the date the Company obtains the goods or the counterparty renders the service. *2.13*

For cash-settled share-based payment, a liability is recognised for the goods or services acquired, measured initially at the fair value of the liability. At the end of reporting period until the liability is settled, and at the date of settlement, the fair value of the liability is remeasured, with any changes in the fair value recognised in profit or loss for the financial year. *2.30*

Reference

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.26 Segment reporting

For management purposes, the Group is organised into operating segments based on their products and services and the geographical locations which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management of the Company who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. *8.09*

3.27 Earnings per ordinary 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. *33.09 33.10*

Diluted earnings per share is calculated by dividing the profit for the year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares in issue during the financial year plus the weighted average number of ordinary shares that would be issued on conversion of all dilutive potential ordinary shares from convertible securities. *33.30 33.31*

During the financial year, the Group and the Company do not have any convertible securities, therefore, no diluted earning per share is calculated. *customise for each Company*

3.28 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. *123.5 123.8*

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. *123.12*

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. *123.8*

Reference

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

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. *101.122 101.125*

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 Revaluation of properties

The Group carries its properties at fair value, with changes in fair value being recognised in the statement of profit or loss and other comprehensive income. The Group engaged an independent valuation specialist to assess fair value as at 31 December 2021 for all properties. A valuation methodology based on comparison method of valuation (open market value) was used, which entails comparing recorded transaction at similar properties in the vicinity and/or investment method of valuation, which entails the capitalisation of net income of the properties.

4.2 Depreciation of properties, plant and equipment

The cost of property, plant and equipment is depreciated on a straight-line basis over the asset's estimated economic useful lives. Management estimates the useful lives of these plant and equipment to be within a range of 4 to 20 years. These are common life expectancies applied in this industry.

Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets and therefore future depreciation charges could be revised. The carrying amount of the Group's and the Company's property, plant and equipment at the reporting date is disclosed in Note 5.

4.3 Amortisation of intangible assets

The costs of intangible assets are amortised on a straight-line basis over the asset's estimated economic useful lives. Management estimates the useful lives of these intangible assets to be not exceeding 5 years begin from the period when the intangible assets are available for use. These are common life expectancies applied in this industry. *based on Company policy 138.118*

Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets and therefore future amortisation charges could be revised. The carrying amounts of the Group's intangible assets at the reporting date are disclosed in Note 7 to the financial statements. *138.104*

Reference

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (continued)

4.4 Provision for expected credit losses of trade receivables and other receivables

The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geographical region, product type, customer type and rating).

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Group's trade receivables is disclosed in Note 14.

4.5 Impairment of non-financial assets

When recoverable amount of an asset is determined based on the estimate of the value-in-use of the cash generating unit to which the asset is allocated, the management is required to make an estimate of the expected future cash flows from the cash generating unit and also to apply a suitable discount rate in order to determine the present value of those cash flows. *136.3*

4.6 Share-based payments

The Company grants share options to directors who have met the specified conditions. The share options granted are measured at fair value at grant date using a binomial option pricing model. The key assumptions or inputs used in the binomial option pricing model include: (a) the current price, (b) the exercise price, (c) the risk-free rate, (d) the volatility of the share price (e) the dividend yield and (f) the time period to maturity, and with an adjustment for an early exercise of option based on the Group's and the Company's past experience with earlier exercises. As the volatility of the share price is estimated based on past price movements, the actual volatility may not coincide with the estimates made. [The volatility of share price and cash flow uncertainty from COVID-19 pandemic may result in higher level of estimation uncertainty to the assumptions used in the measurement of fair value of share options.] Similarly, the actual early exercise of options granted may not coincide with the estimates made. These differences may affect the fair value measurement of the options granted but they are not adjusted retrospectively because the equity component of the options granted is not remeasured to fair value subsequent to their initial recognition.

The carrying amount of share option reserve and assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 30.

Reference

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (continued)

4.7 Write-down of obsolete or slow moving inventories

The Group writes down their obsolete or slow moving inventories based on the assessment of their estimated net selling price. Inventories are written down when events or changes in circumstances indicate that the carrying amounts may not be recoverable. The management specifically analyses sales trend and current economic trends when making a judgement to evaluate the adequacy of the write-down of obsolete or slow moving inventories. The economic uncertainties resulting from COVID-19 pandemic may continue to impact the saleability of inventories. Where expectations differ from the original estimates, the differences will impact the carrying amount of inventories.

The carrying amounts of the Group's inventories are disclosed in Note 13.

4.8 Leases - Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate ("IBR") to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

4.9 Deferred tax assets

Deferred tax assets are recognised for all unused tax losses, unabsorbed capital allowances *112.24*
and other deductible temporary differences to the extent that it is probable that future *112.34*
taxable profits would be available against which the tax losses, capital allowances and other deductible temporary differences could be utilised. Significant management judgement is required to determine the amount of deferred tax assets that could be recognised, based on the likely timing and extent of future taxable profits together with future tax planning strategies. Total carrying value of unrecognised tax losses, unabsorbed capital allowances and other taxable temporary differences of the Group are disclosed in Note 26.

4.10 Income tax

There are certain transactions and computations for which the ultimate tax determination *112.58*
may be different from the initial estimate. The Group and the Company recognised tax *based on*
liabilities based on its understanding of the prevailing tax laws and estimates of whether *country's tax law*
such taxes will be due in the ordinary course of business. Where the final outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax and deferred tax provisions in the year in which such determination is made.

Reference

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (continued)

4.11 Defined benefit plans (pension benefits)

The cost of the defined benefit pension plan and other post-employment medical benefits and the present value of the pension obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate, management considers the interest rates of corporate bonds in currencies consistent with the currencies of the post-employment benefit obligation with at least an 'AA' rating or above, as set by an internationally acknowledged rating agency, and extrapolated as needed along the yield curve to correspond with the expected term of the defined benefit obligation. The underlying bonds are further reviewed for quality. Those having excessive credit spreads are excluded from the analysis of bonds on which the discount rate is based, on the basis that they do not represent high quality corporate bonds.

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at intervals in response to demographic changes. Future salary increases and pension increases are based on expected future inflation rates for the respective countries.

4.12 Provision for decommissioning

As part of the identification and measurement of assets and liabilities for the acquisition of subsidiary in 2021, the Group has recognised a provision for decommissioning obligations associated with a factory owned by the subsidiary. In determining the fair value of the provision, assumptions and estimates are made in relation to discount rates, the expected cost to dismantle and remove the plant from the site and the expected timing of those costs. The carrying amount of the provision as at 31 December 2021 was RM3,200,000 (30.09.2020: Nil). The Group estimates that the costs would be realised in 15 years' time and calculates the provision using the DCF method based on the following assumptions:

i. Estimated range of cost per sqm - RM20 - RM50 (RM40)
ii. Discount rate – 14%

If the estimated pre-tax discount rate used in the calculation had been 1% higher than management's estimate, the carrying amount of the provision would have been RM766,000 lower.

Reference

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (continued)

4.13 Impairment of goodwill

The Group and the Company perform an annual assessment of the carrying value of its goodwill against the recoverable amount of the CGUs to which the goodwill have been allocated. The measurement of the recoverable amount of CGUs are determined based on the value-in-use method, incorporating the present value of estimated future cash flows expected to arise from the respective CGU's ongoing operations. Management judgement is used in the determination of the assumptions made, particularly the cash flow projections, discount rates and the growth rates used. The estimation of pre-tax cash flows is sensitive to the periods for which the forecasts are available and to assumptions regarding the long-term sustainable cash flows, and reflect management's view of future performance.

4.14 Determining the lease term of contracts with renewal options – the Group as lessee

The Group determines the lease term as non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised.

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

The Group included the renewal period as part of the lease term for leases of building with shorter non-cancellable period (i.e., one to two years). The Group typically exercises its option to renew for these leases because there will be a significant negative effect on profit if a replacement building for rent is not readily available.

Reference

5. PROPERTY, PLANT AND EQUIPMENT

The Group 31 December 2021	Freehold land (at valuation) RM'000	Freehold buildings (at valuation) RM'000	Construction in progress RM'000	Motor vehicles RM'000	Plant and machinery RM'000	Office equipment RM'000	Total RM'000	Reference
At cost, unless otherwise stated								
Balance as at 1 October 2020	3,700	20,000	3,225	3,048	22,470	11,635	64,078	*116.73*
Additions	-	-	150	1,420	5,444	10,916	17,930	
Acquisition of subsidiary (Note 9(a)(i))	-	-	-	-	12,894	-	12,894	
Revaluation surplus	500	744	-	-	-	-	1,244	
Assets held for sale (Note 18)	-	-	-	-	(2,784)	-	(2,784)	
Written off/Disposal	-	-	-	(250)	(332)	-	(582)	
Reclassified as held for sale	(550)	(1,700)	-	-	-	-	(2,250)	
Balance as at 31 December 2021	3,650	19,044	3,375	4,218	37,692	22,551	90,530	
Accumulated depreciation								
Balance as at 1 October 2020	-	900	-	2,045	6,839	5,471	15,255	
Effect of adopting MFRS	-	-	-	-	(227)	-	(227)	
Balance as at 1 October 2020 (restated)	-	900	-	2,045	6,612	5,471	15,028	
Charge for the financial period	-	600	-	322	7,351	4,261	12,534	
Assets held for sale (Note 18)	-	-	-	-	(2,514)	-	(2,514)	
Written off/Disposal	-	-	-	(230)	(311)	-	(541)	
Reclassified as held for sale	-	(100)	-	-	-	-	(100)	
Balance as at 31 December 2021	-	1,400	-	2,137	11,138	9,732	24,407	
Accumulated impairment losses								
Balance as at 1 October 2020/ 31 December 2021	-	-	-	-	165	-	165	

Reference

5. PROPERTY, PLANT AND EQUIPMENT (continued)

The Group (continued)

30 September 2020	Freehold land (at valuation) RM'000	Freehold building (at valuation) RM'000	Construction in progress RM'000	Motor vehicles RM'000	Plant and machinery RM'000	Office equipment RM'000	Total RM'000	Reference
At cost, unless otherwise stated								
Balance as at 1 October 2019	2,500	20,000	2,350	2,551	22,120	8,519	58,040	*116.73*
Additions	1,200	-	875	582	3,684	3,119	9,460	
Written off/Disposal	-	-	-	(85)	(550)	(3)	(638)	
Assets held for sale (Note 18)	-	-	-	-	(2,784)	-	(2,784)	
Balance as at 30 September 2020	3,700	20,000	3,225	3,048	22,470	11,635	64,078	
Accumulated depreciation								
Balance as at 1 October 2019	-	500	-	1,587	4,574	3,437	10,098	
Effect of adopting MFRS	-	-	-	-	136	-	136	
Balance as at 1 October 2019 (restated)	-	500	-	1,587	4,710	3,437	10,234	
Charge for the financial year	-	400	-	543	5,087	2,036	8,066	
Assets held for sale (Note 18)	-	-	-	-	(2,421)	-	(2,421)	
Written off/Disposal	-	-	-	(85)	(537)	(2)	(624)	
Balance as at 30 September 2020	-	900	-	2,045	6,839	5,471	15,255	
Accumulated impairment losses								
Balance as at 1 October 2019	-	-	-	-	150	-	150	
Recognised during the finanical year	-	-	-	-	15	-	15	
Balance as at 30 September 2020	-	-	-	-	165	-	165	

Reference

5. PROPERTY, PLANT AND EQUIPMENT (continued)

The Group (continued)	**Freehold land** (at valuation) **RM'000**	**Freehold building** (at valuation) **RM'000**	**Construction in progress RM'000**	**Motor vehicles RM'000**	**Plant and machinery RM'000**	**Office equipment RM'000**	**Total RM'000**
Net carrying amounts							
Balance as at 31 December 2021	3,650	17,644	3,375	2,081	26,389	12,819	65,958
Balance as at 30 September 2020	3,700	19,100	3,225	1,003	15,466	6,164	48,658
Balance as at 1 October 2019	2,500	19,500	2,350	964	17,260	5,082	47,656
The Company							
At cost, unless otherwise stated							
Balance as at 1 October 2020	-	-	-	1,000	-	10,912	11,912
Additions	-	-	-	-	-	802	802
Balance as at 31 December 2021	-	-	-	1,000	-	11,714	12,714
Accumulated depreciation							
Balance as at 1 October 2020	-	-	-	800	-	841	1,641
Charge for the financial period	-	-	-	200	-	301	501
Balance as at 31 December 2021	-	-	-	1,000	-	1,142	2,142

116.73

Reference

5. PROPERTY, PLANT AND EQUIPMENT (continued)

The Company (continued)	**Freehold land** (at valuation) **RM'000**	**Freehold building** (at valuation) **RM'000**	**Construction in progress RM'000**	**Motor vehicles RM'000**	**Plant and machinery RM'000**	**Office equipment RM'000**	**Total RM'000**	
At cost, unless otherwise stated								
Balance as at 1 October 2019	-	-	-	1,000	-	7,884	8,884	*116.73*
Additions	-	-	-	-	-	3,028	3,028	
Balance as at 30 September 2020	-	-	-	1,000	-	10,912	11,912	
Accumulated depreciation								
Balance as at 1 October 2019	-	-	-	600	-	562	1,162	
Charge for the financial year	-	-	-	200	-	279	479	
Balance as at 30 September 2020	-	-	-	800	-	841	1,641	
Net carrying amounts								
Balance as at 31 December 2021	-	-	-	-	-	10,572	10,572	
Balance as at 30 September 2020	-	-	-	200	-	10,071	10,271	
Balance as at 1 October 2019	-	-	-	400	-	7,322	7,722	

Reference

5. PROPERTY, PLANT AND EQUIPMENT (continued)

Commentary:

(a) Assets under construction/Assets under work in progress
The Group's plant and equipment included RMXXX (2020: RMXXX) which relates to expenditure for a plant in the course of construction. *116.74(b)*

(b) Assets without title or with restrictions
The Group's has a piece of freehold land with carrying value of RMXXX which was currently purchased as at year end. The Group has yet to obtain title for this freehold land and it is pending processing from land office. *116.74(a)*

(c) Revaluation of freehold land and building
If the valuation report shows income method is used:
Freehold land and buildings have been revalued at the reporting date based on valuations performed by accredited independent valuers (refer to report dated XX-XX-XXXX). The valuations are based on the [income method] that makes reference to estimated market rental values and equivalent yields. Management has considered this as level 3 fair values because of the various significant key attributes and estimates used in the computation of the fair value. *116.77*

If the valuation report shows comparison method is used:
Freehold land and buildings have been revalued at the reporting date based on valuations performed by accredited independent valuers. The valuations are based on the comparison method that makes reference to sales prices of comparable buildings in similar locations or same vicinity and are adjusted for differences in key attributes such as property size. This is level 2 fair value as the most significant input into this valuation approach is price per square foot of comparable buildings.

Reference

5. PROPERTY, PLANT AND EQUIPMENT (continued)

Commentary:

If the freehold land and buildings were measured using cost model, the carrying amouts would be as follows:

	Group	
	2022	2021
	RM'000	RM'000
Freehold land at 31 December		
- Cost and net carry amount	XXX	XXX
Buildings as at 31 December		
- Cost	XXX	XXX
- Accumulated depreciation and impairment	(XXX)	(XXX)
- Net carrying amount	XXX	XXX

(d) Assets pledged as securities

Freehold land and building with a carrying amount of RMXXX (31.12.2020: RMXXX) has been pledged as security to secure bank loans of the Group and of the Company as disclosed in Note XX. *116.74(a)*

Assets under leasing which are pledged as security for the related lease liabilities are as disclosed in Note XX.

(e) Impairment of assets *136.126*

During the financial year, a subsidiary of the Group, Yellow Sdn Bhd, carried out a review of the recoverable amount of its production equipment because a particular production line had been continuously making losses. An impairment loss of RMXXX (2020:RMNIL), representing a write down of the equipment to the recoverable value was recognised in "Other Expenses" line item of the statement of compreshinvie income forthe financiay ear ended 31 December 2021. The recoverable amount of the equipment was based on it's value in use and the pre-tax discounts rate used 10.5% (2020: 8.9%).

Reference

5. PROPERTY, PLANT AND EQUIPMENT (continued)

Commentary:

Changes in estimates:
This is an illustration where there were changes in the useful life of property, plant and equipment of the Group. Where applicable, an entity should disclose the nature and effect of a cahnge in accounting estimate that has an effect in the current or subsequent periods.

During the financial year, the Group conducted an operations efficiency review on its production lines. The Group revised the estimated useful lives of some machines from five (5) years to eight (8) years, after refurbishments that will enable the production machines to remain in production for an additional three years. The revision in estimate has been applied on a prospective basis from 1 January 2021 onwards. The effects of the above revision on depreciation charge in current year and future periods are as follows: *116. 76* *108 .39*

	2021 RM'000	2022 and subsequent years RM'000
Decrease in depreciation expenses	(XXX)	(XXX)

Other changes in estimates relating to property, plant and equipment include residual values, estimated costs of dismantling, removing or restoring items of property, plant and equipment and depreciation methods.

Capitalisation of borrowing costs for qualifying assets *123.26*
The Group's plant and machinery include borrowing costs arising from bank loans borrowed specifically for the purpose of the construction of a plant. During the financial year, the borrowing costs capitalised as cost of plant and machinery amount to RMXXX (2020: RMNIL).

If the amount of borrowing costs eligible for capitalisation has been determined by applying a capitalisation rate to the expenditures on a qualifying asset because funds used for the purpose of obtaining the qualifying asset are borrowed generally (rather than specifically), the capitalisation rate used to determine the amount of borrowing costs eligible for capitalisation should be disclosed.

Reference

5. PROPERTY, PLANT AND EQUIPMENT (continued)

Commentary:

Other disclosures

An entity should disclose, where applicable, the amount of contractual commitments, for the acquisition of property, plant and equipment. *116.74(c)*

An entity should disclose, where applicable, if it is not disclosed separately in the statement of comprehensive income, the amount of compensation from third parties for items of property, plant and equipment that were impaired, lost or given up that is included in profit or loss. *116.74(d)*

Reference

5. PROPERTY, PLANT AND EQUIPMENT (continued)

The Group has pledged the following property, plant and equipment to licensed banks to secure banking facilities granted to the Group as referred to in Note 22: *116.74(a)*

	As at 31.12.2021 RM'000	As at 30.09.2020 RM'000	As at 01.10.2019 RM'000
Net carrying value			
Freehold land	3,650	3,700	2,500
Freehold buildings	11,750	11,400	11,800
	15,400	15,100	14,300

Borrowing costs of approximately RM50,000 (30.09.2019: RM150,000) which arose on the financing specifically entered into for the construction of the machinery were capitalised during the financial period. *116.74(a)* *123.26(a)*

Had the revalued properties been carried at cost less accumulated depreciation, the carrying amount of the properties would have been RM14,750,000 (30.09.2019: N/A).

The cost of fully depreciated property, plant and equipment that are still in use are as follows: *116.79(b)*

	As at 31.12.2021 RM'000	As at 30.09.2020 RM'000	As at 01.10.2019 RM'000
Motor vehicle	1,000	-	-
Office equipments	3,319	2,891	2,891
	4,319	2,891	2,891

Revaluation of land and buildings

On 31 December 2021, the entire land and buildings of the Group were revalued by an independent qualified valuer, ABCD & Associates, registered with Board of Valuers, Appraisers, Estate Agents and Property Managers, Malaysia. The valuation was arrived at based on the Comparison Method of Valuation. A revaluation surplus of RM1,244,000 (net of deferred taxation) had been recognised as OCI. *116.77(a)* *116.77(b)* *116.77(e)* *116.77(f)*

Reference

5. PROPERTY, PLANT AND EQUIPMENT (continued)

Purchase of property, plant and equipment

Group	As at 31.12.2021 RM'000	As at 30.09.2020 RM'000	As at 01.10.2019 RM'000
Cost of property, plant and equipment purchased	17,930	9,460	-
Cash disbursed for purchase of property, plant and equipment	17,930	9,460	-
Company			
Cost of property, plant and equipment purchased	802	3,028	-
Cash disbursed for purchase of property, plant and equipment	802	3,028	-

6. INVESTMENT PROPERTIES

140.76

	Group/Company		
	As at 31.12.2021 RM'000	As at 30.09.2020 RM'000	As at 01.10.2019 RM'000
As at beginning of the financial period/year	16,319	14,182	12,078
Additions (subsequent expenditure)	921	1,281	281
Fair value measurement	899	856	1,823
As at end of the financial period/year	18,139	16,319	14,182

The Group and the Company's investment properties consist of freehold lands.

