ORIENTAL HOLDINGS BERHAD
196301000446 (5286-U)

Annual Report **2021**

CONTENTS

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Sixtieth Annual General Meeting ("60th AGM") of stockholders of Oriental Holdings Berhad ("OHB" or "the Company") will be conducted on a virtual basis through online streaming and Remote Participation and Voting ("RPV") Facilities for the purpose of considering and if thought fit, passing with or without modifications the resolutions set out in this notice.

Event Name	:	OHB - 60th AGM
Day, Date and Time of Meeting	:	Wednesday, 15 June 2022, 2.30 pm
RPV Facilities	:	https://web.vote2u.my
Meeting Platform	:	Online Meeting Platform of Vote2U at *https://web.vote2u.my*
Domain Registration Numbers with MYNIC	:	D6A471702
Mode of Communication	:	(1) Typed text in the RPV Facilities (2) E-mail questions to help.pg@boardroomlimited.com prior to Meeting

As Ordinary Business

1. To receive the Audited Financial Statements for the financial year ended 31 December 2021 together with the Directors' Report and Auditors' Report thereon.

2. To declare a Final Single Tier Dividend of 10 sen per ordinary stock for the financial year ended 31 December 2021. — Ordinary Resolution 1

3. To re-elect the following Directors who retire in accordance with Clause 103 of the Company's Constitution:

   (a) Dato' Seri Lim Su Tong — Ordinary Resolution 2
   (b) Dato' Sri Datuk Wira Tan Hui Jing — Ordinary Resolution 3
   (c) Ms Mary Geraldine Phipps — Ordinary Resolution 4

4. To re-elect the following Directors who retire in accordance with Clause 110 of the Company's Constitution:

   (a) Puan Nazriah Binti Shaik Alawdin — Ordinary Resolution 5
   (b) Mr Mitsuharu Funase — Ordinary Resolution 6

5. To approve the Directors' Fees and Benefits up to an aggregate amount of RM2.6 million payable to the Directors for the period commencing this Annual General Meeting ("AGM") through to the next AGM of the Company in 2023. — Ordinary Resolution 7

6. To re-appoint KPMG PLT as Auditors of the Company and to authorise the Directors to fix their remuneration. — Ordinary Resolution 8

As Special Business

7. **Proposed Renewal of Stockholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature** — Ordinary Resolution 9

   "THAT, pursuant to Chapter 10.09 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, a general mandate of the Stockholders be and is hereby granted to the Company and/or its subsidiaries to enter into the recurrent arrangements or transactions of a revenue or trading nature, as set out in the Company's Circular to Stockholders dated 29 April 2022 ("the Circular") with any person who is a related party as described in the Circular, provided that such transactions are undertaken in the ordinary course of business, on an arm's length basis, and on normal commercial terms, or on terms not more favourable to the Related Party than those generally available to the public and are not, in the Company's opinion, detrimental to the minority stockholders; and that disclosure will be made in the Annual Report of the aggregate value of transactions conducted during the financial year.

NOTICE OF ANNUAL GENERAL MEETING

AND THAT, such approval, shall continue to be in force until:

(a) the conclusion of the next AGM of the Company following the general meeting at which authorisation is obtained, at which time it shall lapse, unless by ordinary resolutions passed at the meeting, the authority is renewed either unconditionally or subject to conditions; or

(b) the expiration of the period within which the next AGM after the date it is required to be held pursuant to Section 340(2) of the Companies Act 2016 ("Act") (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or

(c) revoked or varied by resolution passed by the stockholders of the Company in a general meeting, whichever is earlier.

FURTHER THAT the Directors of the Company be and are hereby authorised to do all acts, deeds, things and execute all necessary documents as they may consider necessary or expedient in the best interest of the Company with full powers to assent to any conditions, variations, modifications and/or amendments in any manner as may be required or permitted under relevant authorities to give full effect to the Proposed Stockholders' Mandate."

8. **Proposed Renewal of Authority to Buy-Back its Own Stocks** Ordinary Resolution 10

"THAT, subject to compliance with Section 127 of the Act (as may be amended, modified or re-enacted from time to time) and any prevailing laws, rules, regulations, orders, guidelines and requirements issued by any relevant authorities, approval be and is hereby given to the Company to utilise up to RM763.4 million which represents the audited retained profits reserve of the Company as at 31 December 2021, otherwise available for dividend for the time being, to purchase on Bursa Malaysia Securities Berhad its own stocks up to 62,039,363 ordinary stocks representing 10% of the total number of issued stocks of the Company of 620,393,638 ordinary stocks as at 31 March 2022 (including 31,808 Stocks retained as Treasury Stocks).

AND THAT, upon completion of the purchase(s) of the Stocks by the Company, the Stocks shall be dealt with in the following manner:

(a) to cancel the Stocks so purchased; or

(b) to retain the Stocks so purchased as Treasury Stocks for distribution as dividends to the stockholders and/or resell on the market of Bursa Malaysia Securities Berhad; or

(c) to retain part of the Stocks so purchased as Treasury Stocks and cancel the remainder; or

(d) in such manner as Bursa Malaysia Securities Berhad and such other relevant authorities may allow from time to time.