During the financial period, the following income/(expenses) were recognised in profit or loss for investment properties: *140.75(f)*

	Group/Company	
	01.10.2020 to 31.12.2021 RM'000	01.10.2019 to 30.09.2020 RM'000
Rental income	1,823	2,891
Direct operating expenses that generated rental income	(289)	(381)
Direct operating expenses that did not generated rental income	(824)	(912)
	710	1,598

Investment properties are stated at fair values, which has been determined by external independent property valuers, XXX., with appropriate recognised professional qualifications and with recent experience in the location and category of property being valued. The valuation company provides the fair value of the Group's and the Company's investment property portfolio annually. *140.75(e)* *13.93(g)*

The Group has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements. *140.75(f) (g)*

Reference

6. INVESTMENT PROPERTIES (continued)

Fair value hierarchy information *13.93(a)* *13.93(b)*

	Group/Company		
As at 31.12.2021	**Level 2 RM'000**	**Level 3 RM'000**	**Total RM'000**
Land	-	6,750	6,750
Buildings	11,389	-	11,389
	11,389	6,750	18,139
As at 31.12.2020			
Land	-	6,200	6,200
Buildings	10,119	-	10,119
	10,119	6,200	16,319
As at 1.10.2019			
Land	-	5,200	5,200
Buildings	8,982	-	8,982
	8,982	5,200	14,182

The Group and the Company do not have Level 1 fair value investment properties. There is also no transfer between level 1 and level 2 during the financial year and in prior year. *13.93(c)* *13.93(a)* *13.93(b)*

The fair values of buildings are within Level 2 of the fair value hierarchy using comparison method. Sales 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 estimated fair value would increase/(decrease) if the price per square foot is higher/(lower). *13.93(d)*

This method seeks to determine the value of the property being valued by comparing and adopting a yardstick transactions and sales evidences involving other similar properties in the vicinity. Due considerations are given for such factors including location, plot size, improvements made if any, surrounding developments, facilities and amenities available.

Level 3 Fair value hierarchy *13.93 (d) (h)*
The following table show the valuation techniques and observable inputs data used for Level 3 fair value hierarchy: *13.93(e)*

13.93(g) *13.93(h)(i)*

Description	**Valuation technique**	**Significant unobservable inputs**	**Interrelationship between unobservable inputs to fair value**
Land	Income approach	eg Rental rate per sq ft	eg. The higher the sq ft, the higher the fair value.

Reference

6. INVESTMENT PROPERTIES (continued)

Level 3 fair value reconciliation

The table below shows the Level 3 fair value reconciliation: *13.93(e)*

	Group/Company		
	As at 31.12.2021 RM'000	As at 30.09.2020 RM'000	As at 01.10.2019 RM'000
As at beginning of financial period/year	6,200	5,200	5,000
Additions	250	700	100
Disposal	(xxx)	(xxx)	(xxx)
Transfer from inventories	xxx	xxx	xxx
Transfer into Level 3	xxx	xxx	xxx
Transfer out of Level 3	(xxx)	(xxx)	(xxx)
Gains and losses recognised in profit or loss	300	300	100
Gains and losses recognised in other comprehensive income	xxx	xxx	xxx
Exchange differences	xxx	xxx	xxx
As at end of financial period/year	6,750	6,200	5,200

Commentary:
Illustrative disclosure where applicable.
Certain investment properties of the Group amounting to RMXXX (2020:RMXXX) are mortgaged to secure bank facilities as disclosed in Note XX. *140.75(g)*

MFRS 140 permits investment properties to be carried at historical cost less accumulated depreciation and any accumulated impairment losses. If the Group accounted for investment properties at cost, information about the cost basis and depreciation rates (similar to the requirement under MFRS 116) would be required. MFRS 140.79(e) requires disclosure of fair value of the properties. For the purpose of this disclosure, the fair value is required to be determined in accordance with MFRS 13. Also, in addition to the disclosures under MFRS 140, MFRS 13.97 requires disclosure of: *140.79* *13.97*
▪ the level at which fair value measurement is categorised i.e., Level 1, Level 2 or Level 3;
▪ a description of valuation technique and inputs, for Level 2 or Level 3 fair value measurement; and

If right-of-use assets meet the definition of investment property, a lessee shall apply the disclosure requirements in MFRS 140. In that case, pursuant to MFRS 16.56, a lessee is required to provide the following disclosures for those right-of-use assets. *16.56*
▪ interest expense on lease liabilities; *16.53(b)*
▪ expense relating to short-term leases (exclude expense relating to leases with a lease term of one month or less); *16.53(c)*
▪ expense relating to leases of low-value assets (exclude expense relating to short-term leases of low-value assets included above); *16.53(d)*
▪ expense relating to variable lease payments not included in the measurement of lease liabilities; *16.53(e)* *16.53(f)* *16.53(g)*

▪ total cash outflow for leases; and
▪ gains or losses arising from sale and leaseback transactions.

Reference

7. INTANGIBLE ASSETS

138.118

		Group		
	Goodwill RM'000	Development expenditure RM'000	Total RM'000	
At cost				
Balance as at 01.10.2019	-	7,500	7,500	
Effect of adopting MFRS	-	(843)	(843)	
Balance as at 01.10.2019 (restated)	-	6,657	6,657	
Additions	-	2,237	2,237	
Written off	-	(2,000)	(2,000)	
Balance as at 30.09.2020/01.10.2020	-	6,894	6,894	
Acquisitions of a subsidiary (Note 9(a)(i))	5,000	3,616	8,616	
Balance as at 31.12.2021	5,000	10,510	15,510	
Less: accumulated amortisation				
Balance as at 01.10.2019	-	2,272	2,272	
Additions	-	700	700	
Written off	-	(1,000)	(1,000)	
Balance as at 30.09.2020/01.10.2020	-	1,972	1,972	
Additions	-	1,000	1,000	
Balance as at 31.12.2021	-	2,972	2,972	
Less: accumulated impairment loss				
Balance as at 01.10.2019	-	1,000	1,000	
Written off	-	(1,000)	(1,000)	
Balance as at 30.09.2020/01.10.2020	-	-	-	
Additions		500	500	
Balance as at 31.12.2021	-	500	500	
Net carrying amount				
Balance as at 31 December 2021	5,000	7,038	12,038	
Balance as at 30 September 2020	-	4,922	4,922	
Balance as at 1 October 2019	-	3,385	3,385	

Goodwill 138.122

The Group considers each subsidiary company as a single CGU and the carrying amount of goodwill is allocated to the respective subsidiary companies.

The recoverable amounts of a CGU is determined based on the value-in-use calculation. The key assumptions used in the computation of value in use are gross margin, discount rates, growth rates, projected cash flows from use and terminal value.

NOTES TO THE FINANCIAL STATEMENTS
for the financial period ended 31 December 2021

Reference

7. INTANGIBLE ASSETS (continued)

Development Expenditure
Development expenditure relates to cost incurred in energy improvement projects relating to the development of analogue electronic components which management reasonably expect that the costs will be recovered through future commercial activities. *138.122(b)*

Amortisation *138.118(d)*
Development expenditures have an average remaining amortisation period of 5 years (2020: 5 years). The amortisation of development expenditure are included in "research and development" and 'adminstrative expenses" line in the statement of comprehensive income respectively. *138.122(b)*

Impairment losses *138.126(a)*
During the financial year, an impairment loss was recognised to write-down the carrying value amount of development expenditure attributable to the property development segment [or due to the discontinuing operations as disclosed in Note XX] to its recoverable amount. The impairment loss of RM500,000 has been recognised in the statement of comprehensive income under the line item "operating expenses". The impairment loss was derived based on value-in-use and the cash flows were discounted at a rate of 8% on a pre-tax basis. *138.130(a)-(c)*

The projected cash flows from use are derived from the most recent financial budgets approved by Board for the next five years and extrapolated cash flows for the following years based on estimated growth rates. The growth rate used do not exceed the long term average growth rate for the market in which the business operates.

The estimate of net cash flows for the disposal of the asset at the end of its useful life is the present value of the amount that the Group expects to obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the estimated costs of disposal.

The gross margin used is based on past performance and the expectation of market development.

The value-in-use calculation is determined using discounted cash flow projection discounted at rates which reflects current market assessment of the time value of money and risks relating to the relevant CGU.

The key assumptions used for determining value in use are as follows:

		Group	
	31.12.2021	**30.09.2020**	**01.10.2019**
Growth rate			
CGU 1 - Goodwill	5.00%	n/a	n/a
CGU 2 - Development Expenditure	10.00%	10.00%	10.00%
Discount rate			
CGU 1 - Goodwill	6.50%	n/a	n/a
CGU 2 - Development Expenditure	6.50%	5.50%	5.50%

NOTES TO THE FINANCIAL STATEMENTS
for the financial period ended 31 December 2021

Reference

7. INTANGIBLE ASSETS (continued)

The management carried out an annual review of the recoverable amounts of its goodwill and development expenditure at each financial year. No impairment loss provided in current financial period.

The Group believes that any reasonable possible change in the above key assumptions applied are not likely to materially cause the recoverable amounts to be lower than their carrying amounts.

Sensitivity to changes in assumptions

Directors believe that no reasonable possible changes in any of the key assumptions above will cause the carrying values of the CGU to materially exceed its recoverable amount.

Commentary:
Other disclosures
For an intangible asset assessed as having an indefinite useful life, the carrying amount of that asset and the reasons supporting the assessment of an indefinite useful life. In giving these reasons, the entity shall describe the factor(s) that played a significant role in determining that the asset has an indefinite useful life. *138.122(a)*

For intangible assets acquired by way of a government grant and initially recognised at fair value: *138.122(c)*
(i) the fair value initially recognised for these assets;
(ii) their carrying amount; and
(iii) whether they are measured after recognition under the cost model or the revaluation model.

The entity shall disclose the existence and carrying amounts of intangible assets whose title is restricted and the carrying amounts of intangible assets pledged as security for liabilities. *138.122(d)*

The entity shall disclose the amount of contractual commitments for the acquisition of intangible assets. *138.122(e)*

If intangible assets are accounted for at revalued amounts, an entity shall disclose the following: *138.124*
(a) by class of intangible assets:
(i) the effective date of the revaluation;
(ii) the carrying amount of revalued intangible assets; and
(iii) the carrying amount that would have been recognised had the revalued class of intangible assets been measured after recognition using the cost model; and
(b) the amount of the revaluation surplus that relates to intangible assets at the beginning and end of the period, indicating the changes during the period and any restrictions on the distribution of the balance to shareholders.

Reference

7. INTANGIBLE ASSETS (continued)

Commentary:

Sensitivity to changes in key assumptions *136.134(f)*
An entity shall disclose the information for each cash generating unit (group of units) for which the carrying amount of goodwill or intangible assets with indefinite useful lives allocated to that unit (group of units) is significant in comparison with the entity's total carrying amount of goodwill or intangible assets with indefinite useful lives:

If a reasonably possible change in a key assumption on which management has based its determination of the unit's (group of units') recoverable amount would cause the unit's (group of units') carrying amount to exceed its recoverable amount:
(i) the amount by which the unit's (group of units') recoverable amount exceeds its carrying amount.
(ii) the value assigned to the key assumption.
(iii) the amount by which the value assigned to the key assumption must change, after incorporating any consequential effects of that change on the other variables used to measure recoverable amount, in order for the unit's (group of units') recoverable
amount to be equal to its carrying amount.

Illustration of sensitivity analysis disclosure:
For the electronic segments, its recoverable amount exceeds its carrying amount by RMXXX. The key assumptions used in detemining it's recoverbale amount are sensitive in the following areas:

Management has considered the possibility of greater than budgeted increase in raw material price inflation. This may occur if anticipated regulatory changes [or climate changes or pandemic which resulted in global lockdown, border close and restrictions in logistics] which the result is an incease in demand which cannot be met by suppliers. Budgeted price inflation lies within a range of X% to Y%, depending on the country from which materials are purchased. Should the Group be unable to absorb the additional cost increases of an average of X%, this segment's recoverable amount would be reduced ot its carrying amount.

Management also recognises the current state and speed of technological changes and the possibility of new entrants into the market which can have a significant impact on the growth rate assumptions. The effect of new entrants is not expected to have an adverse impact on the forecasts included in the budget, but could yield a ressonably possible alternative to the estimated long term growth rate of X%. A reduction of Y% in growth rate would give a recoverable amount equilavent to the carrying amount of the segment.

Recoverable amount of CGU containing goodwill or intangible assets with indefinite lives determined based on fair value less costs to sell *136.134(e)(i)-(ii)(iia)*
If the unit's (group of units') recoverable amount is based on fair value less costs of disposal, the valuation technique(s) used to measure fair value less costs of disposal. An entity is not required to provide the disclosures required by MFRS 13. If fair value less costs of disposal is not measured using a quoted price for an identical unit (group of units), an entity shall disclose the following information:
(i) each key assumption on which management has based its determination of fair value less costs of disposal. Key assumptions are those to which the unit's (group of units') recoverable amount is most sensitive.
(ii) a description of management's approach to determining the value (or values) assigned to each key assumption, whether those values reflect past experience or, if appropriate, are consistent with external sources of information, and, if not, how and why they differ from past experience or external sources of information.

Reference

7. INTANGIBLE ASSETS (continued)

Commentary:

Recoverable amount of CGU containing goodwill or intangible assets with indefinite lives determined based on fair value less costs to sell (continued)
(iiA) the level of the fair value hierarchy within which the fair value measurement is categorised in its entirety (without giving regard to the observability of 'costs of disposal').
(iiB) if there has been a change in valuation technique, the change and the reason(s) for making it.

If fair value less costs of disposal is measured using discounted cash flow projections, an entity shall disclose the following information: *136.134(iii), (iv), (v)*
(iii) the period over which management has projected cash flows.
(iv) the growth rate used to extrapolate cash flow projections.
(v) the discount rate(s) applied to the cash flow projections

Reference

8. LEASES

8.1 Right-of-use assets

16.59 (a)

Group as a lessee	Plant and machinery RM'000	Motor vehicles RM'000	Total RM'000	Reference
At cost				
Balance as at 01.10.2019/01.10.2020	5,000	2,790	7,790	
Additions	-	681	681	
Balance as at 31.12.2021	5,000	3,471	8,471	
Less: accumulated depreciation				*16.53 (j)*
Balance as at 01.10.2019	-	1,960	1,960	*16.53 (h)*
Additions	-	366	366	*16.53 (a)*
Balance as at 30.09.2020/01.10.2020	-	2,326	2,326	
Additions	-	329	329	
Balance as at 31.12.2021	-	2,655	2,655	
Net carrying amount				
Balance as at 31 December 2021	5,000	816	5,816	*16.53 (j)*
Balance as at 30 September 2020	5,000	464	5,464	*16.53 (j)*
Balance as at 1 October 2019	5,000	830	5,830	*16.53 (j)*

The Group has entered into non-cancellable operating lease agreement for the use of plant and machinery and motor vehicle for a period between 3 to 15 years with no renewal or purchase option included in the agreement. *16.59 (a)* *16.59 (b)(ii)*

8.2 Lease liabilities

Group as a lessee	Plant and machinery RM'000	Motor vehicles RM'000	Total RM'000	Reference
Carrying amount				
Balance as at 01.10.2019	3,189	921	4,110	
Lease payment	(800)	(281)	(1,081)	*16.53 (g)*
Interest expense	381	146	527	*16.53 (b)*
Balance as at 30.09.2020/01.10.2020	2,770	786	3,556	
New lease entered during the financial period	-	681	681	
Lease payment	(933)	(428)	(1,361)	*16.53 (g)*
Interest expense	361	184	545	
Balance as at 31.12.2021	2,198	1,223	3,421	

Reference

8. LEASES (continued)

8.2 Lease liabilities (continued)

Group as a lessee (continued)

Lease liabilities - secured	**Group** 31.12.2021 RM'000	30.09.2020 RM'000	1.10.2019 RM'000	
				16.58 *7.39* *7.B11*
Represented by:				
Current liabilities	1,326	1,280	1,626	
Non-current liabilities	2,095	2,276	2,484	
	3,421	3,556	4,110	
Minimum lease payment				
- Not later than one year	1,475	1,524	1,826	
- Later than one year not later than five years	2,404	2,490	2,742	
	3,879	4,014	4,568	
Future finance charge on lease liabilities	(458)	(458)	(458)	
Present value of llease liabilities	3,421	3,556	4,110	
Present value of lease liabilities is analysed as follows:				
Current liabilities:				
- Not later than one year	1,326	1,280	1,626	
Non-current liabilities:				
- Later than one year and not Later than five years	2,095	2,276	2,484	
	3,421	3,556	4,110	

(a) Rates of interest charged per annum range between 5% and 7%.

(b) The Group and the Company have certain low value leases of computer and software with amount of RM20,000 and below. The Group and the Company apply the "lease of low- value assets" exemptions for these leases. *16.53 (c)(d)*

(c) The following are the amounts recognised in profit or loss:

NOTES TO THE FINANCIAL STATEMENTS
for the financial period ended 31 December 2021

Reference

8. LEASES (continued)

8.2 Lease liabilities (continued)

Group as a lessee (continued)

(d) The following are the amounts recognised in profit or loss:

	Group 01.10.2020 to 31.12.2021 RM'000	01.10.2019 to 30.09.2020 RM'000	Reference
Included in other operating expenses			
Depreciation of right-of-use assets	329	366	*16.53 (a)*
Expense relating to lease of low-value assets	28	18	*16.53 (c)(d)*
Included in finance costs			
Interest on lease liabilities	545	527	*16.53 (b)*
	902	911	

(e) At the end of the financial period, the Group had total cash outflow for leases of RM1,36,100 (30.09.2020: RM1,081,000; 1.10.2019: RM1,128,000). *16.53 (g)*

8.3 Group as a lessor

The Group and the Company have entered into operating leases on its investment properties portfolio consisting freehold lands. These leases have terms of between two and ten years. All leases include a clause to enable upward revision of the rental charge on an annual basis according to prevailing market conditions. The lessee is also required to provide a residual value guarantee on the properties. Rental income recognised by the Group and the Company during the period is RM1,823,000 (30.09.2020: RM2,891,000). *16.92(a)*

Future minimum rentals receivable under non-cancellable operating leases are as follows: *16.90(b)*

	Group 31.12.2021 RM'000	30.09.2020 RM'000	1.10.2019 RM'000
Within one year	1,715	1,823	2,891
After one year but not more than five years	6,925	7,162	7,292
More than five years	8,131	10,172	12,812
	16,771	19,157	22,995

Reference

8. LEASES (continued)

8.3 Group as a lessor (continued)

Based on the Group's historical collection experience, the amounts of lease receivables presented on the statements of financial position represent the amount exposed to credit risk. The management believes that no additional credit risk beyond the amounts provided for collection losses is inherent in the net lease receivables. *16.92(b)*

9. INVESTMENT IN SUBSIDIARY COMPANIES

	Company			Reference
	31.12.2021 RM'000	**30.09.2020 RM'000**	**1.10.2019 RM'000**	
Unquoted shares, at cost				*127.10* *127.16(c)*
Balance as at beginning of the financial period/year	13,502	12,385	12,385	
Addition	5,176	1,117	-	
Balance as at end of the financial period/year	18,678	13,502	12,385	
Less: Accumulated impairment losses				
Balance as at beginning of the financial period/year	2,516	2,516	2,516	
Impairment losses recognised during the financial period/year ①	1,000	-	-	
Balance as at end of the financial period/year	3,516	2,516	2,516	
Net carrying amount				
Balance as at end of the financial period/year	15,162	10,986	9,869	

Details of the subsidiaries are as follows: *127.16(b)* *12.10(a)* *12.10(b)*

Name of subsidiaries	**Effective equity interest 31.12.2021**	**30.09.2020**	**1.10.2019**	**Country of incorporation/ Principal place of business**	**Principal activities**
Blue Sdn. Bhd.	100%	100%	100%	Malaysia	Advertising of electronic devices.
Red Sdn. Bhd.	100%	100%	100%	Malaysia	Dealer of electronic devices.
Purple Sdn. Bhd.	90%	90%	-	Malaysia	Property development

Reference

9. INVESTMENT IN SUBSIDIARY COMPANIES (continued)

127.16(b)
12.10(a)
12.10(b)

Name of subsidiaries	Effective equity interest 31.12.2021	30.09.2020	1.10.2019	Country of incorporation/ Principal place of business	Principal activities
Yellow Sdn. Bhd.	90%	-	-	Malaysia	Manufacturing of electronic devices.
Green Sdn. Bhd.	80%	60%	60%	Malaysia	Investment holding.
Lilac Sdn. Bhd.*	40%	40%	40%	Malaysia	Investment holding.
<u>Subsiriary of Lilac Sdn. Bhd.</u>					
Peach Sdn. Bhd.*	40%	40%	40%	Malaysia	Dormant.

* Not audited by CAS Malaysia PLT. *S266(2)(c)*

The subsidiary companies, which are incorporated outside Malaysia, are as follows:

Name of subsidiaries	Effective equity interest 31.12.2021	30.09.2020	1.10.2019	Country of incorporation/ Principal place of business	Principal activities
Maroon Pte Ltd#	100%	100%	100%	British Virgin Island	Advertising of electronic devices.

\# Not audited by CAS Malaysia PLT.

Although the Group owns less than half of the ownership in Lilac Sdn. Bhd. and less that half of the voting power of this entity, the Directors have determined that the Group controls this entity. The Group controls Lilac Sdn. Bhd. by virture an agreement with its other investors. *12.7(a)* *12.7(b)* *101.122*

(a) Non-controlling interests

Financial information of subsidiaries that have material non-controlling interests is provided below: *12.10(a)(ii)*

	31.12.2021 %	30.09.2020 %	1.10.2019 %
Purple Sdn. Bhd.	10	10	N/A
Yellow Sdn. Bhd.	20	N/A	N/A

12.12

Reference

9. INVESTMENT IN SUBSIDIARY COMPANIES (continued)

(a) Non-controlling interests (continued)

Accumulated balances of material non-controlling interests:

	31.12.2021 RM'000	30.09.2020 RM'000	1.10.2019 RM'000	Reference
				12.12 (f)
Purple Sdn. Bhd.	1,504	1,201	-	
Yellow Sdn. Bhd.	3,194	-	-	
	4,698	1,201	-	

Profit allocated to material non-controlling interest: *12.12 (e)*

	31.12.2021 RM'000	30.09.2020 RM'000	1.10.2019 RM'000
Purple Sdn. Bhd.	820	517	-
Yellow Sdn. Bhd.	100	-	-
	920	517	-

The summarised financial information of the subsidiaries that have non-controlling interests which are material to the Company before intra-group elimination are as follows: ②③ *12.12 (g)*

	31.12.2021 RM'000	30.09.2020 RM'000	1.10.2019 RM'000	Reference
Purple Sdn. Bhd.				
NCI percentage of ownership interest and voting interest (%)	10	10	-	
Dividend paid to NCI	60	98	-	*12.B10(a)*
Total comprehensive income allocated to NCI	519	436	-	
Summarised statements of financial position				*12.B10(b)*
Non-current assets	8,937	9,173	-	
Current assets	7,138	5,183	-	
Non-current liabilities	(391)	(371)	-	
Current liabilities	(644)	(1,975)	-	
Net assets	15,040	12,010	-	
Summarised statements of comprehensive income				*12.B10(b)*
Revenue	44,758	35,308	-	
Profit for the period/year	5,371	4,237	-	
Total comprehensive income	5,190	4,360	-	
Summarised statements of cash flows				*12.B10(b)*
Cash flows generated from operating activities	12,789	17,483	-	
Cash flows generated from/(used in) investing activities	128	(3,681)	-	
Cash flows used in financing activities	(2,154)	(2,789)	-	
Net increase in cash and cash equivalents	10,763	11,013	-	

NOTES TO THE FINANCIAL STATEMENTS
for the financial period ended 31 December 2021

Reference

9. INVESTMENT IN SUBSIDIARY COMPANIES (continued)

(a) Non-controlling interests (continued)

	31.12.2021 RM'000	30.09.2020 RM'000	1.10.2019 RM'000	Reference
				12.12 (f)
Yellow Sdn. Bhd.				
NCI percentage of ownership interest and voting interest (%)	10	-	-	
Dividend paid to NCI	-	-	-	*12.B10(a)*
Total comprehensive income allocated to NCI	303	-	-	
Summarised statements of financial position				*12.B10(b)*
Non-current assets	48,173	-	-	
Current assets	18,942	-	-	
Non-current liabilities	(28,471)	-	-	
Current liabilities	(6,704)	-	-	
Net assets	31,940	-	-	
Summarised statements of comprehensive income				
Revenue	59,021	-	-	*12.B10(b)*
Profit for the period	10,034	-	-	
Total comprehensive income	9,173	-	-	
Summarised statements of cash flows				
Cash flows generated from operating activities	37,791	-	-	*12.B10(b)*
Cash flows used in investing activities	(3,796)	-	-	
Cash flows used in financing activities	(2,791)	-	-	
Net increase in cash and cash equivalents	31,204	-	-	

(b) Acquisition of subsidiaries

(i) Acquisition 80% of Yellow Sdn. Bhd.

On 1 November 2021, the Company acquired 80% equity interest of Yellow Sdn. Bhd. for a total cash consideration of RM32,846,000. *3.B64 (a) - (e)*

Purple Sdn Bhd engaged in the manufacturing of electronic devices. By combining the manufacturing operations of Yellow Sdn. Bhd., the Group expects to extract synergies for the combined operations, which would lead to cost reductions and other economies of scale.

Reference

9. INVESTMENT IN SUBSIDIARY COMPANIES (continued)

(b) Acquisition of subsidiaries (continued)

(i) Acquisition 80% of Yellow Sdn. Bhd. (continued)

Commentary:

If consideration transferred via ordinary shares: *3.B64(f)(iv)*

The fair value of the XXX ordinary shares issued as part of the consideration paid for XXX Sdn. Bhd. was determined on the basis of the closing market price of the Company's ordinary shares of RMX per share on the acquisition date.

If consideration transferred consists of contingent consideration: *3.B64(g)*

As at the acquisition date, the fair value of the contingent consideration was estimated to be RMXXX. As part of the purchase agreement, there will be additional cash payments of RMXXX to the former shareholders of XXX Sdn. Bhd. on 31 December 20X2 if the acquiree achieves the guaranteed maintainable profits after tax of RMXXX for the 12-month period ending 31 October 2022. If the actual profit is above or below the guaranteed level, the amount payable increase or decrease by the excess or shortfall in profit. The contingent amount payable is probably in the range of RMXXX to RMXXX. The fair value is measured based on discounted cash flows method. The discount rate applied was X%.

Fair value of the identifiable assets acquired and liabilities recognised:

	RM'000	Reference
Assets		*3.B64 (f)*
Property, plant and equipment	12,894	*107.40(d)*
Intangible assets	3,616	
Inventories	8,931	
Trade and other receivables	14,315	
Cash and short term deposits	6,801	
Total assets	46,557	
Liabilities		*3.B64 (f)*
Interest-bearing loans and borrowings	5,835	*107.40(d)*
Deferred tax liabilities	3,011	
Provisions	4,800	
Trade and other payables	1,971	
Total liabilities	15,617	
Total identifiable net assets acquired	30,940	
Non-controlling interest at net asset	(3,094)	*3.B64 (o)(i)*
Goodwill arising on acquisition	5,000	
Share capital and pre-acquisition retained earnings	30,940	
Fair value of consideration transferred	32,846	

Reference

9. INVESTMENT IN SUBSIDIARY COMPANIES (continued)

(b) Acquisition of subsidiaries (continued)

(i) Acquisition 80% of Yellow Sdn. Bhd. (continued)

Fair value of the identifiable assets acquired and liabilities recognised:

		Reference
Effect of acquisition on cash flow:		*107.40(a)*
Fair value of consideration transferred	32,846	*107.40(b)*
Less: Non-cash consideration	-	*107.40(c)*
Consideration paid in cash	32,846	
Less: Cash and cash equivalents of a subsidiary acquired	(6,801)	
Net cash outflows on acquisition	26,045	

Goodwill

Goodwill comprises the value of expected synergies arising from the acquisition and non-identifiable intangible assets which are not separately recognised. *3.B64(e)*

Non-identifiable intangible assets comprise a customer list and substantial non-contractual customer relationships with its overseas buyers. Due to the contractual terms imposed on acquisition, the customer list is not separable. Whilst, substantial non-contractual customer relationships with its overseas buyers was not identifiable at the acquisition date because it was neither separable from the business as a whole nor could it be controlled through legal or other contractual rights. Therefore, these assets did not meet the recognition criteria as an intangible asset under MFRS 138. Hence, these intangible assets were subsumed in the amount determined for goodwill. None of the goodwill recognised is expected to be deductible for income tax purposes. *3.B64(k)*

Commentary:

If there is acquisition-related costs: *3.B64(m)*

Acquisition-related costs of the business combination amounted to RMxxx, of which RMxxx was recognised in profit or loss as administrative expense and RMxxx relating to share issue was charged directly to equity.

Effect of acquisition in statements of comprehensive income

From the date of acquisition, the subsidiary's contributed revenue and loss net of tax are as follows: *3.B64(q)(i)*

	RM'000
Revenue	27,810
Profit for the financial period	2,010

Reference

9. INVESTMENT IN SUBSIDIARY COMPANIES (continued)

(b) Acquisition of subsidiaries (continued)

(i) Acquisition 80% of Yellow Sdn. Bhd. (continued)

Effect of acquisition in statements of comprehensive income (continued)

If the acquisition had occurred on 1 October 2020, the consolidated results for the financial period ended 31 December 2021 would have been as follows: *3.B64(q)(ii)*

	RM'000
Revenue	279,167
Profit for the financial period	28,613

(ii) Acquisition 20% of Green Sdn. Bhd.

On 27 May 2021, the Company acquired additional 20% interest in Green Sdn. Bhd., increasing its ownership interest to 80%. Cash consideration of RM650,000 was paid to the non-controlling shareholders. The carrying value of the net assets of Green Sdn. Bhd. (excluding goodwill on the original acquisition) was RM1,350,000. Following is the schedule of additional interest acquired in Green Sdn. Bhd.. *10.23* *10.B96* *12.18*

	RM'000
Cash consideration paid to non-controlling shareholders	650
Carrying value of the additional interest in Green Sdn. Bhd.	(270)
Difference recognised in retained earnings	380

(iii) Acquisition 90% of Purple Sdn. Bhd.

On 1 January 2020, the Company acquired 90% equity interest of Purple Sdn. Bhd. for a total cash consideration of RM6,691,000. *3.B64 (a) - (e)*

Purple Sdn. Bhd. engaged in the property development. By combining the manufacturing operations of Purple Sdn. Bhd., the Group expects to extract synergies for the combined operations, which would lead to cost reductions and other economies of scale.

Fair value of the identifiable assets acquired and liabilities recognised:

	RM'000	
Assets		
Inventories	2,937	*3.B64 (f)*
Trade and other receivables	3,809	*107.40(d)*
Cash and short term deposits	791	
Total assets	7,537	

Reference

9. INVESTMENT IN SUBSIDIARY COMPANIES (continued)

(b) Acquisition of subsidiaries (continued)

(iii) Acquisition 90% of Purple Sdn. Bhd. (continued)

	RM'000	Reference
Liabilities		
Trade and other payables	162	*3.B64 (f)*
Total liabilities	162	*107.40(d)*
Total identifiable net assets acquired	7,375	
Non-controlling interest at net asset	(684)	*3.B64 (o)(i)*
Goodwill arising on acquisition	-	
Share capital and pre-acquisition retained earnings	7,375	
Fair value of consideration transferred	6,691	
Effect of acquisition on cash flow:		
Fair value of consideration transferred	6,691	*107.40(a)*
Less: Non-cash consideration	-	*107.40(b)*
Consideration paid in cash	6,691	*107.40(c)*
Less: Cash and cash equivalents of a subsidiary acquired	(791)	
Net cash outflows on acquisition	5,900	

Effect of acquisition in statements of comprehensive income

From the date of acquisition, the subsidiary's contributed revenue and loss net of tax are as follows: *3.B64(q)(i)*

	RM'000
Revenue	20,183
Profit for the financial period	1,803

If the acquisition had occurred on 1 October 2019, the consolidated results for the financial year ended 30 October 2020 would have been as follows: *3.B64(q)(ii)*

	RM'000
Revenue	63,805
Profit for the financial period	5,892

Commentary:

① An entity shall disclose the events and circumstances that led to the recognition or reversal of the impairment losses. *136.130(a)*

② The summarised financial information shall be the amounts before inter-company eliminations. *12.B11*

③ When an entity's interest in a subsidiary is classified as held for sale in accordance with MFRS 5, the entity is not required to disclose summarised financial information for that subsidiary in accordance with paragraphs 12.B10–B16. *12.B17*

Reference

9. INVESTMENT IN SUBSIDIARY COMPANIES (continued)

Illustrative disclosure where the holding company or its subsidiary is restricted on its ability to access or use the assets and settle the liabilities of the Group *12.13(a)*

Significant restrictions

Country A imposed a restriction on its financial control where XXX Ltd is restricted from transferring funds to the Group in the form of cash dividends or repay loans or advances made by the Group.

10. INVESTMENT IN AN ASSOCIATE

	Group			Reference
	31.12.2021	**30.09.2020**	**1.10.2019**	
	RM'000	**RM'000**	**RM'000**	
Shares at cost	902	902	902	*127.10(a)*
Share of post acquisition reserves ①	3,036	1,975	917	
Less: Impairment losses ②	(xxx)	(xxx)	(xxx)	*136.126*
Balance as at end of the financial period/year	3,938	2,877	1,819	

The details of the associate is as follows:-

Name of associate	**Effective equity interest 31.12.2021**	**30.09.2020**	**1.10.2019**	**Country of incorporation/ Principal place of business**	**Principal activities**	
Ocean CAS Sdn. Bhd.	30%	30%	30%	Malaysia	Trading of electronic devices.	*127.17(b)*

The following table summarises the financial information of Group's associate: ③ *12.21(b)(ii)* *12.21(c)(ii)*

	31.12.2021	**30.09.2020**	**1.10.2019**	
	RM'000	**RM'000**	**RM'000**	*12.B12(b)(i)-(iv)*
Current assets	87,546	87,546	84,756	
Non-current assets	45,142	45,142	41,575	
Current liabilities	(76,415)	(76,415)	(75,414)	
Non-current liabilities	(43,146)	(46,683)	(44,854)	
Equity	13,127	9,590	6,063	

Reference

10. INVESTMENT IN AN ASSOCIATE (continued)

Summarised statement of profit or loss of Ocean CAS Sdn. Bhd.:

	01.10.2020 to 31.12.2021 RM'000	01.10.2019 to 30.09.2020 RM'000	*12.B12(b)(vi)-(ix)*
Revenue	58,158	54,158	*12.B12(b)(v)*
Cost of sales	(40,711)	(39,535)	
Administative expenses	(12,076)	(9,218)	
Finance costs	(624)	(524)	
Profit before tax	4,747	4,881	
Income tax expenses	(1,210)	(1,354)	
Profit for the year	3,537	3,527	
Other comprehensive loss that may be reclassified to profit or loss in subsequent periods, net of tax	(200)	-	
Other comprehensive income that may be reclassified to profit or loss in subsequent periods, net of tax	200	-	
Total comprehensive income for the period/year	3,537	3,527	
Group's share of profit for the period/year	1,061	1,058	

The associate requires the Group's consent to distribute its profits. The Group does not foresee giving such consent at the reporting date.

The associate had no contingent liabilities or capital commitments as at 31 December 2021 and 30 September 2020.

Commentary:

① Any entity shall disclose the unrecognised share of losses of an associate, both for the reporting period and cumulatively, if the entity has stopped recognising its share of losses of the associate when applying the equity method. The illustrative disclosure is as follows: *12.22(c)*

The Group has not recognised its share of losses of XXX Ltd amounting to RMXXX (2020: RMXXX) 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 RMXXX (31.12.2020: RMXXX).

② An entity shall disclose the events and circumstances that led to the recognition or reversal of the impairment losses. *136.130(a)*

③ The summarised financial information presented shall be the amounts included in the MFRS financial statements of the associate (and not the entity's share of those amounts). *12.B14*

Reference

10. INVESTMENT IN AN ASSOCIATE (continued)

Commentary:

When the Company has more than 1 associates company which some are immaterial to disclose the summarised financial information, the Company shall disclose the reconciliation of net assets to the carrying amount of the Group's interest in the associates as follows:

The following table illustrates the summarised financial 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: *12.21(b)(ii)* *12.21(c)(ii)*

Group	**AAA Sdn. Bhd. RM'000**	**Other individual immaterial associates RM'000**	**Total RM'000**	
As at 31 December 2021				*12.B14(b)*
Reconciliation of net assets to carrying amount:				
Share of the net assets at the acquisition date	xxx	xxx	xxx	
Fair value adjustments	xxx	xxx	xxx	
Share of net assets at fair value	xxx	xxx	xxx	
Goodwill on acquisition	xxx	xxx	xxx	
Cost of investment	xxx	xxx	xxx	
Share of post-acquisition profits	xxx	xxx	xxx	
Share of post-acquisition other comprehensive income reserves	xxx	xxx	xxx	
Carrying amount in the statements of financial position	xxx	xxx	xxx	
Group's share of results:				
Group's share of profit or loss from:				*12.B16*
- Continuing operations	xxx	xxx	xxx	
- Discontinuing operations	xxx	xxx	xxx	
Group's share of other comprehensive income	xxx	xxx	xxx	
Group's share of total comprehensive income	xxx	xxx	xxx	

11. INVESTMENT IN A JOINT VENTURE

		Group		
	31.12.2021 RM'000	**30.09.2020 RM'000**	**1.10.2019 RM'000**	
Shares at cost	1,805	1,805	1,805	*127.10(a)*
Share of post acquisition reserves ①	631	350	132	*127.17(c)*
Less: Impairment losses ②	(xxx)	(xxx)	(xxx)	*136.126*
Balance as at end of the financial period/year	2,436	2,155	1,937	

NOTES TO THE FINANCIAL STATEMENTS
for the financial period ended 31 December 2021

Reference

11. INVESTMENT IN A JOINT VENTURE (continued)

The details of the joint venture is as follows:- *127.17(b)*

Name of joint venture	Effective equity interest 31.12.2021	30.09.2020	1.10.2019	Country of incorporation/ Principal place of business	Principal activities
Rock CAS Sdn. Bhd.	50%	50%	50%	Malaysia	Trading of electronic devices.