AND THAT, such authority from the stockholders would be effective immediately upon the passing of this Ordinary Resolution and will continue in force until:

(a) the conclusion of the next AGM of the Company, unless by ordinary resolution passed at the meeting, the authority is renewed, either unconditionally or subject to conditions;

(b) the expiry of the period within which the next AGM is required by law to be held (unless earlier revoked or varied by Ordinary Resolution in a general meeting of stockholders of the Company) but not so as to prejudice the completion of a purchase by the Company or any person before the aforesaid expiry date, in any event, in accordance with the provisions of the guidelines issued by Bursa Malaysia Securities Berhad or any other relevant authorities;

FURTHER THAT authority be and is hereby given to the Directors of the Company to take all such steps as are necessary or expedient to implement or to effect the purchase of OHB Stocks."

NOTICE OF ANNUAL GENERAL MEETING

9. **Retention as Independent Non-Executive Director** Ordinary Resolution 11
"THAT, Ms Mary Geraldine Phipps be retained as Independent Non-Executive Director of the Company, in accordance with the Malaysian Code on Corporate Governance until the conclusion of the next AGM."

10. To transact any other businesses of which due notice shall have been given in accordance with the Company's Constitution.

By Order of the Board

Tai Yit Chan (MAICSA 7009143) (SSM PC No.: 202008001023)
Ong Tze-En (MAICSA 7026537) (SSM PC No.: 202008003397)
Joint Company Secretaries

Penang, 29 April 2022

Notes on proxy and voting:

1. A proxy may but need not be a member of the Company.

2. For a proxy to be valid, the Form of Proxy duly completed must be deposited at the Registered Office of the Company at 170-09-01 Livingston Tower, Jalan Argyll, 10050 George Town, Penang, Malaysia not less than forty-eight (48) hours before the time for holding the meeting PROVIDED that in the event the member(s) duly executes the Form of Proxy but does not name any proxy, such member(s) shall be deemed to have appointed the Chairman of the meeting as his/their proxy, provided always that the rest of the Form of Proxy, other than the particulars of the proxy have been duly completed by the member(s). Alternatively, you may deposit your Form of Proxy via Vote2U Online at https://web.vote2u.my.

3. A member entitled to attend and vote is entitled to appoint not more than two (2) proxies to attend and vote in his stead. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy. A proxy appointed to attend and vote at a meeting of the Company shall have the same rights as the member to speak at the meeting.

4. Where a member of the Company is an authorised nominee as defined under the Securities Industries (Central Depositories) Act, 1991 ("SICDA"), it may appoint not more than two (2) proxies in respect of each security account it may holds with ordinary stocks of the Company standing to the credit of the said securities account.

5. Where a member of the Company is an exempt authorised nominee which holds ordinary stocks in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there shall be no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the SICDA which is exempted from compliance with the provisions of subsection 25A(1) of SICDA.

6. If the appointer is a corporation, the Form of Proxy must be executed under the corporation's common seal or under the hand of an officer or an attorney duly authorised.

7. In respect of deposited securities, only a Depositor whose name appears on the Record of Depositors on **8 June 2022** (General Meeting Record of Depositors) shall be eligible to attend the meeting or appoint proxy to attend and/or vote on his/her behalf.

8. The detailed requirements and procedures for the submission of Form of Proxy and voting are set out in the Administrative Guide.

NOTICE OF ANNUAL GENERAL MEETING

Explanatory notes on the resolutions:

1. **Ordinary Resolutions 2, 3 and 4 are to re-elect Directors who retire in accordance with Clause 103 of the Company's Constitution**

The profiles of the Directors standing for re-election under Ordinary Resolutions 2, 3 and 4 are set out under Profile of Directors/Key Senior Management in the Annual Report 2021. The Independent Non-Executive Director ("INED") had provided annual declaration/confirmation of independence. The Board of Directors ("Board") approved the recommendations from the Nominating Committee and is supportive of the re-election of the retiring Directors based on the justifications below. The retiring Directors had abstained from deliberation and decision on their own eligibility to stand for re-election at both Nominating Committee and Board meetings, as applicable.

1.1 **Dato' Seri Lim Su Tong** is the Joint Group Managing Director. He has shown exemplary leadership in managing businesses and creating value especially in the Plantation segment by expanding into property investment abroad particularly in Australia. He has contributed significantly to the Group by steering the segment forward with notable achievements during his tenure as Joint Group Managing Director.

1.2 **Dato' Sri Datuk Wira Tan Hui Jing** is the Executive Director of the Company. He has demonstrated exemplary leadership in the Company's businesses. Dato' Sri Tan leads the Healthcare segment, the Automotive (Honda operations) and Automotive Manufacturing sub-segment. In the former, he has directed the expansion of business activities to include community-based retail pharmacy and a new hospital in northern Johor as part of Healthcare's strategic planning. He has also provided valuable input and strategic direction to bring the performance of an automotive manufacturing subsidiary back on track.