Summarised statement of financial position of Rock CAS Sdn. Bhd.: ③

	31.12.2021 RM'000	30.09.2020 RM'000	1.10.2019 RM'000	Reference
Current assets	48,054	47,846	47,846	*12.B12(b)(i)-(iv)*
Non-current assets	117,981	102,145	102,145	
Current liabilities	(121,950)	(105,428)	(105,864)	
Non-current liabilities	(39,214)	(40,254)	(40,254)	
Cash and cash equivalents	xxx	xxx	xxx	*12.B13(a)*
Current financial liabilities (excluding trade and other payables and provisions)	(xxx)	(xxx)	(xxx)	*12.B13(b)*
Non-current financial liabilities (excluding trade and other payables and provisions)	(xxx)	(xxx)	(xxx)	*12.B13(c)*
Equity	4,871	4,309	3,873	
Group's share in equity - 50% (2019: 50%)	2,336	2,055	1,837	
Goodwill	100	100	100	
Group's carrying amount of the investment	2,436	2,155	1,937	

Summarised statement of profit or loss of Rock CAS Sdn. Bhd.: *12.B12(b)(vi)-(ix)*

	01.10.2020 to 31.12.2021 RM'000	01.10.2019 to 30.09.2020 RM'000	Reference
Revenue	24,785	20,143	*12.B12(b)(v)*
Cost of sales	(19,828)	(16,114)	
Interest income	xxx	xxx	*12.B13(e)*
Depreciation and amortisation	(xxx)	(xxx)	*12.B13(d)*
Administative expenses	(4,215)	(3,451)	
Finance costs	(10)	(12)	*12.B13(f)*
Profit before tax	732	566	
Income tax expenses	(170)	(130)	*12.B13(g)*
Profit for the year	562	436	
Total comprehensive income for the period/year	562	436	
Group's share of profit for the period/year	281	218	

Reference

11. INVESTMENT IN A JOINT VENTURE (continued)

The joint venture had no other contingent liabilities or commitments as at 31 December 2021 and 30 September 2020, except trade purchase commitments of RM620,000 (30.09.2020: RM1,032,000), for which the Group has a corresponding commitment, as disclosed in Note 38. Rock CAS Sdn. Bhd. cannot distribute its profits without the consent from the two venture partners.

Commentary:

① Any entity shall disclose the unrecognised share of losses of a joint venture, both for the reporting period and cumulatively, if the entity has stopped recognising its share of losses of the joint venture when applying the equity method. The illustrative disclosure is as follows: *12.22(c)*

The Group has not recognised its share of losses of XXX Ltd amounting to RMXXX (2020: RMXXX) because the Group's cumulative share of losses has exceeded its interest in that joint venture and the Group has no obligation in respect of these losses. The Group's cumulative accumulated losses not recognised were RMXXX (31.12.2020: RMXXX).

② An entity shall disclose the events and circumstances that led to the recognition or reversal of the impairment losses. *136.130(a)*

③ The summarised financial information presented shall be the amounts included in the MFRS financial statements of the joint venture (and not the entity's share of those amounts). *12.B14*

Commentary:

<u>When the Company has more than 1 associates company which some are immaterial to disclose the summarised financial information, the Company shall disclose the reconciliation of net assets to the carrying amount of the Group's interest in the associates as follows:</u>

The following table illustrates the summarised financial 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: *12.21(b)(ii)* *12.21(c)(ii)*

Group **As at 31 December 2021** **Reconciliation of net assets to carrying amount:** *12.B14(b)*	**AAA Sdn. Bhd.** **RM'000**	**Other individual immaterial associates** **RM'000**	**Total** **RM'000**
Share of the net assets at the acquisition date	xxx	xxx	xxx
Fair value adjustments	xxx	xxx	xxx
Share of net assets at fair value	xxx	xxx	xxx
Goodwill on acquisition	xxx	xxx	xxx
Cost of investment	xxx	xxx	xxx
Share of post-acquisition profits	xxx	xxx	xxx
Share of post-acquisition other comprehensive income reserves	xxx	xxx	xxx
Carrying amount in the statements of financial position	xxx	xxx	xxx

NOTES TO THE FINANCIAL STATEMENTS
for the financial period ended 31 December 2021

Reference

11. INVESTMENT IN A JOINT VENTURE (continued)

Commentary:

The following table illustrates the summarised financial 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) *12.21(b)(ii)* *12.21(c)(ii)*

Group **As at 31 December 2021** **Reconciliation of net assets to carrying amount:**	**AAA Sdn. Bhd.** **RM'000**	**Other individual immaterial associates** **RM'000**	**Total** **RM'000**	*12.B14(b)*
Group's share of results:				
Group's share of profit or loss from:				*12.B16*
- Continuing operations	xxx	xxx	xxx	
- Discontinuing operations	xxx	xxx	xxx	
Group's share of other comprehensive income	xxx	xxx	xxx	
Group's share of total comprehensive income	xxx	xxx	xxx	

12. FINANCIAL ASSETS AND LIABILITIES

(a) Financial assets

	Note	Group 31.12.2021 RM'000	30.09.2020 RM'000	1.10.2019 RM'000
Derivatives not designated as hedging instruments				
Foreign exchange forward contract		426	271	371
Derivatives designated as hedging instruments				
Foreign exchange forward contract		172	-	-
Financial assets at fair value through profit or loss				
Listed equity instruments		5,279	3,310	718
Equity instruments designated at fair value through OCI				
Non-listed equity instruments		1,016	729	1,839
Debt instruments at fair value through OCI				
Quoted debt instruments		1,731	1,628	1,892
Total financial assets at fair value		8,624	5,938	4,820

Reference

12. FINANCIAL ASSETS AND LIABILITIES (continued)

(a) Financial assets (continued)

	Note	Company 31.12.2021 RM'000	30.09.2020 RM'000	1.10.2019 RM'000
Analysed by:				
Current		1,102	306	274
Non-current		7,522	5,632	4,546
		8,624	5,938	4,820
Debt instruments at amortised cost				
Trade and other receivables	15	51,344	27,104	41,564
Cash and short-term deposits	17	35,056	29,832	22,132
		86,400	56,936	63,696
Total financial assets		95,024	62,874	68,516
Debt instruments at amortised cost				
Trade and other receivables	15	20,636	14,153	17,509
Cash and short-term deposits	17	10,994	9,390	5,732
Total financial assets		31,630	23,543	23,241

Derivatives not designated as hedging instruments *9.B6.2.1*

The derivatives reflect the positive change in fair value of those foreign exchange forward contracts that are not designated in hedge relationships, but are, nevertheless, intended to reduce the level of foreign currency risk for expected sales and purchases.

Derivatives designated as hedging instruments *9.6.2.1*
9.6.2.5

The derivatives reflect the positive change in fair value of foreign exchange forward contracts, designated as cash flow hedges to hedge highly probable forecast sales in United States Dollar (USD).

Financial assets at fair value through profit or loss

This includes investments in listed equity shares. Fair values of these equity shares are determined by reference to published price quotations in an active market.

Equity instruments designated at fair value through OCI *9.7.2.8*

This include investments in equity shares of non-listed companies. These investments were irrevocably designated at fair value through OCI as the Group considers these investments to be strategic in nature.

Debt instruments at fair value through OCI

This includes investments in quoted government and corporate bonds. Fair values of these debt instruments are determined by reference to published price quotations in an active market.

NOTES TO THE FINANCIAL STATEMENTS
for the financial period ended 31 December 2021

Reference

12. FINANCIAL ASSETS AND LIABILITIES (continued)

(b) Financial liabilities

	Note	Group 31.12.2021 RM'000	Group 30.09.2020 RM'000	Group 1.10.2019 RM'000
Derivatives not designated as hedging instruments				
Foreign exchange forward contract		816	-	-
Derivatives designated as hedging instruments				
Foreign exchange forward contract		719	508	606
Commodity forward contract		198	-	-
Financial assets at fair value through profit or loss				
Contingent liabilities		5,785	-	-
Total financial instruments at fair value		7,518	508	606
Analysed by:				
Current		5,906	508	606
Non-current		1,612	-	-
		7,518	508	606
Other financial liabilities at amortised cost				
Trade and other payables	27	32,670	13,128	36,272
Interest-bearing loans and borrowings	22	49,958	52,910	52,384
		82,628	66,038	88,656
Total financial liabilities		84,240	66,038	88,656

	Note	Company 31.12.2021 RM'000	Company 30.09.2020 RM'000	Company 1.10.2019 RM'000
Other financial liabilities at amortised cost				
Trade and other payables, representing total liabilities	27	2,997	7,236	4,792

Derivatives not designated as hedging instruments

The derivatives reflect the negative change in fair value of those foreign exchange forward contracts that are not designated in hedge relationships, but are, nevertheless, intended to reduce the level of foreign currency risk for expected sales and purchases.

Reference

12. FINANCIAL ASSETS AND LIABILITIES (continued)

(b) Financial liabilities (continued)

Derivatives designated as hedging instruments

The derivatives reflect the negative change in fair value of foreign exchange forward contracts, designated as cash flow hedges to hedge highly probable future purchases in GBP. This also includes the change in fair value of commodity forward contracts entered into during financial year 2021.

Contingent liabilities

It relates to the contingent consideration payable to the previous owner. The consideration is dependent on the profit before tax of the subsidiary during a 12-month period. The contingent consideration is due for final measurement and payment to the previous owner on 30 December 2022.

(c) Hedging activities and derivatives *9.6.5.1*

The Group is exposed to certain risks relating to its ongoing business operations. The primary risks managed using derivative instruments are foreign currency risk, commodity price risk, and interest rate risk.

Derivatives not designated as hedging instruments

The Group uses foreign currency-denominated borrowings and foreign exchange forward contracts to manage some of its transaction exposures. The foreign exchange forward contracts are not designated as cash flow hedges and are entered into for periods consistent with foreign currency exposure of the underlying transactions, generally from one to 24 months.

Derivatives designated as hedging instruments - cash flows hedge *9.6.5.2(b)*

Foreign exchange risk

Foreign exchange forward contracts are designated as hedging instruments in cash flow hedges of forecast sales in US dollars and forecast purchases in GBP. These forecast transactions are highly probable. The foreign exchange forward contract balances vary with the level of expected foreign currency sales and purchases and changes in foreign exchange forward rates.

Reference

12. FINANCIAL ASSETS AND LIABILITIES (continued)

(c) Hedging activities and derivatives (continued)

Commodity price risk

The Group purchases copper on an ongoing basis as its operating activities in the electronic division require a continuous supply of copper for the production of its electronic devices. The increased volatility in copper price over the past 12 months has led to the decision to enter into commodity forward contracts.

These contracts, which commenced on 1 July 2021, are expected to reduce the volatility attributable to price fluctuations of copper. Hedging the price volatility of forecast copper purchases is in accordance with the risk management strategy outlined by the Board of Directors.

There is an economic relationship between the hedged items and the hedging instruments as the terms of the foreign exchange and commodity forward contracts match the terms of the expected highly probable forecast transactions (i.e., notional amount and expected payment date). The Group has established a hedge ratio of 1:1 for the hedging relationships as the underlying risk of the foreign exchange and commodity forward contracts are identical to the hedged risk components. To test the hedge effectiveness, the Group uses the hypothetical derivative method and compares the changes in the fair value of the hedging instruments against the changes in fair value of the hedged items attributable to the hedged risks.

The hedge ineffectiveness can arise from: *139.AG124*

(a) Differences in the timing of the cash flows of the hedged items and the hedging instruments;
(b) Different indexes (and accordingly different curves) linked to the hedged risk of the hedged items and hedging instruments;
(c) The counterparties' credit risk differently impacting the fair value movements of the hedging instruments and hedged items; and
(d) Changes to the forecasted amount of cash flows of hedged items and hedging instruments.

NOTES TO THE FINANCIAL STATEMENTS
for the financial period ended 31 December 2021

Reference

12. FINANCIAL ASSETS AND LIABILITIES (continued)

(c) Hedging activities and derivatives (continued)

Maturity profile of derivative financial instruments

	< 3 months RM'000	3 - 6 months RM'000	Total fair value of derivatives financial assets/ (financial liabilities) RM'000
31 December 2021			
Foreign exchange forward contract	(547)	-	(547)
Commodity forward contract	-	(198)	(198)
	(547)	(198)	(745)
30 September 2020			
Foreign exchange forward contract	(508)	-	(508)
Commodity forward contract	-	-	-
	(508)	-	(508)
1 October 2019			
Foreign exchange forward contract	(606)	-	(606)
Commodity forward contract	-	-	-
	(606)	-	(606)

13. INVENTORIES

102.36(b)

		Group	
	31.12.2021 RM'000	30.09.2020 RM'000	1.10.2019 RM'000
Manufacturing divisions			
At cost:			
- Raw materials	11,171	812	3,535
- Work-in-progress	4,309	2,118	3,071
	15,480	2,930	6,606
At realisable value:			
- Finished goods	31,620	31,913	41,986
	47,100	34,843	48,592

Reference

13. INVENTORIES (continued)

102.36(b)

	Group 31.12.2021 RM'000	30.09.2020 RM'000	1.10.2019 RM'000
Property development			
At cost:			
- Freehold land	1,873	1,873	-
- Development expenditure	2,892	673	-
	4,765	2,546	-
At realisable value:			
- Completed properties	189	271	-
	4,954	2,817	-
Total inventories	52,054	37,660	48,592
Recognised in profit or loss:			
Inventories recognised in cost of sales	242,979	231,725	271,975
Written-off inventories	14,771	6,283	4,123
Reversal of written-off inventories	123	-	1,684

102.36(d)

Commentary: *102.36*

The cost of inventories of the Group and the Company recognised as an expense in cost of sales during the financial year in respect of write-down of inventories to net realisable value was RMXXX (2020: RMXXX) and RMXXX (2020: RMXXX) respectively, in view of the decline in the selling price of inventories as a result of slow down in the production demand due to global lock down. *102.36(e)*

During the financial year, the Group and the Company have reversed the previous inventories written down value of RMXXX (2020: RMXXX) and RMXXX (2020: XXX) respectively, as a result of increased sales price in certain markets. The amount of reversal was included in cost of sales. *102.36(f)* *102.36(g)*

Freehold land included in the properties held for development of RMXXX (31.12.2020: RMXXX) are pledged as security to secure bank term loans granted to the Group and the Company as disclosed in Note XX to the financial statements. *102.36(h)*

Included in inventories are borrowing costs capitalised in the property development costs of RMXXX (2020:RMXXX). *123.26(a)*

Reference

14. TRADE AND OTHER RECEIVABLES

101.78(b)

	Note	Group 31.12.2021 RM'000	Group 30.09.2020 RM'000	Group 1.10.2019 RM'000	Reference
Trade receivables	(a)				
Third parties		51,369	29,785	32,555	
Amount owing by an associate		1,538	2,740	6,236	
		52,907	32,525	38,791	
Less: Allowance for impairment losses		(4,795)	(8,089)	(1,836)	*7.16A*
Trade receivables - net		48,112	24,436	36,955	
Other receivables	(b)				
Third parties		5,136	7,381	6,734	
Less: Allowance for impairment losses		(1,904)	(4,713)	(2,125)	
Other receivables - net		3,232	2,668	4,609	
Total trade and other receivables		51,344	27,104	41,564	

	Note	Company 31.12.2021 RM'000	Company 30.09.2020 RM'000	Company 1.10.2019 RM'000
Amount owing by subsidiaries	(c)	24,916	17,498	28,041
Less: Allowance for impairment losses		(5,963)	(4,557)	(13,223)
Amount owing by subsidiaries - net		18,953	12,941	14,818
Other receivables		1,683	1,212	2,691
Total other receivables		20,636	14,153	17,509

(a) Trade receivables

Trade receivables are non-interest bearing. The Group's normal trade credit term ranges from 30 to 90 days (30.09.2020 and 1.10.2019: 30 to 90 days). Other credit terms are assessed and approved on a case-by-case basis. Overdue balances are reviewed regularly by senior management. Trade receivables are recognised at original invoice amounts which represent their fair values on initial recognition.

7.7
7.31

NOTES TO THE FINANCIAL STATEMENTS
for the financial period ended 31 December 2021

Reference

14. TRADE AND OTHER RECEIVABLES (continued)

(a) Trade receivables (continued)

Movement in the allowance for impairment losses

The allowance account is used to record impairment losses. The creation and release of allowance for impaired receivables have been included in 'other operating expenses' in the profit or loss. Unless the Group and the Company are satisfied that recovery of the amount is possible, then the amount considered irrecoverable is written off against the receivable directly.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by geographical region, customer type and rating). The calculation reflects the probability-weighted outcome and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. *9.B5.5.32*

The movement in the allowance for impairment losses during the financial period are as follows:

31.12.2021	**Lifetime ECL RM'000**	**Credit impaired RM'000**	**Total RM'000**	*7.35H*
Balance as at beginning of the financial period	6,189	1,900	8,089	
Provision for impairment losses	3,180	3,024	6,204	
Write off	(3,158)	(3,025)	(6,183)	*7.35I(c)*
Reversal of allowance for impairment losses	(2,791)	(524)	(3,315)	
Balance as at end of the financial period	3,420	1,375	4,795	
30.09.2020				
Balance as at beginning of the financial year	1,497	339	1,836	
Provision for impairment losses	5,571	2,219	7,790	
Write off	(579)	(658)	(1,237)	
Reversal of allowance for impairment losses	(300)	-	(300)	
Balance as at end of the financial year	6,189	1,900	8,089	

Reference

14. TRADE AND OTHER RECEIVABLES (continued)

(a) Trade receivables (continued)

Movement in the allowance for impairment losses (continued)

1.10.2019	**Lifetime ECL RM'000**	**Credit impaired RM'000**	**Total RM'000**
Balance as at beginning of the financial year	4,654	204	4,858
Provision for impairment losses	279	693	972
Write off	(2,585)	(379)	(2,964)
Reversal of allowance for impairment losses	(851)	(179)	(1,030)
Balance as at end of the financial year	1,497	339	1,836

Commentary:

MFRS 7.35H requires tabular disclosure of a reconciliation from the opening balance to the closing balance of the loss allowance by class of financial instrument. The Group has provided this required reconciliation for trade receivables and contract assets. *7.35H*

The allowance for impairment losses of trade receivables are those trade receivables that are individually impaired. These trade receivables are in significant difficulties and have defaulted on payments. They are not secured by any collateral or credit enhancement.

Based on the Group's historical collection experience, the amounts of trade receivables presented on the statements of financial position represent the amount exposed to credit risk. The management believes that no additional credit risk beyond the amounts provided for collection losses is inherent in the net trade receivables.

The ageing of the receivables and allowance for impairment losses provided for above are as follows:

31 December 2021		**Provision for impairment losses**		
	Gross carrying amount RM'000	**ECL (Collectively assessed) RM'000**	**ECL (Individually assessed) RM'000**	**Net balance RM'000**
Neither past due	21,484	-	-	21,484
Past due 1 - 30 days	15,294	-	(1,244)	14,050
Past due 31 - 60 days	6,385	-	(278)	6,107
Past due 61 - 90 days	7,351	(880)	-	6,471
More than 90 days past due	1,018	(1,018)	-	-
	51,532	(1,898)	(1,522)	48,112
Credit Impaired				
More than 90 days past due	1,375	(1,375)	-	-
	52,907	(3,273)	(1,522)	48,112

Reference

14. TRADE AND OTHER RECEIVABLES (continued)

(a) Trade receivables (continued)

30 September 2020		**Provision for impairment losses**		
	Gross carrying amount RM'000	**ECL (Collectively assessed) RM'000**	**ECL (Individually assessed) RM'000**	**Net balance RM'000**
Neither past due	8,942	-	-	8,942
Past due 1 - 30 days	8,739	-	-	8,739
Past due 31 - 60 days	7,289	-	(2,617)	4,672
Past due 61 - 90 days	3,809	-	(2,731)	1,078
More than 90 days past due	1,846	(841)	-	1,005
	30,625	(841)	(5,348)	24,436
Credit Impaired				
More than 90 days past due	1,900	(1,900)	-	-
	32,525	(2,741)	(5,348)	24,436
1 October 2019				
Neither past due	17,274	-	-	17,274
Past due 1 - 30 days	12,736	-	-	12,736
Past due 31 - 60 days	5,313	-	-	5,313
Past due 61 - 90 days	2,735	(1,103)	-	1,632
More than 90 days past due	394	(394)	-	-
	38,452	(1,497)	-	36,955
Credit Impaired				
More than 90 days past due	339	-	(339)	-
	38,791	(1,497)	(339)	36,955

The maximum exposure of credit risk at the reporting date is the carrying value of receivables mentioned above. The Group does not hold any collateral as security.

Reference

14. TRADE AND OTHER RECEIVABLES (continued)

(b) Other receivables

Movement in the allowance for impairment losses

	Group		
	31.12.2021 RM'000	**30.09.2020 RM'000**	**1.10.2019 RM'000**
Balance as at beginning of the financial period/year	4,713	2,125	1,831
Provision for impairment losses	-	2,588	741
Written off	(1,783)	-	-
Reversal of allowance for impairment losses	(1,026)	-	(447)
Balance as at end of the financial period/year	1,904	4,713	2,125

(c) Amount owing by subsidiaries

The amount due by subsidiary companies represented non-trade transactions which are unsecured, interest free and repayable on demand. *124.18(b)(i)*

Movement in the allowance for impairment losses

	Company		
	31.12.2021 RM'000	**30.09.2020 RM'000**	**1.10.2019 RM'000**
Balance as at beginning of the financial period/year	4,557	13,223	17,823
Provision for impairment losses	1,406	2,681	-
Reversal of allowance for impairment losses	-	(11,347)	(4,600)
Balance as at end of the financial period/year	5,963	4,557	13,223

Reference

14. TRADE AND OTHER RECEIVABLES (continued)

Commentary:

Illustrative disclosure where there is impairment loss recognised for other receivables using general approach

Other receivables

The Group's and the Company's other receivables that are impaired at the reporting date and the reconciliation of movement in the impairment of other receivables are as follows: *7.35H* *7.35I*

Group and Company	**12 months ECLs RM'000**	**Lifetime ECLs (collectively assessed) RM'000**	**Lifetime ECLs (individually assessed) RM'000**	**Credit impaired (lifetime ECLs) RM'000**	**Total RM'000**
At 1 January 2021	xxx	xxx	xxx	xxx	xxx
Individual financial assets transferred to lifetime expected credit losses (ECLs)	(xxx)	-	xxx	-	xxx
Individual financial assets transferred to credit-impaired financial assets	(xxx)	-	(xxx)	xxx	xxx
Individual financial assets transferred from credit-impaired financial assets	xxx	-	xxx	(xxx)	(xxx)
New financial assets originated or purchased	xxx	-	-	-	xxx
Written off	-	-	(xxx)	(xxx)	(xxx)
Financial assets that have been derecognised	(xxx)	(xxx)	(xxx)	(xxx)	(xxx)
Changes due to modifications that did not result in derecognition	(xxx)	-	(xxx)	(xxx)	(xxx)
Other changes	xxx	xxx	xxx	xxx	xxx
At 31 December 2021	xxx	xxx	xxx	xxx	xxx

Reference

15. CONTRACT ASSETS AND CONTRACT LIABILITIES

15.116(a)

	Group 31.12.2021 RM'000	30.09.2020 RM'000	1.10.2019 RM'000
Contract assets:			
Property development	9,082	10,360	6,900
Contract liabilities:			
Property development			
- Non-current	5,924	1,776	1,384
- Current	5,760	4,972	3,672
	11,684	6,748	5,056
Construction contract costs incurred to date	79,721	53,917	81,381
Recognised profits less recognised losses	17,255	13,479	24,414
Progress billings received and receivables	(99,578)	(63,784)	(103,951)
	(2,602)	3,612	1,844
Represented by:			
Contract assets	9,082	10,360	6,900
Contract liabilities	11,684	6,748	5,056
	(2,602)	3,612	1,844
Analyse as:			
Contract assets			
Due within 1 year	9,082	10,360	6,900
Contract liabilities			
Due within 1 year	5,760	4,972	3,672
Due more than 1 year less than 5 years	5,924	1,776	1,384
	11,684	6,748	5,056

The unsatisfied performance obligations at the end of the reporting period are expected to be recognised in the following periods:

	Group 31.12.2021 RM'000	30.09.2020 RM'000	1.10.2019 RM'000
Within 1 year	102,731	91,629	117,293
Between 1 and 5 years	736,150	517,831	819,263
	838,881	609,460	936,556

Reference

16. OTHER CURRENT ASSETS

		Group 31.12.2021 RM'000	30.09.2020 RM'000	1.10.2019 RM'000
Right of return assets	(a)	2,248	1,858	1,712
Prepayments		727	330	452
		2,975	2,188	2,164

(a) Right of return assets

	Group 31.12.2021 RM'000	30.09.2020 RM'000	1.10.2019 RM'000
Balance as at beginning of the financial period/year	1,858	1,712	617
Additions	862	1,246	1,792
Right of return exercised	(142)	(238)	(682)
Right of return expired	(330)	(862)	(15)
Balance as at end of the financial period/year	2,248	1,858	1,712

17. CASH AND SHORT TERM DEPOSITS

	Group 31.12.2021 RM'000	30.09.2020 RM'000	1.10.2019 RM'000	Reference
Cash and bank balances	30,173	25,182	18,364	
Deposits with licensed banks	4,883	4,650	3,768	
	35,056	29,832	22,132	*107.45*

	Company 31.12.2021 RM'000	30.09.2020 RM'000	1.10.2019 RM'000	Reference
Cash and bank balances	9,356	8,441	5,635	
Deposits with licensed banks	1,638	949	97	
	10,994	9,390	5,732	*107.45*

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

	Note	Group 31.12.2021 RM'000	30.09.2020 RM'000	1.10.2019 RM'000	Reference
Deposits with licensed banks		4,883	4,650	3,768	
Less:					
Fixed deposits with maturity of more than 3 months		(2,183)	(1,782)	(2,613)	
Overdraft	22	(498)	(241)	-	*107.8*
		2,202	2,627	1,155	
Cash and bank balances		30,173	25,182	18,364	
Cash and bank balances classified as held for sale	18	4,466	1,920	-	
		36,841	29,729	19,519	

Reference

17. CASH AND CASH EQUIVALENT (continued)

	Company		
	31.12.2021 RM'000	**30.09.2020 RM'000**	**1.10.2019 RM'000**
Deposits with licensed banks	1,638	949	97
Less:			
Fixed deposits with maturity of more than 3 months	(281)	-	-
	1,357	949	97
Cash and bank balances	9,356	8,441	5,635
	10,713	9,390	5,732

The effective interest rates and maturity period of the fixed deposits with licensed banks at the reporting date are as follows:

	Group		
	31.12.2021	**30.09.2020**	**1.10.2019**
Effective interest rates	2.00% to 2.50%	1.75% to 2.00%	2.50% to 2.75%
Maturity period	3 days to one year	3 days to one year	3 days to one year

	Company		
	31.12.2021	**30.09.2020**	**1.10.2019**
Effective interest rates	2.00%	1.75%	2.50%
Maturity period	one year	one year	one year

Commentary:

Cash or cash equivalents that are pledged or restricted in use *107. 07*
Short term fixed deposits with licensed bank of the Group amounting to RMXXX (2020: RMXXX) are pledged as securities for borrowings as disclosed in Note XX.

An entity shall disclose, together with a commentary by management, the amount of significant cash and cash equivalent balances held by the entity that are not available for use by the group. *107.48*

There are various circumstances in which cash and cash equivalent balances held by an entity are not available for use by the Group. Examples include cash and cash equivalents balances held by a subsidiary that operates in a country where there are exchange controls or other legal restrictions apply when balances are not available for general use by the parent or other subsidiaries. Suggested disclosure as follows: *107.49*

Included in cash and cash equivalents amounting to RMXXX (2020:RMXXX) which is not available for use by the Group and the Company due to the country's currency exchange control.

Cash and cash equivalents which are restricted for more than twelve months (12) shall be classified as non-current assets. *101.61(b)*

NOTES TO THE FINANCIAL STATEMENTS
for the financial period ended 31 December 2021

Reference

17. CASH AND CASH EQUIVALENT (continued)

Commentary:

Disclosure pursuant to Section 7A of Housing Development (Control and Licensing) Act, 1966 *107.48*
Suggested disclosure for an entity that is required to make disclosure pursuant to this section :

Included in cash at banks of the Group are the amounts of RMXXX (2020: RMXXX) held pursuant to Section 7A of the Housing Development (Control and Licensing) Act, 1966 and are restricted from use in other operations.

Classification of cash equivalents or investments *FRSIC Consensus 22 107.7*
MIA issued FRSIC Consensus 22 Classification of Fixed Deposits and Similar Instruments as Cash and Cash Equivalents to address the issue on the classification of fixed deposits as cash equivalents. MFRS 107.7 states that for an investment to qualify as a cash equivalent it must be readily convertible to a known amount of cash and be subject to an insignificant risk of changes in value. Therefore, an investment normally qualifies as a cash equivalent only when it has a short maturity of, say three month or less from the date of acquisition. Accordingly, it is relevant to take into account of this three-month presumption when considering whether the fixed deposit (or short term investments in money market or other types of funds) is classified as cash equivalents or for investment purposes.

18. ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

(a) Asset held for sales

On 31 August 2021, the Board of Directors approved and announced a plan to sell a subsidiary, Blue Sdn. Bhd., which operates in Indonesia. The assets and liabilities related to Blue Sdn. Bhd. (part of the construction business segment) have been presented as held for sale. The completion date for the transaction is expected by May 2022. *5.41 (a) 5.41 (b) 5.41 (c) 5.41 (d)*

		Group		
	31.12.2021	**30.09.2020**	**1.10.2019**	
	RM'000	**RM'000**	**RM'000**	
Property, plant and equipment	2,420	363	-	*5.38*
Non-current financial assets	783	448	-	
Inventories	2,784	3,784	-	
Trade and other receivables	16,416	20,961	-	
Cash and short-term deposits	4,466	1,920	-	
Assets held for sale	26,869	27,476	-	

Reference

18. ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (continued)

(a) Asset held for sales (continued)

	Group 31.12.2021 RM'000	30.09.2020 RM'000	1.10.2019 RM'000	Reference
Trade and other payables	26,083	27,271	-	*5.38*
Tax payable	167	26	-	
Liabilities directly associated with assets held for sale	26,250	27,297	-	
Net assets directly associated with disposal group	619	179	-	
Amounts included in accumulated OCI:				
Fair value reserve of financial assets at FVOCI, Reserve of disposal group classified as held for sale	92	-	-	

In accordance with MFRS 5, the assets and liabilities held for sale of the above disposal group had been written down to their fair value less costs to sell. This is a non-recurring fair value which has been measured using observable inputs, being the prices for recent sales of similar businesses, and is therefore within Level 2 of the fair value hierarchy. The fair value has been measured by calculating the ratio of transaction price to annual revenue for the similar businesses and applying the average to Blue Sdn. Bhd.. *13.93(a)* *13.93(b)* *13.93(d)*

(b) Discontiued operations

The results of discontinued operations for the period are presented below:

	Group 01.10.2020 to 31.12.2021 RM'000	01.10.2019 to 30.09.2020 RM'000	Reference
Revenue	37,142	36,182	
Cost of sales	(29,741)	(30,323)	
Gross profit	7,401	5,859	
Administrative expenses	(4,932)	(4,528)	
Other operating expenses	(1,735)	(1,534)	
Operating profit/(loss), representing profit/(loss) before tax	734	(203)	
Income tax expenses	(294)	(173)	*112.81(h)(ii)*
Profit/(loss) for the period/year	440	(376)	

Reference

18. ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (continued)

(b) Discontiued operations (continued)

(i) The following items have been charged in arriving at profit/(loss) before tax: *5Sch(I)(10)*

	Group 01.10.2020 to 31.12.2021 RM'000	Group 01.10.2019 to 30.09.2020 RM'000
Auditors' remuneration	89	89
Depreciation of property, plant and equipment	363	366

The net cash flows incurred by are as follows: *5.33(c)*

	Group 01.10.2020 to 31.12.2021 RM'000	Group 01.10.2019 to 30.09.2020 RM'000
Operating activities	1,362	(3,583)
Investing activities	-	1,845
Net cash inflow/(outflow)	1,362	(1,738)

19. SHARE CAPITAL

	Group/Company 31.12.2021 RM'000	Group/Company 30.09.2020 RM'000	Group/Company 1.10.2019 RM'000
Issued and paid up:			
Ordinary shares with no par value:			
At 1 October 2020/2019	38,936	38,776	38,776
Issuance of shares	14,406	-	-
Exercise of shares options	58	160	-
Transaction cost	(64)	-	-
	53,336	38,936	38,776

Number of shares	Group/Company 31.12.2021 '000	Group/Company 30.09.2020 '000	Group/Company 1.10.2019 '000
Issued and paid up:			
Ordinary shares with no par value:			
At 1 October 2020/2019	38,936	38,776	38,776
Issuance of shares	14,406	-	-
Exercise of shares options	58	160	-
	53,400	38,936	38,776

Reference

19. SHARE CAPITAL (continued)

The new ordinary shares issued during the financial year ranked pari passu in all respect of the distribution of dividends and repayment of capital with existing ordinary shares.

During the financial period, the Company increased its share capital from RM38,936,000 to RM53,336,000 through the following:

(i) issuance of new ordinary shares of 14,406,000 at an issue price of RM1.00 per share on 5 January 2021.

(ii) Issuance of new ordinady share of 58,000 arising from the exercise of options.

20. OTHER CAPITAL RESERVE

	Group/Company		
	31.12.2021 RM'000	**30.09.2020 RM'000**	**1.10.2019 RM'000**
At 1 October 2020/2019	1,728	1,132	1,132
Share based payments expense during the period/year	964	996	-
Exercise of options	(350)	(400)	-
At 31 December 2021/30 September 2019/ 1 October 2019	2,342	1,728	1,132

Shared-based payments

The share-based payments reserve is used to recognise the value of equity-settled share-based payments provided to employees, including key management personnel, as part of their remuneration. Refer to Note 30 for further details of these plans.

21. OTHER COMPONENT OF EQUITY

	Group/Company			
Cash flows hedge reserve	**31.12.2021 RM'000**	**30.09.2020 RM'000**	**1.10.2019 RM'000**	*9.6.5.2* *9.6.5.11*
At 1 October 2020/2019	(140)	(188)	(188)	
Currency forward contract	(248)	48	-	
Commodity forward contract	(988)	-	-	
Transfer of cash flows hedge reserve to inventories	252	-	-	*9.6.5.12*
At 31 December 2021/30 September 2019/ 1 October 2019	(1,124)	(140)	(188)	

	Group/Company		
Cost of hedging reserve	**31.12.2021 RM'000**	**30.09.2020 RM'000**	**1.10.2019 RM'000**
At 1 October 2020/2019	-	-	-
Currency forward contract	(14)	-	-
Commodity forward contract	(30)	-	-
Transfer of cash flows hedge reserve to inventories	4	-	-
At 31 December 2021/30 September 2019/ 1 October 2019	(40)	-	-

NOTES TO THE FINANCIAL STATEMENTS
for the financial period ended 31 December 2021

Reference

21. OTHER COMPONENT OF EQUITY (continued)

	Group/Company			Reference
	31.12.2021 RM'000	30.09.2020 RM'000	1.10.2019 RM'000	
Fair value reserve of financial assets at FVOCI				
At 1 October 2020/2019	18	6	6	
Fair value loss on debt instruments at FVOCI	(30)	12	-	
Fair value loss on equity instruments designated at FVOCI	(36)	-	-	
Discontinued operations	(92)	-	-	
Transfer of fair value reserve of equity instruments designated at FVOCI	(14)	-	-	
Share of OCI of an associate	(60)	-	-	
At 31 December 2021/30 September 2019/ 1 October 2019	(214)	18	6	
Foreign currency translation reserve				
At 1 October 2020/2019	(888)	(654)	(654)	*121,52(b)*
Net gain on hedge of a net investment	390	-	-	
Exchange differences on translation of foreign operations	(492)	(234)	-	
At 31 December 2021/30 September 2019/ 1 October 2019	(990)	(888)	(654)	
Asset revaluation surplus				
At 1 October 2020/2019	-	-	-	
Revaluation of properties	1,184	-	-	*116.39*
Share of OCI of an associate	60	-	-	
Depreciation transfer for properties	(160)	-	-	
At 31 December 2021/30 September 2019/ 1 October 2019	1,084	-	-	
Total other components of equity	(1,284)	(1,010)	(836)	

Reference

22. INTEREST-BEARING LOANS AND BORROWINGS

	Note	31.12.2021 RM'000	Group 30.09.2020 RM'000	1.10.2019 RM'000	Reference
Non-current					*101.69*
Term loan - secured	i	42,199	44,350	40,232	
Lease liabilities - secured	8.2	2,095	2,276	2,484	
		44,294	46,626	42,716	
Current					
Term loan - secured	i	3,615	3,861	7,738	
Lease liabilities	8.2	1,326	1,280	1,626	
Revolving credit - secured	ii	225	902	304	
Overdraft - unsecured	iii	498	241	-	
		5,664	6,284	9,668	
Total interest-bearing loans and borrowings		49,958	52,910	52,384	

As at the reporting date, the weighted average annual effective interest rates for the bank borrowings of the Group are as follows:

	31.12.2021 %	Group 30.09.2020 %	1.10.2019 %	Reference
Term loan	3.05	3.18	3.42	*7.31*
Revolving credit	4.15	4.28	4.76	
Overdraft	6.28	5.73	5.62	

Reference

22. INTEREST-BEARING LOANS AND BORROWINGS (continued)

(i) Term loan is secured by way of: *7.14*
(a) Freehold land and freehold buildings which were disclosed in Note 5; and
(b) Corporate guarantee by shareholders of the Company.

Term loan is repayable as follows:

	Group			Reference
	31.12.2021 RM'000	**30.09.2020 RM'000**	**1.10.2019 RM'000**	
Less than one year	3,615	3,861	7,738	*7.39*
Later than one year but not later than two years	3,719	3,615	3,861	*7.B11*
More than two years and less than five years	17,621	17,251	17,179	
More than five years	20,859	23,484	19,192	
	45,814	48,211	47,970	

(ii) Revolving credit is secured by way of corporate guarantee by shareholders of the Company.

Revolving credit is payable within 3 to 6 months (30.09.2020: 1 to 2 months; 01.10.2019: 1 to 2 months).

(iii) Overdraft is payable on demand.

Commentary:

Defaults and breaches

For loans payable recognised at the end of reportine period, the entity shall disclose: *7.18*
(a) Details of any defaults during the period of principal, interest, sinking fund, or redemption terms of those loans payable;
(b) The carrying amount of the loans payable in default at the end of the reporting period; and
(c) Whether the default was remedied, or the terms of the loans payable were renegotiated, before the financial statements were authorised for issue.

If, during the period, there were breaches of loan agreement terms other than those described in Paragraph 18 of MFRS 7 Financial Instruments: Disclosures, an entity shall disclose the same information as required by Paragraph 18 if those breaches permitted the lender to demand accelerated repayment (unless the breaches were remedied, or the terms of the loan were renegotiated, on or before the end of the reporting period). *7.19*

Amongst others, those information are:
(a) Details of any breaches of loan agreement terms during the period;
(b) The carrying amount of the loan payables where the Company has breached the terms of the agreement at the end of the reporting period; and
(c) Whether the breaches of loan agreement terms were renegotiated before the financial statements were authorised for issue.

Reference

23. PROVISIONS

	Group				Reference
	Provision for warranty RM'000	**Provision for decom-misioning liability RM'000**	**Provision for onerous contract RM'000**	**Total RM'000**	
Balance as at 1 October 2019	200	-	-	200	
Provision during the year	400	-	-	400	
Utilisation during the year	(100)	-	-	(100)	
Unused amount reversed	(150)	-	-	(150)	
Balance as at 30 September 2020/ 1 October 2020	350	-	-	350	*137.84(a)*
Provision during the year	1,300	-	-	1,300	*137.84(b)*
Acquisition of subsidiary (Note 9(a)(i))	-	3,200	1,600	4,800	
Utilisation during the year	(500)	-	-	(500)	*137.84(c)*
Unused amount reversed	(350)	-	-	(350)	*137.84(d)*
Balance as at 31 December 2021	800	3,200	1,600	5,600	*137.84(a)*

	Group		
	31.12.2021 RM'000	**30.09.2020 RM'000**	**1.10.2019 RM'000**
Analysis by:			
Non-current	3,796	38	30
Current	1,804	312	170
	5,600	350	200

Provision for warranty

A provision is recognised for expected warranty claims on products sold during the year, based on past experience of the level of repairs and returns. It is expected that these costs will be incurred in the next financial year. Assumptions used to calculate the provision for warranties were based on current sales levels and current information available about returns based on the warranty period for all products sold. *137.85(a) 137.85(b)*

Provision for heavy repair

Provision for heavy repairs relates to the estimated costs of the contractual obligations to maintain the manufacturing machines for its optimum operations.