1.3 **Ms Mary Geraldine Phipps** is the INED of the Company. She has fulfilled the requirements on independence as set out in the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities"). Ms Phipps has demonstrated her objectivity through her proactive engagements during meetings of the Board and Board Committees by sharing valuable, relevant, independent and impartial insights, views and opinions on issues tabled for discussion. She has exercised due care and carried out her professional duties proficiently and effectively throughout her tenure as a Director of the Company.

2. **Ordinary Resolutions 5 and 6 are to re-elect Directors who retire in accordance with Clause 110 of the Company's Constitution**

Their profiles of the Directors standing for re-election under Ordinary Resolutions 5 and 6 are set out under Profile of Directors/Key Senior Management in the Annual Report 2021. **Puan Nazriah Binti Shaik Alawdin and Mr Mitsuharu Funase**, the INED and Non-INED of the Company were appointed on 11 November 2021 and 1 January 2022 respectively.

As both were appointed recently and with notice of the basis of their appointment, the Board concurred with the Nominating Committee that both should be given opportunity to contribute to the Company and supports their re-election. Puan Nazriah, the INED, had provided confirmation of independence. Both Directors had abstained from deliberation and decision on their own eligibility to stand for re-election at both Nominating Committee and Board meetings, as applicable.

3. **Ordinary Resolution 7 is to approve Directors' Fees and Benefits**

The Fees and Benefits payable to the Directors had been reviewed and approved by the Remuneration Committee and the Board. The quantum of Directors' Fees and Benefits is computed based on the anticipated number of Board and Board Committee meetings, assuming full attendance by all the Directors. The amount also includes a contingency sum to cater for unforeseen circumstances such as the appointment of any additional Director, additional unscheduled Board and Board Committees' meetings and/or for the formation of additional Board Committees. Please refer to the Corporate Governance Overview Statement and Corporate Governance Report for details of the Fees and Benefits payable to the Directors.

Once approved by the stockholders, this approval shall continue to be in force until the conclusion of the next AGM of the Company in 2023.

NOTICE OF ANNUAL GENERAL MEETING

4. **Ordinary Resolution 9 is to approve Proposed Renewal of Stockholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature**
This Ordinary Resolution, if passed, will approve the stockholders' mandate on Recurrent Related Party Transactions and allow the Company and/or its subsidiaries to enter into Recurrent Related Party Transactions in accordance with Chapter 10 of the MMLR of Bursa Securities. This approval shall continue to be in force until the conclusion of the next AGM or the expiration of the period within which the next AGM is required by law to be held or revoked/varied by resolution passed by the stockholders in a general meeting whichever is the earlier.

5. **Ordinary Resolution 10 is to approve Proposed Renewal of Authority to Buy-Back its Own Stocks**
This Ordinary Resolution, if passed, will allow the Company to purchase its own stocks. The total number of stocks purchased shall not exceed 62,039,363 stocks representing 10% of the total number of issued share capital of the Company. This authority will, unless revoked or varied by the Company in a general meeting, expires at the next AGM of the Company.

6. **Ordinary Resolution 11 is to retain Ms Mary Geraldine Phipps as the INED of the Company**
Ms Mary Geraldine Phipps was appointed as an INED on 14 August 2009. She has served the Company as the INED for close to 13 years as at the date of the notice of the 60th AGM.

The Board approved the recommendation from the Nominating Committee and is supportive of retaining her as INED based on the justifications below. Ms Phipps had abstained from deliberation and decision on her own eligibility to stand for re-election at both Nominating Committee and Board meetings, as applicable.

(1) Ms Phipps had provided annual declaration/confirmation of independence in accordance with guidelines as set out in the MMLR of Bursa Securities. She has demonstrated complete independence in character and judgement and therefore able to bring element of objectivity that provide check and balance to the executive leadership team.
(2) She has performed her duties diligently and has remained objective and independent in expressing her views during deliberation and decision-making of the Board and the Board Committees. Her judgment is not clouded by familiarity.
(3) The length of her service on the Board does not in any way interfere with her exercise of independent judgment and ability to act in the best interest of the Group. She understands the businesses and operations of the Group as she has served as INED for some time. Therefore, her familiarity has enabled her to participate effectively during meetings.

Statement of Accompanying Notice of AGM

(Pursuant to Paragraph 8.27(2) of MMLR of Bursa Securities)

1. No individual is standing for election as a Director at the forthcoming AGM of the Company.

DIVIDEND ANNOUNCEMENT

NOTICE IS HEREBY GIVEN that a Depositor shall qualify for entitlement to the Final Single Tier Dividend of 10 sen per ordinary stock only in respect of:

(a) Stocks transferred into the Depositor's Securities Account before 4.30 pm on 30 June 2022 in respect of ordinary transfers; and

(b) Stocks bought on Bursa Malaysia Securities Berhad on a cum dividend entitlement basis according to the Rules of the Bursa Malaysia Securities Berhad.

The Final Single Tier Dividend, if approved, will be paid on 14 July 2022 to Depositors registered in the Records of Depositors at the close of business on 30 June 2022.

STATEMENT ON PROPOSED RENEWAL OF AUTHORITY TO PURCHASE ITS OWN STOCKS

1. INTRODUCTION

At the AGM of the Company held on 27 October 2021, the Directors had obtained stockholders' approval to undertake the Proposed Stock Buy-Back of up to 10% of the total number of issued stocks of Oriental Holdings Berhad ("the Company" or "OHB") through Bursa Malaysia Securities Berhad ("Bursa Securities"). The Company's authority to undertake the Proposed Stock Buy-Back shall, in accordance with Bursa Securities's Guidelines Governing Share Buy-Back, lapses at the conclusion of the forthcoming AGM unless a new mandate is obtained from stockholders for the Proposed Stock Buy-Back.

Accordingly, the Company had on 14 April 2022 announced that the Directors proposed to seek authorisation from stockholders for a renewal of the Proposed Stock Buy-Back.

The purpose of this Statement is to provide you with the details pertaining to the Proposed Stock Buy-Back and to seek your approval for the related resolution which will be tabled at the forthcoming AGM.

2. PROPOSED RENEWAL OF AUTHORITY FOR THE STOCK BUY-BACK

As at the date of this Statement, the Company has bought back 100,000 Stocks from the open market. On 2 March 2001, 68,192 of the Treasury Stocks that were purchased were cancelled.

As at 31 March 2022, the issued share capital of the Company is RM620,393,638 comprising of 620,393,638 Stocks (including 31,808 Stocks retained as Treasury Stocks). The Directors seek the authority from the stockholders of the Company to purchase its Stocks up to ten per centum (10%) of the total number of issued stocks of OHB or 62,039,363 Stocks for the time being quoted on the Bursa Securities through its appointed stockbroker, Affin Hwang Investment Bank Berhad previously notified to the Bursa Securities.

The new mandate from stockholders will be effective immediately upon the passing of the Ordinary Resolution for the Proposed Stock Buy-Back up till the conclusion of the next AGM of OHB in the year 2023 unless the authority is further renewed by an Ordinary Resolution passed at the said AGM (either unconditionally or subject to conditions), or upon the expiration of the period within which the next AGM is required by law to be held, or if earlier revoked or varied by an Ordinary Resolution of the stockholders of the Company in a general meeting.

The Proposed Stock Buy-Back is subject to the compliance with Section 127 of the Companies Act, 2016 (as may be amended, modified or re-enacted from time to time) and any prevailing laws, rules, regulations, orders, guidelines and requirements issued by the relevant authorities at the time of purchase.

In accordance with the guidelines of the Bursa Securities, the Company may only purchase the Stocks on the Bursa Securities at a price which is not more than fifteen per centum (15%) above the weighted average market price for the past five (5) market days immediately preceding the date of the purchase(s). The Company may only resell the Treasury Stocks on the Bursa Securities at:

a) a price which is not less than the weighted average market price for the Stocks for the past five (5) market days immediately prior to the resale; or
b) a discount price of not more than 5% to the weighted average market price for the Stocks for the five (5) market days immediately prior to the resale provided that :-

    i) the resale takes place no earlier than 30 days from the date of purchase; and
    ii) the resale price is not less than the cost of purchase of the shares being resold.

The Directors will deal with the Stocks so purchased in the following manner:-

a) to cancel the Stocks so purchased; or
b) to retain the Stocks so purchased as Treasury Stocks for distribution as dividend to the stockholders and/or resell on the market of the Bursa Securities; or
c) to retain part of the Stocks so purchased as Treasury Stocks and cancel the remainder; or
d) in such manner as Bursa Malaysia Securities Berhad and such other relevant authorities may allow from time to time.

2. PROPOSED RENEWAL OF AUTHORITY FOR THE STOCK BUY-BACK (cont'd)

An appropriate announcement will be made to the Bursa Securities in respect of the intention of the Directors whether to retain the Stocks so purchased as Treasury Stocks or cancel them or both as and when the Proposed Stock Buy-Back is executed.

3. RATIONALE FOR THE PROPOSED STOCK BUY-BACK

The Proposed Stock Buy-Back will give the Directors the flexibility to purchase Stocks, if and when circumstances permit, with a view to enhancing the earnings per stock of the Group and net asset per stock of the Company.

The Proposed Stock Buy-Back is not expected to have any potential material disadvantage to the Company and its stockholders as it will be exercised only after in-depth consideration of the financial resources of the Group and of the resultant impact on its stockholders.

3.1 Potential Advantages

The Proposed Stock Buy-Back if exercised, is expected to potentially benefit the Company and its stockholders as follows:

- The Company would expect to enhance the earnings per stock of the Group (in the case where the Directors resolve to cancel the Stocks so purchased or retain the Stocks in treasury and the Treasury Stocks are not subsequently resold), and thereby long term and genuine investors are expected to enjoy a corresponding increase in the value of their investments in the Company;

- If the Stocks bought back are kept as Treasury Stocks, it will give the Directors an option to sell the Stocks so purchased at a higher price and therefore make an exceptional gain for the Company. Alternatively the Stocks so purchased can be distributed as share dividends to stockholders; and

- The Company may be able to stabilize the supply and demand of its Stocks in the open market and thereby supporting its fundamental values.