NOTES TO THE FINANCIAL STATEMENTS
for the financial period ended 31 December 2021

Reference

24. GOVERNMENT GRANT

	Group			
	31.12.2021	**30.09.2020**	**1.10.2019**	
	RM'000	**RM'000**	**RM'000**	
Balance as at beginning of period/year	3,102	2,900	2,400	*120.39(a)*
Received during the period/year	4,096	502	800	
Released to the statement of profit or loss	(300)	(300)	(300)	
Balance as at end of period/year	6,898	3,102	2,900	
Analysis by:				
Non-current	6,600	2,800	2,600	*120.39(a)*
Current	298	302	300	
	6,898	3,102	2,900	

Government grants have been received for the purchase of certain items of property, plant and equipment. There are no unfulfilled conditions or contingencies attached to these grants. *120.39(b)* *120.39(c)*

25. NET EMPLOYEE DEFINED BENEFIT LIABILITIES

	Group/Company		
	31.12.2021	**30.09.2020**	**1.10.2019**
	RM'000	**RM'000**	**RM'000**
Retirement benefits	6,100	5,954	5,052

The Group and the Company operate a defined benefit scheme ("the Scheme") which is administered by the Board of Trustee, which consists of an equal number of employer and employee representatives. The Board of Trustees is responsible for the administration of the plan assets and for the definition of the investment strategy. *119.139*

The Scheme provides non-indexed retirement pensions to employees who had been in the Group service before 1 January 2000, based on a percentage of final pay and with total EPF benefits derived from employee and employer contributions made throughout the period of EPF membership integrated thereto.

The plan is funded by the Company and in the event of deficit, it will be supported by the Group's subsidiaries. The funding requirements are based on the pension fund's actuarial measurement framework set out in the funding policies of the plan. Employees are not required to contribute to the plans.

Reference

25. NET EMPLOYEE DEFINED BENEFIT LIABILITIES (continued)

Movement in net defined benefit liability *119.140*

The following table shows a reconciliation from the opening balance to the closing balance for net defined benefit liability and its components:

	Group/Company			
	Defined benefit obligations RM'000	**Fair value of plan assets RM'000**	**Net defined benefit liability RM'000**	
Balance as at 1 October 2019	(7,301)	2,249	(5,052)	
Included in profit or loss:				
- Current service cost	(321)	-	(321)	*119.141(a)*
- Interest cost	(593)	-	(593)	*119.141(b)*
Included in other comprehensive income:				
- Return on planned assets, excluding interest income	-	381	381	*119.141(c)(i)*
- Actuarial changes arising from:				
- Demographic assumptions	(681)	-	(681)	*119.141(c)(ii)*
- Financial assumptions	(246)	-	(246)	*119.141(c)(iii)*
	(927)	381	(546)	
Benefit paid	1,206	(1,206)	-	*119.141(g)*
Contribution paid by the Company	-	237	237	*119.141(g)*
Balance as at 30 September 2020/1 October 2020	(7,936)	1,661	(5,954)	
Included in profit or loss:				
- Current service cost	(401)	-	(401)	
- Interest cost	(703)	-	(703)	
Included in other comprehensive income:				
- Return on planned assets, excluding interest income	-	1,366	1,366	
- Actuarial changes arising from:				
- Demographic assumptions	(781)	-	(781)	*119.41(c)(ii)*
- Financial assumptions	(71)	-	(71)	*119.41(c)(iii)*
	(852)	1,366	514	
Benefit paid	1,234	(1,234)	-	*119.141(g)*
Contribution paid by the Company	-	43	43	*119.141(g)*
Balance as at 31 December 2021	(8,257)	1,836	(6,100)	

Plan assets *119.142*

Plan assets comprise of:

	Group			
	31.12.2021 RM'000	**30.09.2020 RM'000**	**1.10.2019 RM'000**	
Cash and bank balances	739	613	715	*119.142(a)*
Quoted equity investment	1,097	1,048	1,534	*119.142(c)*
	1,836	1,661	2,249	

Reference

25. NET EMPLOYEE DEFINED BENEFIT LIABILITIES (continued)

All equity investments are quoted in active markets. All government bonds are issued by Malaysian government and are rated AAA or AA, based on Synergy's ratings.

The defined benefit plans expose the Group to actuarial risks, includes longevity risk, currency risk, interest rate risk and equity market risk. The Group does not use derivatives to manage its risk. The Group actively monitors how the duration and the expected yield of the investments are matched with the expected cash outflows. *119.139(b)* *119.146*

Defined benefit obligation

(a) Actuarial assumptions *119.144*

Principal actuarial assumptions at the end of the reporting period (expressed as weighted averages):

		Group	
	31.12.2021	**30.09.2020**	**1.10.2019**
Discount rate	5.50%	5.50%	5.50%
Future salary increase	3.00%	2.50%	5.00%

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

At the reporting date, the weighted-average duration of the defined benefit obligation was 7.97 years (30.09.2020: 8.23 years and 1.10.2019: 9.61 years).

(b) Sensitivity analysis *119.145(a)*

Reasonably 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	
	31.12.2021	**30.09.2020**	**1.10.2019**
	RM'000	**RM'000**	**RM'000**
Discount rate			
- Increase 1%	618	603	416
- Decrease 1%	(618)	(603)	(416)
Future pension growth			
- Increase 0.5%	163	247	153
- Decrease 0.5%	(163)	(247)	(153)
Future mortality			
- Increase 1 year	(913)	(713)	(879)
- Decrease 1 year	913	713	879

Although the analysis does not account for the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown. *119.145(b)*

Reference

26. DEFERRED TAX ASSETS/(LIABILITIES)

	Note	Group 31.12.2021 RM'000	 30.09.2020 RM'000	 1.10.2019 RM'000
As at beginning of the financial period/year		484	918	613
Recognised in profit or loss	34	361	(537)	162
Recognised in other comprehensive income		285	103	143
Acquisition of a subsidiary company	9(b)(i)	3,011	-	-
As at end of the financial period/year		4,141	484	918
Presented after appropriate offsetting as follows:				
Deferred tax assets		(767)	(730)	(642)
Deferred tax liabilities		4,908	1,214	1,560
		4,141	484	918

(a) Deferred tax liabilities

112.81(ab)

	Group Receivables RM'000	 Accelerated capital allowances RM'000	 Fair value adjustment RM'000	 Total RM'000
Balance as at 1 October 2019	784	776	-	1,560
Recognised in profit or loss	(210)	39	(305)	(476)
Recognised in OCI	-	-	130	130
Balance as at 30 September 2020/1 October 2020	574	815	(175)	1,214
Recognised in profit or loss	2	262	17	281
Recognised in OCI	-	-	402	402
Acquisition of a subsidiary company	2,223	788	-	3,011
Balance as at 31 December 2021	2,799	1,865	244	4,908

Reference

26. DEFERRED TAX ASSETS/(LIABILITIES) (continued)

(b) Deferred tax assets *112.81(ab)*

	Group			
	Unutilised tax losses RM'000	Shared based payment RM'000	Revaluation of derivatives RM'000	Total RM'000
Balance as at 1 October 2019	163	381	98	642
Recognised in profit or loss	61	-	-	61
Recognised in OCI	-	(100)	127	27
Acquisition of a subsidiary company	-	-	-	-
Balance as at 30 September 2020/1 October 2020	224	281	225	730
Recognised in profit or loss	(80)	-	-	(80)
Recognised in OCI	-	87	30	117
Acquisition of a subsidiary company	-	-	-	-
Balance as at 31 December 2021	144	368	255	767

Unrecognised deferred tax assets

Below are the unabsorbed tax losses, unutilised capital allowances and other deductible temporary differences of the Group which has not been recognised in the financial statements as they are not probable to be used to offset against the taxable profits of the companies of the Group:

	Group		
	31.12.2021 RM'000	30.09.2020 RM'000	1.10.2019 RM'000
Unutilised tax losses	16,293	15,809	11,734
Unabsorbed capital allowances	168	26	-
Other temporary differences	1,738	616	180
	18,199	16,451	11,914
Unrecognised deferred tax assets at 24% (30.09.2020 and 1.10.2019: 24%)	4,368	3,948	2,859

	Company		
	31.12.2021 RM'000	30.09.2020 RM'000	1.10.2019 RM'000
Unutilised tax losses	11,734	11,734	11,734
Other temporary differences	158	271	813
	11,892	12,005	12,547
Unrecognised deferred tax assets at 24% (30.09.2020 and 1.10.2019: 24%)	2,854	2,881	3,011

Reference

26. DEFERRED TAX ASSETS/(LIABILITIES) (continued)

(b) Deferred tax assets (continued)

Unrecognised deferred tax assets (continued)

The unabsorbed capital allowances can be carried forward indefinitely and unutilised tax losses can be carried forward for a maximum period of seven (7) consecutive years of assessment ("YA") effective from year 2019 and it can only be utilised against income from the same business source. Pursuant to Section 8 of the Finance Act 2021, the unutilised tax losses is allowed to be carried forward for a period of maximum of ten (10) consecutive years of assessment. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profits will be available against which the Group and the Company can utilise the benefits. The availability of unabsorbed capital allowances and unutilised tax losses for offsetting against future taxable profits of the respective companies within the Group and the Company are subject to requirements under the Income Tax Act, 1967 and guidelines issued by the tax authority, as follows:

		Group		
	31.12.2021	**30.09.2020**	**1.10.2019**	
	RM'000	**RM'000**	**RM'000**	
Utilisation period				*112.81(e)*
Indefinite	1,906	642	180	
Expired by YA 2029 (Previously expired by YA 2026)	11,734	11,734	11,734	
Expired by YA 2030 (Previously expired by YA2027)	4,101	4,075	-	
Expired by YA 2031	458	-	-	
	18,199	16,451	11,914	

		Company		
	31.12.2021	**30.09.2020**	**1.10.2019**	
	RM'000	**RM'000**	**RM'000**	
Utilisation period				*112.81(e)*
Indefinite	158	271	813	
Expired by YA 2029 (Previously expired by YA 2026)	11,734	11,734	11,734	
	11,892	12,005	12,547	

27. TRADE AND OTHER PAYABLES

		Group		
	31.12.2021	**30.09.2020**	**1.10.2019**	
	RM'000	**RM'000**	**RM'000**	
Trade payables	27,153	9,893	27,864	*101.69*
Sundry payables	2,723	2,031	2,839	*101.70*
Accruals	2,794	1,204	5,569	
	32,670	13,128	36,272	

Reference

27. TRADE AND OTHER PAYABLES (continued)

	Company		
	31.12.2021 RM'000	**30.09.2020 RM'000**	**1.10.2019 RM'000**
Amount due to subsidiaries	1,787	6,466	2,221
Sundry payables	816	491	1,734
Accruals	394	279	837
	2,997	7,236	4,792

The normal trade credit term granted to the Group and the Company ranges from 30 to 90 days (2020: 30 to 90 days).

The amounts due to subsidiaries are unsecured, interest free and repayable on demand.

28. REFUND LIABILITIES

	Group		
	31.12.2021 RM'000	**30.09.2020 RM'000**	**1.10.2019 RM'000**
Arising from retrospective volume rebates	1,709	3,741	1,683
Arising from rights of return	10,775	7,947	5,909
	12,484	11,688	7,592

29. DIVIDEND PAYABLE

Dividends declared and paid in respect of the current financial year are as follows: *101.107*

	Company		
	31.12.2021 RM'000	**30.09.2020 RM'000**	**1.10.2019 RM'000**
Paid			
In respect of the financial year ended 30 September 2020:			
First interim dividend of 8 sen per ordinary share	-	3,200	-
In respect of the financial year ended 31 December 2021:			
Final dividend of 6 sen per ordinary share	2,336	-	-
Unpaid			
In respect of the financial period ended 31 December 2021:			
First interim dividend of 5 sen per ordinary share	2,442	-	-
	4,778	3,200	-

The final ordinary dividend recommended by the Directors in respect of the financial period ended 31 December 2021 is 4 sen per ordinary share totalling RM1,954,000, is subject to shareholders' approval at the forthcoming Annual General Meeting of the Company. The financial statements for the current financial period 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.

101.137(a)
110.12
110.13

Reference

30. SHARE-BASED PAYMENT

The Board of Director of the Compant has on 15 June 2018 announced that the Company has offered 438,000,000 share options to eligible employees under employee share option scheme ("ESOS"). *2.44*

The salient features of the ESOS are as follows: *2.45(a) 5Sch(I)(5) 5Sch(I)(6)*

(i) the ESOS Committee appointed by the Board of Directors to administer the ESOS, may from time to time grant options to eligible employees of the Group to subscribe for new ordinary shares in the Company;

(ii) the eligibility of a Director or employee of the Group to participate in the ESOS shall be at the discretion of the ESOS Committee, who shall take into consideration factors such as performance and seniority;

(iii) not more than 10% of the ESOS options shall be allocated to any individual eligible employee who, either single or collectively through persons connected with eligible employees, hold 20% or more of the issued and paid up share capital of the Company (excluding treasury shares, if any);

(iv) the option price for each share shall be based on the higher of five (5)-day volume weighted average price of the shares immediately preceding the date of offer with a discount of not more than ten percent (10%) or such other percentage of discount as may be permitted by Bursa Malaysia Securities Berhad or any other relevant authorities from time to time during the duration of the ESOS;

(v) the exercise price of ESOS or the number of shares granted to each grantee or the number of new shares and/or exercised price may be adjusted following any issue of additional shares by way of right issues, bonus issues or other capitalisation issue carried out by the Company while an option remain unexercised; and

(vi) the new shares allotted upon any exercise of the option shall rank pari passu in all respects with the existing ordinary shares of the Company except that the new shares shall not be entitled to any rights, dividends, allotment and/or other distributions, the entitlement date of which is prior to the date of allotment of the new ordinary shares.

<u>Movement of ESOS during the financial year/period</u>

The following table illustrates the share options granted and exercised during the financial period/year: *2.45(b) 2.45(d)*

	Unit '000	WAEP RM
Balance as at 1 October 2019	1,132	
Granted during the financial year	1,026	1.06
Forfeited during the financial year	(30)	0.92
Exercised during the financial year*	(400)	1.02
Balance as at 30 September 2020	1,728	
Granted during the financial period	1,064	1.04
Exercised during the financial period*	(350)	0.98
Expired during the financial period	(100)	0.92
Balance as at 31 December 2021	2,342	

Reference

30. SHARE-BASED PAYMENT (continued)

Movement of ESOS during the financial year/period (continued) *2.45(c)*

	Unit '000
Exercisable at:	
- 1 October 2019	812
- 30 September 2020	1,294
- 31 December 2021	2,174

The fair value of share options granted during the financial period was estimated by an independent professional valuer using the Trinomial option pricing model, taking into account the term and conditions upon which the options were granted. The risk-free rate is based on Malaysian Government Securities ("MGSs"). *2.47(a)(iii)*

The weighted average remaining contractual life for the share options outstanding as at 31 December 2021 was 3.0 years (30.09.2020: 4.0 years). *2.45(d)*

The fair value of share options measured at grant date and the assumptions are as follows: *2.45(d) 2.46 2.47(a)(i)*

	Grant date 15.06.2018
Fair value of share options and assumptions	
Weighted average fair value of share option at grant date (RM)	0.90
Weighted average share price (RM)	0.98
Option life (years)	3.20
Risk-free rate (%)	2.92
Expected volatility (%) *2.47(a)(ii)*	217.50

31. REVENUE

	Group		**Company**	
	1.10.2020 to 31.12.2021 RM'000	**1.10.2019 to 30.09.2020 RM'000**	**1.10.2020 to 31.12.2021 RM'000**	**1.10.2019 to 30.09.2020 RM'000**
Continuing operations *15.113(a)*				
Revenue comprises the following: *15.B89(a)*				
Revenue from contract with customers	358,289	317,124	2,992	1,822
Revenue from other sources				
Rental income	1,823	2,891	-	-
Dividend income	812	915	3,806	3,987
	360,924	320,930	6,798	5,809

Reference

31. REVENUE (continued)

31.1 Disaggregation of revenue from contract with customers

The Group's revenue is disaggregated by principal geographical areas, major product and services lines and timing of revenue recognition. This is consistent with the revenue information as disclosed in Note 33 Segment Information. *15.114-115*

	Group		Company		Reference
	1.10.2020 to 31.12.2021 RM'000	**1.10.2019 to 30.09.2020 RM'000**	**1.10.2020 to 31.12.2021 RM'000**	**1.10.2019 to 30.09.2020 RM'000**	*15.114 15.115 15.IE210 15.B89*
Principal geographical areas					
- Malaysia	113,049	96,259	2,992	1,822	
- United States	216,894	188,351	-	-	
- Singapore	28,346	32,514	-	-	
	358,289	317,124	2,992	1,822	
Major products and service line					
Sales of goods	278,941	288,531	-	-	
Services rendered	21,184	8,410	-	-	
Construction contract	58,164	20,183	-	-	
Management fee	-	-	2,992	1,822	
	358,289	317,124	2,992	1,822	
Timing and recognition:					
- Point in time	278,941	288,531	-	-	
- Overtime	79,348	28,593	2,992	1,822	
	358,289	317,124	2,992	1,822	

31.2 Revenue from remaining performance obligations

Revenue from remaining performance obligations where goods have not been deleivered or services have not been rendered as at the reporting date are: *15.120 15.IE212-218*

	Group	
	Within 1 year RM'000	**Between 1 to 2 years RM'000**
2021		
Sale of goods	2,122	1,458
Rendering of services	36	98
Construction contract	4,235	64,982
	6,393	66,538
2020		
Sale of goods	412	2,098
Rendering of services	20	29
Construction contract	3,987	4,144
	4,419	6,271

Reference

32. FINANCE COSTS

	Group		Company	
	1.10.2020 to 31.12.2021 RM'000	**1.10.2019 to 30.09.2020 RM'000**	**1.10.2020 to 31.12.2021 RM'000**	**1.10.2019 to 30.09.2020 RM'000**
Continuing operations				
Term loan	2,050	1,867	-	-
Leases	545	527	-	-
Revolving credit	72	103	-	-
Overdraft	53	39	-	-
Unwinding of discounts on provisions	12	-	-	-
	2,732	2,536	-	-

33. PROFIT BEFORE TAX

	Group		Company		Reference
	1.10.2020 to 31.12.2021 RM'000	**1.10.2019 to 30.09.2020 RM'000**	**1.10.2020 to 31.12.2021 RM'000**	**1.10.2019 to 30.09.2020 RM'000**	
Continuing operations					
Profit before tax is arived after charging/(crediting):					
Auditors' remuneration:					
- current year	284	250	60	60	
- under/(over) provision prior year	82	(18)	-	-	
- non-statutory audit	79	38	-	-	
- special audit	20	-	-	-	
Amortisation of intangible assets (Note 7)	1,000	700	-	-	
Depreciation on property, plant and equipment (Note 5)	12,534	8,066	501	479	
Depreciation on right-of-used assets (Note 8)	329	366	-	-	
Directors' remuneration (Note 35)	1,630	1,644	1,181	1,151	
Fair value loss on derivative financial assets or liabilities	20	18	2	3	
Impairment losses on:					
- amount due from subsidiaries (Note 14)	-	-	1,406	2,681	
- intangible asset (Note 5)	500	-	-	-	
- investment in subsidiary companies (Note 9)	-	-	1,000	-	
- other receivables (Note 14)	-	2,588	-	-	
- trade receivables (Note 14)	6,204	7,790	-	-	
Loss on foreign exchange:-					
- unrealised	371	639	-	-	*121.52(a)*
- realised	271	413	-	-	

Reference

33. PROFIT BEFORE TAX (continued)

	Group		Company		Reference
	1.10.2020 to 31.12.2021 RM'000	**1.10.2019 to 30.09.2020 RM'000**	**1.10.2020 to 31.12.2021 RM'000**	**1.10.2019 to 30.09.2020 RM'000**	
Profit before tax is arived after charging/(crediting):					
Rental expenses:					
- Equipments	28	18	-	-	
Staff costs (Note 35)	23,586	24,289	2,448	2,589	
Written-off of:-					
- Inventories - finished goods (Note 13)	14,771	6,283	-	-	
Fair value gain on revaluation of investment properties (Note 6)	(899)	(856)	(899)	(856)	
Gain on disposal of property, plant and equipment	(100)	(82)	-	-	
Gain on foreign exchange:-					
- unrealised	(1,018)	(962)	-	-	*121.52(a)*
- realised	(613)	(417)	-	-	*121.52(a)*
Interest income	(404)	(290)	-	-	
Reversal of impairment losses on:					
- Trade receivables (Note 14)	(3,315)	(300)	-	-	
- Other receivables (Note 14)	(1,026)	-	-	-	
- Inventories written down (Note 13)	(123)	-	-	-	
- Amount owing by subsidiaries (Note 14)	-	-	-	(11,347)	
Share of profit of:					
- associate company (Note 10)	(1,061)	(1,058)	-	-	
- joint venture (Note 11)	(281)	(218)	-	-	

34. INCOME TAX

	Group		Company	
	1.10.2020 to 31.12.2021 RM'000	**1.10.2019 to 30.09.2020 RM'000**	**1.10.2020 to 31.12.2021 RM'000**	**1.10.2019 to 30.09.2020 RM'000**
Current income tax:				
Provision for current financial period/year	5,374	4,642	296	301
Under/(over) provision	461	361	(18)	20
	5,835	5,003	278	321
Deferred tax (Note 26):				
Recognised in profit or loss	389	(584)	-	-
(Over)/under provision	(28)	47	-	-
	361	(537)	-	-
	6,196	4,466	278	321

NOTES TO THE FINANCIAL STATEMENTS
for the financial period ended 31 December 2021

Reference

34. INCOME TAX (continued)

Domestic current income tax is calculated at the statutory tax rate of 24% (30.09.2020: 24%) of the estimated assessable profit for the period/year.