3.2 Potential Disadvantages

The Proposed Stock Buy-Back, if exercised, will reduce the financial resources of OHB and may result in OHB having to forego other alternative investment opportunities which may emerge in the future, and it may reduce the financial resources of OHB for payment of dividends. Nevertheless, the Directors will be mindful of the interests of OHB and its stockholders when exercising the Proposed Stock Buy-Back.

4. FINANCIAL EFFECTS OF THE PROPOSED STOCK BUY-BACK

4.1 Share Capital

The Proposed Stock Buy-Back, if carried out in full and assuming the Stocks so purchased are cancelled, the proforma effect on the issued share capital of the Company will be as follows:

	No. of Stocks
Existing as at 31 March 2022	620,393,638
Proposed Stock Buy-Back *(10% of the total number of issued stocks, including 31,808 Treasury Stocks)*	62,039,363
	558,354,275

However, there will be no effect on the total number of issued stocks of OHB if the Stocks so purchased are retained as Treasury Stocks.

STATEMENT ON PROPOSED RENEWAL OF AUTHORITY TO PURCHASE ITS OWN STOCKS

4. FINANCIAL EFFECTS OF THE PROPOSED STOCK BUY-BACK (cont'd)

4.2 Net Assets Per Stock

The effects of the Proposed Stock Buy-Back on the net assets per stock of the Group are dependent on the purchase prices of the OHB Stocks and the effective funding cost to the Company.

If all the OHB Stocks purchased are to be cancelled, the Proposed Stock Buy-Back will reduce the net assets per stock when the purchase price exceeds the net assets per stock at the relevant point in time. However, the net assets per stock will be increased when the purchase price is less than the net assets per stock at the relevant point in time. The net assets per stock is RM10.92 as per audited financial statements as at 31 December 2021.

4.3 Working Capital

The Proposed Stock Buy-Back, if exercised, will reduce the working capital of the Group, the quantum of which depends on the purchase price of OHB Stocks and the actual number of OHB Stocks purchased.

4.4 Earnings Per Stock

The effects of the Proposed Stock Buy-Back on the earnings per stock of the Group are dependent on the actual number of OHB Stocks bought back and the purchase prices of OHB Stocks and the effective funding cost to the Company.

4.5 Dividends

Assuming the Proposed Stock Buy-Back is exercised in full and the dividend quantum is maintained at historical levels, the Proposed Stock Buy-Back will have the effect of increasing the dividend rate of OHB as a result of the reduction in the total number of issued stocks of OHB.

5. SOURCE OF FUNDS FOR THE PROPOSED STOCK BUY-BACK

The Proposed Stock Buy-Back will allow the Company to purchase its own stocks at any time within the above mentioned time period using internally generated funds of the Company.

The actual number of Stocks to be purchased, the total amount of funds to be utilised for each purchase and the timing of any purchase will depend on the market conditions and sentiments of the stock market, the financial resources available to the Company as well as the availability of the retained earnings of the Company.

The maximum amount of funds to be utilised for the Proposed Stock Buy-Back shall not exceed the aggregate of the retained earnings of the Company, otherwise available for dividend for the time being. Based on the audited financial statements as at 31 December 2021, the Company's retained earnings is RM763.4 million.

6. OTHER DISCLOSURES IN RELATION TO THE PROPOSED STOCK BUY-BACK

6.1 Public Stockholding Spread

The Proposed Stock Buy-Back will be made in compliance with the 25% stockholding spread as required by the Listing Requirements of Bursa Securities. As at 31 March 2022, the public stockholding spread of the Company is approximately 40.22% of its issued share capital.

6.2 Purchases and Resale Made in the Previous Twelve (12) Months

OHB has not purchased any stocks in the previous 12 months preceding the date of this Statement. There was also no resale or cancellation of Treasury Stocks during the same period.

As at 31 December 2000, OHB had purchased a total of 100,000 of its own Stocks and retained as Treasury Stocks. Out of 100,000 Stocks, 68,192 Stocks have been cancelled on 2 March 2001 and delisted from the Bursa Securities. The remaining of 31,808 Stocks are retained as Treasury Stocks. Treasury Stocks have no rights to voting, dividends, bonus issue and participation in other distribution.