The reconciliation of income tax expense applicable to the loss before taxation at the statutory tax rate to income tax expense at the effective tax rate of the Group is as follows: *112.80*

	Group		Company		
	1.10.2020 to 31.12.2021 RM'000	**1.10.2019 to 30.09.2020 RM'000**	**1.10.2020 to 31.12.2021 RM'000**	**1.10.2019 to 30.09.2020 RM'000**	
Profit before tax from continuing operations	22,216	17,760	4,448	6,254	
Profit/(loss) before tax from a discontinued operation	734	(203)	-	-	*112.81(h)*
Profit before tax	22,950	17,557	4,448	6,254	
At statutory income tax rate of 24% (30.09.2020: 24%)	5,508	4,214	1,068	1,501	*112.80(a)*
Government grants exempted from tax			-	-	
Deferred tax assets not recognised	420	1,089	-	-	*112.80(d)*
Utilisation of deferred tax assets not recognised previously	-	-	(27)	(130)	*112.80(d)*
Non-deductible expenses for tax purposes	729	871	308	391	
Non-taxable income	(894)	(2,116)	(1,053)	(1,461)	
Under/(over) provision:					
- Current tax	461	361	(18)	20	*112.80(b)*
- Deferred tax	(28)	47	-	-	*112.80(c)*
	6,196	4,466	278	321	
Income tax attributable to					
- Continuing operations	5,902	4,293	278	321	
- Discontinued operations	294	173	-	-	*112.81(h)*
	6,196	4,466	278	321	

Reference

35. EMPLOYEE BENEFITS EXPENSES

101.104

	Group		Company		Reference
	1.10.2020 to 31.12.2021 RM'000	**1.10.2019 to 30.09.2020 RM'000**	**1.10.2020 to 31.12.2021 RM'000**	**1.10.2019 to 30.09.2020 RM'000**	
Staff costs (excluding Directors)					
Salaries, bonuses, incentives, overtime, commissions, allowances and others	19,832	20,141	1,831	1,927	
Defined contribution plans	2,923	3,024	216	238	*119.53*
Defined benefit plans	321	401	321	401	*119.139(a)*
Others	510	723	80	23	
	23,586	24,289	2,448	2,589	

The details of directors' remuneration during the financial period/year are as follows:

	Group		Company		Reference
	1.10.2020 to 31.12.2021 RM'000	**1.10.2019 to 30.09.2020 RM'000**	**1.10.2020 to 31.12.2021 RM'000**	**1.10.2019 to 30.09.2020 RM'000**	
Directors of the Company					*5Sch(I)(2)(a)*
Executive directors:					
Salaries and other benefits	389	401	389	401	*124.17*
Defined contribution plans	40	39	40	39	
Share options granted under ESOS	964	996	614	596	*2.51(a)*
Estimated money value of benefits-in-kind	38	15	38	15	
	1,431	1,451	1,081	1,051	
Non-executive directors:					
Fees	100	100	100	100	
	1,531	1,551	1,181	1,151	
Directors of the Subsidiary companies					
Executive directors:					
Salaries and other benefits	89	85	-	-	
Defined contribution plans	10	8	-	-	
	99	93	-	-	
	1,630	1,644	1,181	1,151	

Reference

36. EARNINGS PER SHARE

(a) Basic earnings per share

The basic earnings per share for the financial year has been calculated based on the Group's net profit attributable to owners of the Company for the financial year and the weighted average number of ordinary shares in issue during the financial year, excluding ordinary shares purchased by the Company and held as treasury shares. The weighted average number of ordinary shares in issue is derived after taking into account the issuance of shares pursuant to the exercise of ESOS and vesting of share options. *133.10*

	Group		
	1.10.2020 to 31.12.2021 RM'000	**1.10.2019 to 30.09.2020 RM'000**	*Reference*
Profit/(loss) attributable to the owners of the Company:			*133.70(a)*
- Continuing operations	15,004	13,192	
- Discontinued operations	440	(376)	
Profit attributable to the owners of the Company	15,444	12,816	
Weighted average number of ordinary shares in issue ('000)	51,890	36,193	*133.70(b)*
Basic earnings per share (sen)			*133.68*
- Continuing operations	28.92	36.45	
- Discontinued operations	0.85	(1.04)	
	29.76	35.41	

(b) Diluted earnings per share

The fully diluted earnings per share of the Group is calculated by dividing the Group's net profit attributable to owners of the Company for the financial year by the weighted average number of ordinary shares in issue, adjusted to assume the conversion of all dilutive potential ordinary shares, i.e. share options. A calculation is done to determine the number of shares that could have been acquired at market price (determined as the weighted average annual share price of the Company's shares) based on the monetary value of the subscription rights attached to the outstanding share options. *133.31*

NOTES TO THE FINANCIAL STATEMENTS *Reference*
for the financial period ended 31 December 2021

36. EARNINGS PER SHARE (continued)

(b) Diluted earnings per share (continued)

	Group		
	1.10.2020 to 31.12.2021 RM'000	1.10.2019 to 30.09.2020 RM'000	
Profit/(loss) attributable to the owners of the Company:			*133.70(a)*
Continuing operations	15,004	13,192	
Discontinued operations	440	(376)	
Profit attributable to the owners of the Company	15,444	12,816	
Weighted average number of ordinary shares for basic EPS	51,890	36,193	*133.70(b)*
Effects of dilution from:			
Share options	2,342	1,728	
Weighted average number of ordinary shares adjusted for the effect of dilution	54,232	37,921	
Diluted earnings per share (sen)			*133.68*
- Continuing operations	27.67	34.79	
- Discontinued operations	0.81	(0.99)	
	28.48	33.80	

There have been no transactions involving ordinary shares or potential ordinary shares since the reporting date and before the authorisation of these financial statements other than the issuance of 200,000 ordinary shares pursuant to the exercise of ESOS. *133.64*

37. RELATED PARTY TRANSACTIONS

(a) In addition to the information detailed elsewhere in the financial statements, the Company carried out the following transactions with its related parties during the financial period/year: *124.18 124.19 124.21 124.24*

	Group		Company	
	1.10.2020 to 31.12.2021 RM'000	1.10.2019 to 30.09.2020 RM'000	1.10.2020 to 31.12.2021 RM'000	1.10.2019 to 30.09.2020 RM'000
Management fee received from subsidiaries	-	-	2,992	1,822
Dividend income fee received from subsidiaries	-	-	3,806	3,987
Sales to associate	479	690	-	-
Purchases from associate	290	293	-	-

Significant Outstanding balances with related party at the end of reporting period are as disclosed in Note 14 and 27.

Reference

37. RELATED PARTY TRANSACTIONS (continued)

(b) The key management personnel comprised mainly Executive Directors of the Company whose remuneration are disclosed in Note 35.

The Directors of the Company are of the opinion that the related party transactions have been entered into the normal course of business on an arm's length basis and have established on terms and conditions that are not materially different from those obtainable in transactions with unrelated parties.

38. COMMITMENTS

At 31 December 2021, the Group had commitments of RM4,620,000 (30.09.2020: RM9,000,000) including RM620,000 (30.09.2020: RM1,032,000) relating to trade purchase commitments by the Group's joint venture as disclosed in Note 11. *12.23(a) 12.B18-B20 116.74*

The Group has various lease contracts that have not yet commenced as at 31 December 2021. The future lease payments for these non-cancellable lease contracts are RM96,000 within one year, RM780,000 within five years and RM214,000 thereafter. *16.97*

39. CONTINGENCIES

Legal claim contingency *137.86*

An overseas customer has commenced an action against the Group in respect of equipment claimed to be defective. The estimated payout is RM1,700,000 should the action be successful. A trial date has not yet been set. Therefore, it is not practicable to state the timing of the payment, if any.

The Group has been advised by its legal counsel that it is only possible, but not probable, that the action will succeed. Accordingly, no provision for any liability has been made in these financial statements.

40. FINANCIAL GUARANTEES CONTRACTS

The Group has provided the following guarantees at 31 December 2021: *7.35K(a)*

i. Guarantee to an unrelated party for the performance in a contract by the joint venture. No liability is expected to arise.

ii. Guarantee of its share of RM40,000 (30.09.2020: RM26,000) of the associate's contingent liabilities which have been incurred jointly with other investors.

The financial guarantees have not been recognised since the fair value on initial recognition was not material as the guarantee is provided as credit enhancement to associate's and joint venture's secured borrowings.

Reference

41. SEGMENT INFORMATION

Operating segments are prepared in a manner consistent with the internal reporting provided to the Group's chief operating decision maker in order to allocate resources to segments and to assess their performance. For management purposes, the Group is organised into business units based on their products and services, which comprises the following: *8.20* *8.22*

(i)	Application support & services and hardware	Application development service, application support and maintenance service, data solutions and services, trading of desktop and laptop for consumer and commercial use, point of sales computers and related peripherals.
(ii)	Property development	Property developer

The Group has aggregated certain operating segments to form a reportable segment due to the similar nature and operational characteristics of the products.

Management monitors the operating results of its business units separately for the purpose of decisions making about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which, in certain respects as explained in the table below, is measured diferently from operating profit or loss in the consolidated financial statements.

Reference

41. SEGMENT INFORMATION (continued)

41.1 Business segment

	Application support & services and hardware RM'000	Property development RM'000	Others RM'000	Elimination RM'000	Consolidated RM'000	Reference
31 December 2021						
Revenue						
External customers	302,760	58,164	-	-	360,924	*8.21*
Inter-segment	17,834	-	2,992	(20,826)	-	*8.23*
Total revenue	320,594	58,164	2,992	(20,826)	360,924	
Results						
Segment result	10,714	26,351	-	-	37,065	
Depreciation of property, plant and equipment	(8,815)	(3,719)	-	-	(12,534)	
Depreciation of right-of-use assets	(284)	(45)	-	-	(329)	
Amortisation of intangible assets	(1,000)	-	-	-	(1,000)	
Finance cost	-	-	(2,732)	-	(2,732)	
Finance income	-	-	404	-	404	
Share of profit of an associate and a joint venture	1,342	-	-	-	1,342	
Profit/(loss) before taxation	1,957	22,587	(2,328)	-	22,216	
Tax expense					(6,196)	
Profit after taxation from continuing operation					16,020	
Profit after taxation from discontinued operation					440	
Non-controlling interest					(576)	
Net profit attributable to owners of the Company					15,884	

Reference

41. SEGMENT INFORMATION (continued)

41.1 Business segment (continnued)

	Application support & services and hardware RM'000	Property development RM'000	Others RM'000	Elimination RM'000	Consolidated RM'000	Reference
31 December 2021 (continued)						
Assets						
Segment assets	112,299	37,407	89,046	-	238,752	*8.21*
Goodwill	-	5,000	-	-	5,000	*8.23*
Trade and other receivables	6,809	16,641	46,847	(18,953)	51,344	
Total assets	119,108	59,048	135,893	(18,953)	295,096	
Liabilities						
Segment liabilities	66,624	31,576	42,664	-	140,864	
Trade and other payables	9,716	17,361	7,461	(1,868)	32,670	
Total liabilities	76,340	48,937	50,125	(1,868)	173,534	

NOTES TO THE FINANCIAL STATEMENTS
for the financial period ended 31 December 2021

Reference

41. SEGMENT INFORMATION (continued)

41.1 Business segment (continnued)

	Application support & services and hardware RM'000	Property development RM'000	Others RM'000	Elimination RM'000	Consolidated RM'000	Reference
30 September 2020						
Revenue						
External customers	300,747	20,183	-	-	320,930	*8.21*
Inter-segment	-	-	1,822	(1,822)	-	*8.23*
Total revenue	300,747	20,183	1,822	(1,822)	320,930	
Results						
Segment result	9,444	18,381	-	-	27,825	
Depreciation of property, plant and equipment	(5,482)	(2,584)	-	-	(8,066)	
Depreciation of right-of-use assets	(329)	-	-	-	(329)	
Amortisation of intangible assets	(700)	-	-	-	(700)	
Finance cost	-	-	(2,536)	-	(2,536)	
Finance income	-	-	290	-	290	
Share of profit of an associate and a joint venture	1,276	-	-	-	1,276	
Profit before taxation	4,209	15,797	(2,246)	-	17,760	
Tax expense					(4,466)	
Profit after taxation from continuing operation					13,294	
Loss after taxation from discontinued operation					(376)	
Non-controlling interest					(478)	
Net profit attributable to owners of the Company					12,440	

Reference

41. SEGMENT INFORMATION (continued)

41.1 Business segment (continnued)

	Application support & services and hardware RM'000	Property development RM'000	Others RM'000	Elimination RM'000	Consolidated RM'000	Reference
30 September 2020 (continued)						
Assets						
Segment assets	88,914	27,491	78,174	-	194,579	*8.21*
Trade and other receivables	5,846	14,813	33,300	(26,855)	27,104	*8.23*
Total assets	94,760	42,304	111,474	(26,855)	221,683	
Liabilities						
Segment liabilities	43,288	36,364	37,219	-	116,871	
Trade and other payables	10,500	14,823	8,361	(20,556)	13,128	
Total liabilities	53,788	51,187	45,580	(20,556)	129,999	

Reference

41. SEGMENT INFORMATION (continued)

41.1 Allocation basis and transfer pricing

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets, liabilities and expenses. Segment revenue, expenses and results include transfers between business segments. These transfers are eliminated on consolidation.

41.2 Geographical information

Segmental reporting by geographical regions has only been prepared for revenue as the Group's assets are located in Malaysia. Sales to external customers disclosed in geographical segments are based on the geographical location of its customers.

	Group	
	1.10.2020 to 31.12.2021 RM'000	**1.10.2019 to 30.09.2020 RM'000**
Revenue		
Malaysia	113,049	96,259
United States	216,894	188,351
Singapore	28,346	32,514
	358,289	317,124

42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group and the Company's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group and the Company's businesses whilst managing its risks. *7.31-7.33*

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

The board of directors and management reviews and agrees policies and procedures for the management of these risks, which are executed by the Chief Financial Officer, Head of Finance and other heads of business units. The audit committee provides an independent oversight to the effectiveness of the risk management process.

The main areas of the financial risks faced by the Group and the Company and the policy in respect of the major areas of treasury activity are set out as follows:

42.1 Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group and the Company's exposure to credit risk mainly arises from its receivables below. For bank balances, the Group and the Company minimises credit risk by dealing exclusively with reputable financial institution. *7.33(a) - (b) 7.35A-N*

The Group assessed ECL for trade receivables based on two different approaches, namely collective assessment and individual debtor assessment.

Reference

42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

42.1 Credit risk (continued)

(i) Collective approach

To measure the expected credit losses under the collective approach, trade and other receivables and contract assets have been grouped based on shared credit risk characteristics and number of days past due. The expected loss rates are developed based on the historical credit loss rates. The historical loss rates are further adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

The Group has identified (i) internal credit rating and (ii) actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligation to be the most relevant factors, and accordingly adjust the historical loss rates based on expected changes in these factors.

(ii) Individual debtor assessment

The Group applies individual debtor assessment for debtors with different risk characteristics, where the credit risk information of these debtors is obtained and monitored individually. The Group assesses the lifetime ECL when takes into consideration as follows:

- PD - Probability of default
  The likelihood that the borrower cannot pay during the contractual period
- LGD - Loss given default
  Percentage of contractual cash flows that will not be collected if default happens
- EAD - Exposure at default
  Outstanding amount that is exposed to default risk

The Group has taken into account the probability-weighted recoverable amount determined via the evaluation of a range of possible outcomes. In deriving the PD and LGD, the Group considers historical data of each debtor by category and adjusts for forward-looking macroeconomic data. The Group has identified the industry and geographical area which the debtor operates in, to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors. Loss allowance is measured at a probability-weighted amount that reflects the possibility that a credit loss occurs and the possibility that no credit loss occurs. No significant changes to estimation techniques or assumptions were made during the reporting period.

(a) Trade receivables

Credit risk is minimised by monitoring the financial standing of the debtors on an ongoing concern basis. The Group has significant exposure to several customers and as such a concentration of credit risks. At the reporting date, approximately 20% (30.09.2020: 18%) of the Group's trade receivables were due from 1 (30.09.2020: 1) major customer. The maximum exposure to credit risk is disclosed in Note 14 to the financial statements, representing the carrying amount of the trade receivables recognised on the statement of financial position. *7.36(a)*

Reference

42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

42.1 Credit risk (continued)

(b) Advances to subsidiaries

The Company provides unsecured advances to its subsidiaries and monitors the results of the subsidiaries regularly. The maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position. As at 31 December 2021, the Company had made sufficient allowance for impairment loss on advances to its subsidiaries. The Company does not specifically monitor the ageing of the advances to its subsidiaries.

(c) Other receivables and other financial assets

For other receivables and other financial assets (including cash and cash equivalents), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties. At the reporting date, the Group and the Company's maximum exposure to credit risk arising from other receivables and other financial assets is represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

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.

The maximum exposure to credit risk is disclosed in Note 14 to the financial statements, representing the carrying amount of the otther receivables recognised on the statement of financial position.

(d) Financial guarantee contracts *7.35m*

The Company is exposed to credit risk in relation to financial guarantees given to banks in respect of loans granted to joint venture. The Company monitors the results of the joint venture and their repayment on an on-going basis. The maximum exposure to credit risks amounts to RM40,000 (30.9.2020: RM26,000) representing the maximum amount the Company could pay if the guarantee is called on as disclosed in Note 40. 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 guarantee is provided as credit enhancement to associate's and joint venture's secured borrowings.