STATEMENT ON PROPOSED RENEWAL OF AUTHORITY TO PURCHASE ITS OWN STOCKS

6. OTHER DISCLOSURES IN RELATION TO THE PROPOSED STOCK BUY-BACK (cont'd)

6.3 Share Price

The monthly highest and lowest prices of the Stocks traded on the Bursa Securities for the last twelve (12) months from April 2021 to March 2022 are as follows:

	April 2021	May 2021	Jun 2021	Jul 2021	Aug 2021	Sep 2021	Oct 2021	Nov 2021	Dec 2021	Jan 2022	Feb 2022	Mar 2022
Highest (RM)	5.26	5.23	5.42	5.17	5.17	5.20	5.40	5.38	5.47	5.39	6.14	6.44
Lowest (RM)	5.16	5.12	5.07	5.00	5.07	5.08	5.08	5.18	5.20	5.25	5.39	5.83

(Source: Bursa Malaysia's Daily Scoreboard and Stock Summary)

The last transacted price of OHB Stocks on 20 April 2022, being the latest practicable date prior to the date of printing of the Circular was RM6.90.

6.4 Implication on The Malaysian Code On Take-Overs and Mergers 2016 ("the Code")

Boon Siew Sdn Bhd, a major stockholder of OHB by virtue of the management control exercised collectively by Datuk Loh Kian Chong, Dato' Robert Wong Lum Kong, DSSA, JP, CMJA (UK), Dato' Seri Lim Su Tong, Ms Tan Kheng Hwee and Dato' Sri Datuk Wira Tan Hui Jing, is deemed to be a Party Acting in Concert with these Directors.

The Proposed Stock Buy-Back, if fully exercised will result in the equity interest of Boon Siew Sdn Bhd increasing from 43.0% to 47.8%. If the increase is more than 2% over a 6 month period, Boon Siew Sdn Bhd will be obliged pursuant to the Code to undertake a Mandatory General Offer for the remaining ordinary stocks in OHB not already held by them.

The Directors, Datuk Loh Kian Chong, Dato' Robert Wong Lum Kong, DSSA, JP, CMJA (UK), Dato' Seri Lim Su Tong, Ms Tan Kheng Hwee, Dato' Sri Datuk Wira Tan Hui Jing and Boon Siew Sdn Bhd will seek Securities Commission Malaysia's approval for a waiver from the obligation to undertake a Mandatory General Offer of the Code, which is in respect of exemption for holders of voting shares, Directors and persons acting in concert when a company purchases its own voting shares.

In the event the Proposed Waiver is not granted, the Company will not proceed with the Proposed Stock Buy-Back.

STATEMENT ON PROPOSED RENEWAL OF AUTHORITY TO PURCHASE ITS OWN STOCKS

7. INTERESTS OF DIRECTORS, SUBSTANTIAL STOCKHOLDERS AND PERSONS CONNECTED

The Directors, Substantial Stockholders and Persons Connected with the Directors and/or Substantial Stockholders of the OHB Group have no direct or indirect interest in the Proposed Stock Buy-Back and resale of Treasury Stocks.

The proforma table below shows the interests held directly and indirectly in OHB by the Directors and Substantial Stockholders of OHB before and after the Proposed Stock Buy-Back:

	Stockholdings as at 31 March 2022							
	Before Proposed Stock Buy-Back				After Proposed Stock Buy-Back			
	Direct	%	Indirect	%	Direct	%	Indirect	%
Directors								
Datuk Loh Kian Chong	909,300	0.15	(a)360,302,450	58.08	909,300	0.16	(a) 360,302,450	64.53
Dato' Robert Wong Lum Kong, DSSA, JP, CMJA (UK)	181,149	0.03	(b) 161,872	0.03	181,149	0.03	(b) 161,872	0.03
Dato' Seri Lim Su Tong	2,966,906	0.48	(b) 4,073,196	0.66	2,966,906	0.53	(b) 4,073,196	0.73
Tan Kheng Hwee	172,032	0.03	-	-	172,032	0.03	-	-
Dato' Sri Datuk Wira Tan Hui Jing	-	-	(c) 794,800	0.13	-	-	(c) 794,800	0.14
Mary Geraldine Phipps	-	-	(d) 5,161	0.00	-	-	(d) 5,161	0.00
Lee Kean Teong	7,680	0.00	-	-	7,680	0.00	-	-
Sharifah Intan Binti S. M. Aidid	18,000	0.00	-	-	18,000	0.00	-	-
Mitsuharu Funase	-	-	-	-	-	-	-	-
Puan Nazriah Binti Shaik Alawdin	-	-	-	-	-	-	-	-
Datin Loh Ean	161,872	0.03	(b) 181,149	0.03	161,872	0.03	(b) 181,149	0.03
Substantial Stockholders								
Boon Siew Sdn Bhd	266,729,662	43.00	(e) 78,604,757	12.67	266,729,662	47.77	(e) 78,604,757	14.08
Employees Provident Fund Board	55,524,724	8.95	-	-	55,524,724	9.94	-	-
Penang Yellow Bus Company Berhad	32,848,477	5.30	-	-	32,848,477	5.88	-	-
Datuk Loh Kian Chong	909,300	0.15	(a)360,302,450	58.08	909,300	0.16	(a)360,302,450	64.53

Notes:

(a) *Deemed interested via Boon Siew Sdn Bhd, Penang Yellow Bus Company Berhad, Bayview Hotel Sdn Bhd, Loh Boon Siew Holdings Sdn Bhd, Loh Kar Bee Holdings Sdn Bhd, Boon Siew Development Sdn Bhd, Boontong Estates Sdn Bhd, Southern Perak Plantations Sdn Berhad and Global Investment Limited.*

(b) *Deemed interested via spouses and/or children in accordance with Section 59(11)(c) of the Companies Act, 2016.*

(c) *Deemed interested via Loh Gim Ean Holdings Sdn. Bhd.*

(d) *Deemed interested via Phipps Holdings Sdn. Bhd.*

(e) *Deemed interested via Penang Yellow Bus Company Berhad, Bayview Hotel Sdn Bhd, Boon Siew Development Sdn Bhd, Boontong Estates Sdn Bhd and Southern Perak Plantations Sdn Berhad.*

STATEMENT ON PROPOSED RENEWAL OF AUTHORITY TO PURCHASE ITS OWN STOCKS

8. DIRECTORS' RECOMMENDATION

Having considered all aspects of the Proposed Stock Buy-Back, the Directors are of the opinion that the Proposed Stock Buy-Back is in the best interest of the Group. The Directors recommend that you vote in favour of the resolution pertaining to the Proposed Stock Buy-Back to be tabled at the forthcoming AGM.

9. DIRECTORS' RESPONSIBILITY STATEMENT

This Statement has been seen and approved by the Board and they collectively and individually accept full responsibility for the accuracy of the information given and confirm that after making all reasonable enquiries to the best of their knowledge and belief, there are no other facts the omission of which would make any statement misleading.

10. BURSA SECURITIES

Bursa Securities takes no responsibility for the contents of this Statement, makes no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or reliance upon the whole or any part of the contents of this Statement. Bursa has not reviewed this Statement prior to its issuance.

11. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the Registered Office of the Company during normal office hours on Mondays to Fridays (except public holidays) from the date of this Annual Report up to and including the date of AGM:

(a) the Constitution of the Company;
(b) the Audited Financial Statements of the Group for the past two financial years ended 31 December 2020 and 2021.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Chairman
- Datuk Loh Kian Chong
  D.M.S.M.

Executive Directors
- Dato' Robert Wong Lum Kong
  D.S.S.A., J.P., CMJA (UK)
- Dato' Seri Lim Su Tong
  D.G.P.N., D.S.P.N.
- Tan Kheng Hwee
- Dato' Sri Datuk Wira Tan Hui Jing
  S.S.A.P., D.C.S.M., P.K.T., P.J.K.

Non-Executive Directors
- Mary Geraldine Phipps
  Independent Non-Executive Director
- Lee Kean Teong
  Independent Non-Executive Director
- Nazriah Binti Shaik Alawdin
  Independent Non-Executive Director
- Sharifah Intan Binti S. M. Aidid
  Non-Independent Non-Executive Director
- Mitsuharu Funase
  Non-Independent Non-Executive Director
- Datin Loh Ean
  (Alternate Director to
  Dato' Robert Wong Lum Kong
  D.S.S.A., J.P., CMJA (UK))

EXCO COMMITTEE

Chairman
- Datuk Loh Kian Chong

Members
- Dato' Robert Wong Lum Kong
  D.S.S.A., J.P., CMJA (UK)
- Dato' Seri Lim Su Tong
- Tan Kheng Hwee
- Dato' Sri Datuk Wira Tan Hui Jing

AUDIT COMMITTEE

Chairman
- Mary Geraldine Phipps

Members
- Lee Kean Teong
- Nazriah Binti Shaik Alawdin
- Sharifah Intan Binti S. M. Aidid

REMUNERATION COMMITTEE

Chairman
- Lee Kean Teong

Members
- Mary Geraldine Phipps
- Nazriah Binti Shaik Alawdin
- Sharifah Intan Binti S. M. Aidid

NOMINATING COMMITTEE

Chairman
- Mary Geraldine Phipps

Members
- Lee Kean Teong
- Nazriah Binti Shaik Alawdin
- Sharifah Intan Binti S. M. Aidid

RISK MANAGEMENT COMMITTEE

Chairman
- Mary Geraldine Phipps

Members
- Datuk Loh Kian Chong
- Dato' Robert Wong Lum Kong
  D.S.S.A., J.P., CMJA (UK)
- Dato' Seri Lim Su Tong
- Tan Kheng Hwee
- Dato' Sri Datuk Wira Tan Hui Jing
- Wong Tet Look, Adrian

COMPANY SECRETARIES

Tai Yit Chan (MAICSA 7009143)
(SSM PC No.: 202008001023)

Ong Tze-En (MAICSA 7026537)
(SSM PC No.: 202008003397)

REGISTERED OFFICE

170-09-01
Livingston Tower
Jalan Argyll
10050 Penang
Tel No : 04-2294390
Fax No : 04-2265860

SHARE REGISTRAR

AGRITEUM Share Registration
Services Sdn. Bhd.
2nd Floor, Wisma Penang Garden
42, Jalan Sultan Ahmad Shah
10050 Penang
Tel No : 04-2282321
Fax No : 04-2272391
E-mail : agriteumsrs@gmail.com