42.2 Market risk *7.33 7.40*

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and equity price risk. Financial instruments affected by market risk include loans and borrowings, deposits, debt and equity investments and derivative financial instruments.

Reference

42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

42.3 Interest rate risk

7.33(a)-(b)

Interest rate risk is the risk that the fair value or future cash flows of the Group and of the Company's financial instruments will fluctuate because of the changes in market interest rates. The Group and the Company's exposure to interest rate risk relates to interest-bearing financial assets and liabilities. Interest-bearing financial assets includes fixed deposits with licensed banks. Interest-bearing liabilities includes term loan, lease liabilities, revolving credit and overdrafts.

The term loan, revolving credit and overdraft are at floating rates expose the Group to cash flow interest rate risk whilst finance lease liabilities at fixed rates expose the Group to fair value interest rate risk.

The interest rates per annum on the lease liabilities, term loan, revolving credit and overdraft are disclosed in Note 8 and Note 22 respectively.

The Group adopts a strategy of mixing fixed and floating rate borrowing to minimise exposure to interest rate risk. The Company also reviews its debt portfolio to ensure favourable rates are obtained.

Sensitivity analysis for interest rate risk

7.40

If the interest rate had been 100 basis point higher/lower and all other variables held constant, the Group's loss before taxation would increase/decrease by approximately RM4,935,000 (30.09.2020: RM4,654,000) as a result of exposure to floating rate borrowings.

42.4 Foreign currency risk

7.33(a)-(b)

The Group and the Company are not significantly exposed to foreign currency risk as the majority of the Group and of the Company's transactions, assets and liabilities are denominated in Ringgit Malaysia. The currency giving rise to this risk is primarily United States Dollar ("USD").

Foreign exchange exposures in transactional currencies other than functional currencies of the operating entities are managed by entering into forward contracts and the borrowing amounts are kept to an acceptable level.

Currency risks arise on account of monetary assets and liabilities being denominated in a currency that is not the functional currency of the entity. The currency exposure profile of the Group and the Company's financial assets and financial liabilities is disclosed in the respective notes to the financial statements.

Reference

42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

42.4 Foreign currency risk (continued)

The net unhedged financial assets/(liabilities) of the Group at year end that are not denominated in Ringgit Malaysia are as follows:

Group

31 December 2021	USD RM'000	EURO RM'000	Total RM'000
Cash and bank balances	7,891	4,802	12,693
Trade and other receivables	14,801	2,794	17,595
Trade and other payables	(2,793)	(12,914)	(15,707)
	19,899	(5,318)	14,581
30 September 2020			
Cash and bank balances	4,982	4,802	9,784
Trade and other receivables	17,389	2,894	20,283
Trade and other payables	(1,834)	(18,293)	(20,127)
	20,537	(10,597)	9,940

Sensitivity analysis for foreign currency risk *7.40*

The following table demonstrates the sensitivity analysis of the Group's pre-tax loss to a reasonably possible change in the USD and Euro against the respective functional currencies of the Group, with all other variables held constant.

		Impact to profit or loss	1.10.2020 to 31.12.2021 RM'000	1.10.2019 to 30.09.2020 RM'000
USD/RM	- strenghten 1%	Increase	151	156
	- weakened 1%	Decrease	(151)	(156)
EURO/RM	- strenghten 1%	Increase	40	106
	- weakened 1%	Decrease	(40)	(106)

42.5 Equity price risk

Equity price risk is the risk that the fair value or the future cash flows of the Group and the Company's financial instruments will fluctuate because of changes in market prices (other than interest or exchange rates).

The Group is exposed to market price risk arising from its investment in management fund. These instruments are classified as held for trading financial assets.

As at reporting date, if the quoted prices of the investment securities had been 5% higher/lower, with all other variables held constant, the Group's profit for the year would have been RM467,000 (30.09.2020: RM323,000) higher/lower.

Reference

42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

42.6 Liquidity and cash flow risk *7.33(a)-(b) 7.39*

Liquidity risk is the risk that the Group and the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

The Group and the Company manage liquidity risk by maintaining sufficient cash. In addition, the Group and the Company maintain bank facilities such as working capital lines deemed adequate by the management to ensure it will have sufficient liquidity to meet its liabilities when they fall due.

Reference

42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

42.6 Liquidity and cash flow risk (continued)

The following table sets out the maturity profile of the Group's and the Company's financial liabilities as at the end of the reporting period based on undiscounted contractual cash flows.

Group

31.12.2021	Carrying amount RM'000	Contractual interest rate %	Contractual cash flow RM'000	Not later than 1 year RM'000	Later than 1 year but not later than 5 years RM'000	More than 5 years RM'000
Trade and other payables	32,670	-	32,670	32,670	-	-
Lease liabilities	3,421	5.00 - 7.00	3,879	1,475	2,404	-
Term loan	45,814	3.05	45,814	3,615	21,340	20,859
Revolving credit	225	4.15	225	225	-	-
Overdraft	498	6.28	498	498	-	-
Dividend payables	2,442	-	2,442	2,442	-	-
	85,070		85,528	40,925	23,744	20,859
30.09.2020						
Trade and other payables	13,128	-	13,128	13,128	-	-
Lease liabilities	3,556	5.00 - 7.00	4,014	1,524	2,490	-
Term loan	48,211	3.18	48,211	3,861	20,866	23,484
Revolving credit	902	4.28	902	902	-	-
Overdraft	241	5.73	241	241	-	-
	66,038		66,496	19,656	23,356	23,484

NOTES TO THE FINANCIAL STATEMENTS
for the financial period ended 31 December 2021

Reference

42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

42.6 Liquidity and cash flow risk (continued)

	Carrying amount RM'000	Contractual interest rate %	Contractual cash flow RM'000	Not later than 1 year RM'000	Later than 1 year but not later than 5 years RM'000	More than 5 years RM'000
Company						
31.12.2021						
Trade and other payables	2,997	-	2,997	2,997	-	-
Dividend payables	2,442	-	2,442	2,442	-	-
Financial guarantee contracts	40,000	-	40,000	40,000	-	-
	45,439		45,439	45,439	-	-
30.09.2020						
Trade and other payables	7,236	-	7,236	7,236	-	-
Financial guarantee contracts	26,000	-	26,000	26,000	-	-
	33,236		33,236	33,236	-	-

Reference

42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

42.7 Classification of financial instruments

	Group 31.12.2021 RM'000	30.09.2020 RM'000	1.10.2019 RM'000
Financial assets			
Financial assets at fair value through profit or loss	5,877	3,581	1,089
Financial assets at fair value through other comprehensive income	2,747	2,357	3,731
	8,624	5,938	4,820
Amortised costs			
Trade and other receivables	51,344	27,104	41,564
Fixed deposits with licensed banks	4,883	4,650	3,768
Cash and bank balances	30,173	25,182	18,364
	86,400	56,936	63,696
	95,024	59,293	67,427
Financial liabilities			
Financial assets at fair value through profit or loss	7,518	508	606
Amortised costs			
Trade and other payables	29,876	11,924	30,703
Dividend payables	2,442	-	-
Lease liabilities	3,421	3,556	4,110
Term loan	45,814	48,211	47,970
Revolving credit	225	902	304
Overdraft	498	241	-
	82,276	15,480	34,813

Reference

42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

42.7 Classification of financial instruments (continued)

	Company		
	31.12.2021 RM'000	30.09.2020 RM'000	1.10.2019 RM'000
Financial assets			
Amortised costs			
Other receivables	20,636	14,153	17,509
Fixed deposits with licensed banks	1,638	949	97
Cash and bank balances	9,356	8,441	5,635
	31,630	23,543	23,241
Financial liabilities			
Amortised costs			
Trade and other payables	2,603	6,957	3,955
Dividend payables	2,442	-	-
	5,045	6,957	3,955

NOTES TO THE FINANCIAL STATEMENTS
for the financial period ended 31 December 2021

Reference

42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

42.8 Fair value of financial instruments

Fair value hierarchy

The Group and the Company's financial instruments are analysed in a three level fair value hierarchy based on the significance of inputs.

The three level of fair value measurement hierarchy are:

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: Input other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

Level 3: Input for the asset or liability that are not based on observable market data (unobservable input).

The carrying amounts of cash and cash equivalents, short term receivables and payables approximate fair values due to the relatively short term nature of these financial instruments.

The table below analyses financial instruments that are carried at fair value. *13.93(d)*

13.93(b)

Group	Financial instruments that are carried at fair value			
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
31.12.2021				
Financial assets				
- Foreign exchange forward contract	-	598	-	598
- Listed equity instruments	5,279	-	-	5,279
- Non-listed equity instruments	-	-	1,016	1,016
- Quoted debt instruments	1,731	-	-	1,731
	7,010	598	1,016	8,624
Financial liabilities				
- Foreign exchange forward contract	1,535	-	-	1,535
- Commodity forward contract	-	198	-	198
- Contingent liabilities	5,785	-	-	5,785
	7,320	198	-	7,518

Reference

42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

42.8 Fair value of financial instruments (continued)

13.93(b)

Group	**Financial instruments that are carried at fair value**			
30.09.2020	**Level 1 RM'000**	**Level 2 RM'000**	**Level 3 RM'000**	**Total RM'000**
Financial assets				
- Foreign exchange forward contract	-	271	-	271
- Listed equity instruments	3,310	-	-	3,310
- Non-listed equity instruments	-	-	729	729
- Quoted debt instruments	-	-	16,319	16,319
Investment properties	-	-	-	-
	3,310	271	17,048	20,629
Financial liabilities				
- Foreign exchange forward contract	-	508	-	508

13.93(b)
13.97

Group	**Financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value**			
	Level 1 RM'000	**Level 2 RM'000**	**Level 3 RM'000**	**Total RM'000**
31.12.2021				
Lease liabilities	-	-	3,421	3,421
Term loan	-	-	45,814	45,814
Revolving credit	-	-	225	225
Overdraft	-	-	498	498
	-	-	49,958	49,958
30.09.2020				
Lease liabilities	-	-	3,556	3,556
Term loan	-	-	48,211	48,211
Revolving credit	-	-	902	902
Overdraft	-	-	241	241
	-	-	52,910	52,910

Policy on transfer between levels

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

There has been no transfer between Level 1 and 2 fair values during the financial period. *13.93(c)*

The responsibility for managing the above risks is vested in the directors.

Reference

42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

42.8 Fair value of financial instruments (continued)

Commentary:
Disclosure of the fair values of financial instruments is not required:
▪ When the carrying amount is a reasonable approximation of fair value (e.g.: short-term trade receivables and payables); or
▪ For a contract containing a discretionary participating feature (as described in MFRS 4 Insurance Contracts) if the fair value of that feature cannot be measured reliably;

7.29

(a) Commentary:

Illustrative disclosure where the fair value of unquoted equity investment is determined by an external valuer

The fair value of unquoted equity securities is determined by external independent valuation company, Messrs Advisory & Co., a member of XXX, with appropriate recognised professional qualifications and recent experience in valuation of unquoted financial instruments. The valuation company provides the fair value of the Group's and the Company's unquoted financial instruments every year end. Changes in Level 3 fair values are analysed by the team after obtaining the valuation report from the valuation company. There has been no change to the valuation technique during the financial year.

43. CAPITAL MANAGEMENT

The primary objective of the Group and of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Group and the Company manage the capital structure and makes adjustments to it, in light of changes in economic conditions. No changes were made in the objectives, policies or processes during the financial period ended 31 December 2021.

The Group and the Company monitor capital using a net debt equity ratio, which is net debts divided by capital and net debts. The Group and the Company's net debts include total liabilities less provision for taxation, deferred tax liabilities and cash and bank balances. Total capital comprises share capital and reserves attributable to owners of the Group and of the Company. The Group and the Company are not subject to externally imposed capital requirements.

	Group		Company	
	31.12.2021	**30.09.2020**	**31.12.2021**	**30.09.2020**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Net debt	161,604	121,685	11,539	13,190
Less: cash and bank balances	(35,056)	(29,832)	(10,994)	(9,390)
Net debt	126,548	91,853	545	3,800
Equity attributable to the owners of the Company	116,742	90,204	64,007	47,961
	116,742	90,204	64,007	47,961
Debt/equity ratio	108%	102%	1%	8%

Reference

43. CAPITAL MANAGEMENT (continued)

Commentary:
MFRS 101 para 135 requires the following disclosures:
(d) whether during the period it complied with any externally imposed capital requirements to which it is subject.
(e) when the entity has not complied with such externally imposed capital requirements, the consequences of such non-compliance.

When the entity does not have externally imposed capital requirement, the suggested disclosure as follows: *101.135(d)*
The Group and its subsidiaries are not subject to any externally imposed capital requirements.

When the entity has breached the externally imposed capital requirement, the suggested disclosure as follows:
The Company is required to maintain a debt to equity ratio of 0.5 to comply with a bank covenant. *101.135(e)*
The subsidiary has breached this covenant as disclosed in Note XX. *7.19*

44. SIGNIFICANT EVENTS DURING THE FINANCIAL PERIOD

On 11 March 2020, the World Health Organisation declared the outbreak of a novel coronavirus ("COVID-19") as a global pandemic, which continues to spread throughout Malaysia and around the world. The Malaysia Government has imposed the Movement Control Order ("MCO"), followed by Conditional Movement Control Order ("RMCO") and Recovery Movement Control Order ("RMCO") in year 2021. Consequently, the COVID-19 outbreak had resulted in travel restrictions, lockdown and other precautionary measures which brought significant economic uncertainties in Malaysia and markets in which the Group operates. Hence, the Group's revenue, earnings, cash flow and financial condition maybe impacted by these economic uncertainties going forward.

In mid-2021, the Government of Malaysia announced the National Recovery Plan ("NRP"), which has since been implemented by the Government progressively in a few phase.

Arising from the COVID-19 pandemic, the Group and the Company have implemented several measures to weather through this current challenging time. The following measures had been taken, with further additional efforts to be taken, and will take further measures if necessary:

i. Impact from Covid-19 Pandemic

Both the manufacturing and trading operations were affected when the Malaysian government implemented Movement Control Orders. As the Group is allowed to operate during these MCOs, and the ability to generate revenue through e-commerce, the impact from Covid-19 pandemic to the Group has been minimised.

ii. Funding

The Company has managed to exercise private placements with a total of RM14,406,000 during the financial period as the source for business funds during this pandemic. This has helped the Group and the Company to strengthen its cash position and liquidity.

Reference

44. SIGNIFICANT EVENTS DURING THE FINANCIAL PERIOD (continued)

iii. Working capital management

The Group had studied the impact brought by the present global economic doldrums and had worked to restructure the manufacturing operation moving from in-house manufacturing to outsourcing.

As a result of the restructuring, the manufacturing operation incurred impairment losses for property, plant and equipment and inventories. It also incurred layoff expenses paid out to affected employees giving rise to a substantially higher loss before taxation during the financial period.

In April 2022, the Government of Malaysia has announced that Malaysia will transition into endemic phase of Covid-19 and the Company expects its business operations to gradually return to normal operating level in the future.

As at the date of this report, it is challenging for the management of the Group and the Company to quantify the potential financial impact of the COVID-19 outbreak as the situation is still evolving and the outcome of the event is still unpredictable. The Group and the Company are actively monitoring and taking appropriate and timely measures to minimise any impact of COVID-19 on its operations, if any will be reflected in the 2022's annual financial statements.

Commentary:

When no material impact to the financial statements:

As at the date of this report, the management of the Company has performed an assessment on the operations and financial impact of Covid-19 pandemic and concluded that there is no material impact to the financial year ended 31 December 2021. The management of the Company continue to actively monitor and taking appropriate timely measures to minimize any impact of Covid-19 on its operations.

45. SIGNIFICANT EVENTS SUBSEQUENT TO THE FINANCIAL PERIOD *110.19*

110.21
110.22

(a) On 14 January 2022, a building with a net book value of RM3,390,000 was severely damaged by flooding and inventories with a net book value of RM1,714,000 were destroyed. It is expected that insurance proceeds will fall short of the costs of rebuilding and loss of inventories by RM1,500,000. The financial statements for the financial year ended 31 December 2021 have not been adjusted for the financial effect of this incident.

(b) Covid-19 Pandemic

The economic condition remained challenging in 2022 amid the prolonged COVID-19 pandemic situation. Despite that, businesses gradually adapted to the new normal operating environment to cater the needs of customers which paved the way for a gradual economic recovery.

In April 2022, the Government of Malaysia has announced that Malaysia will transition into endemic phase of Covid 19 and the Group and the Company expects its business operations to gradually return to normal operating level in the future.

Reference

45. SIGNIFICANT EVENTS SUBSEQUENT TO THE FINANCIAL PERIOD (continued)

(b) Covid-19 Pandemic (continued)

Given the uncertainty of the situation, the Group and the Company are unable to reasonably estimate the financial impacts of COVID-19 pandemic for the financial year ending 31 December 2022 to be disclosed in the financial statements as impact assessment of the COVID-19 pandemic is a continuing process. The Group and the Company will continuously monitor any material changes to future economic conditions that will affect the Group and the Company.

Commentary:

MFRS 101 para 19 states that if an entity receives information after the reporting period about conditions that existed at the end of the reporting period, it shall update disclosures that relate to those conditions, in the light of the new information. *101.19*

MFRS 101 para 21 deals with non-adjusting events after the reporting period. *101.21*

If non-adjusting events after the reporting period are material, non disclosure could influence the economic decisions that users make on the basis of the financial statements. Accordingly, an entity shall disclose the following for each material category of non-adjusting event after the reporting period:

(a) the nature of the event; and
(b) an estimate of its financial effect, or a statement that such an estimate cannot be made.

46. COMPARATIVE FIGURES

(a) The Group and the Company changed its accounting period end from 30 September to 31 December. Therefore, the financial period covered in these financial statements is for a period of 14 months from 1 October 2020 to 31 December 2021. Thereafter, the financial year of the Company shall revert to twelve (12) months ending 31 December, for each subsequent year. The comparatives are for the financial year from 1 October 2019 to 30 September 2020. *101.36*

(b) As stated in Note 2.1, these are the first financial statements of the Company prepared accordance with MFRS. *1.20* *1.21*

The accounting policies set out in Note 2.2 have been applied in preparing the financial statements of the Company for the financial year ended 31 December 2021 and to the comparative information presented in these financial statements for the financial year ended 30 September 2020 and in the preparation of the opening MFRS statement of financial position at 1 October 2019 (the Company's date of transition to MFRS). *1.23*

In preparing the opening consolidation financial statement at 1 October 2019, the Group has adjusted amount reported previously in financial statements prepared in accordance with MPERSs. The effect of the transition from MPERSs to MFRSs are disclosed in Note 2.2 of the financial statements. *1.25*

Commentary:
Or, if no impact on the transition to MFRS

The transition to MFRS does not have material financial impact to the financial statements of the Company. The statements of financial position as at 1 January 2020 has been provided for illustrative purpose only. *1.20* *1.21* *1.25*

Reference

46. COMPARATIVE FIGURES (continued)

Commentary:

Applicable if change of auditor:

(a) The financial statements of the Group and of the Company as at 30 September 2020, were audited by another firm of auditors whose report dated 28 January 2021, expressed an unmodified opinion on those statements.

Applicable if previous year change of financial year end:

(b) The comparative figures relate to the financial period 1 October 2020 to 31 December 2021 for a period of fifteen (15) months. Consequently, the comparative amounts to the financial statements and related notes may not be comparable. *101.36*

Applicable if Restatement made in financial statements:

(c) The presentation and classification of items in current year's financial statements are consistent with the previous financial period and the following comparative figures which have been reclassified to conform with current year's presentation and to reflect appropriately the nature of the transaction:

Group

	As previously classified	Reclassi-fication	As reclassified
Consolidated Statement of Financial Position As at 30 September 2020			
Property, plant and equipment	xx	(xx)	xxx
Right-of-use assets	-	xx	xxx
Consolidated Statement of Profit or Loss For financial year ended 30 September 2020			
Cost of sales	xx	(xx)	xxx
Other operating expenses	-	xx	xxx