AUDITORS

KPMG PLT
Chartered Accountants

MAJOR BANKERS

- Citibank Berhad
- CIMB Bank Berhad
- United Overseas Bank
  (Malaysia) Berhad

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia
Securities Berhad
Stock Code : 4006

WEBSITE

www.ohb.com.my

PROFILE OF DIRECTORS/ KEY SENIOR MANAGEMENT

DATUK LOH KIAN CHONG

Executive Chairman | Key Senior Management

Datuk Loh Kian Chong, aged 46, Male, a Malaysian, joined the Board as an Executive Director on 15 May 2009 and was appointed as Deputy Chairman on 8 November 2013 and assumed the position of Chairman on 1 January 2015. He is currently co-joint with Dato' Seri Lim Su Tong in charge of the investment and development of properties, trading of building material products and plantation segments of the Group.

Datuk Loh Kian Chong holds a Bachelor of Business in Property from Royal Melbourne Institute of Technology (RMIT), Australia.

He began his career as Director of Boon Siew Group of Companies in 2000. In May 2007, he was appointed as Deputy Chairman of Boon Siew Sdn. Bhd.. He is a major shareholder of Boon Siew Sdn. Bhd. and in turn, a major stockholder of Oriental Holdings Berhad.

He is a Director of Penang Yellow Bus Company Berhad, Boon Siew Credit Berhad and The Corner Properties Berhad.

He is a member of Risk Management Committee.

He attended all 5 Board Meetings held in 2021.

He is the nephew of Dato' Robert Wong Lum Kong, DSSA, JP, CMJA (UK), Datin Loh Ean, Dato' Seri Lim Su Tong and the cousin of Dato' Sri Datuk Wira Tan Hui Jing and Tan Kheng Hwee.

DATO' ROBERT WONG LUM KONG, DSSA, JP, CMJA (UK)

Group Managing Director | Key Senior Management

Dato' Robert Wong Lum Kong, DSSA, JP, CMJA (UK), aged 81, Male, a Malaysian, was appointed to the Board on 12 April 1976. He is the Group Managing Director of Oriental Holdings Berhad in charge of the automotive segment for the Honda and Mitsubishi businesses in Malaysia as well as the automotive plastic segment and industrial manufacturing and commercial property segment in Malaysia.

Dato' Wong is a Chartered Accountant, a Fellow of CPA Australia with Cost Accounting background and a member of both the Malaysian Institute of Certified Public Accountants and the Malaysian Institute of Accountants. He also holds memberships in the Malaysian Institute of Directors, Malaysian Institute of Corporate Governance and a Fellowship in the Institute of The Motor Industry, (UK).

He has over 50 years of experience in the business, corporate and entrepreneurship sectors, having started his career in 1964 when he became the General Manager and Director of a food canning manufacturing and trading concern dealing in non-consumable products. From 1967 to 1971, he was the Senior Accountant in a Certified Public Accounting firm, and during this period, he was seconded to a stock broking firm for 1½ years to reorganize and manage the business. In 1971, he started a public accounting firm bearing his own name.

He is one of the five executive directors responsible for the overall business and management operations of the Group. He is also a member of the EXCO Committee and Risk Management Committee.

In 1972, Dato' Wong joined Boon Siew Sdn Bhd as General Manager and Oriental Holdings Berhad Group as General Manager and Advisor, with emphasis in the motor and motor-related businesses.

In addition, he is the Managing Director of the following Oriental Holdings Berhad subsidiaries, namely:

- Kah Motor Co. Malaysia Honda Distributorship operations since 1987 and Honda Malaysia dealerships since 2001;
- Boon Siew (Borneo) Malaysia Honda car & motorcycle operations since 1987 and Honda Malaysia dealership since 2001;
- Kah Classic Auto Mitsubishi Malaysia dealerships since 2015;
- Happy Motoring Co. Sdn Bhd, exclusive distributor of Honda automobiles under Honda Motor Co. Ltd., Japan, in Negara Brunei Darussalam.

He is highly experienced in the motor industry, and has over 40 years of experience encompassing importation, distribution, assembly and marketing in both cars and motorcycles, as well as the manufacturing of components for the automotive (2-wheelers and 4-wheelers), electronics and parts industry both locally and overseas.

Besides the automotive business in Malaysia and Negara Brunei Darussalam, Dato' Wong is also in charge of the automotive plastic segment of the Group locally and abroad. He established Teck See Plastic Group as an integrated one-stop center for designing, compounding and manufacturing of automotive and consumer products.

Dato' Wong is also very much devoted to public services and has held some notable memberships and positions, including among them, Associate Member of the Commonwealth Magistrates & Judges Association, Honorary Rotarian, Trustee of The Spastic Children's Association of Selangor and Federal Territory, and Chairman of the 5th New Honda Circle Asia-Oceania Bloc Committee.

PROFILE OF DIRECTORS/KEY SENIOR MANAGEMENT

DATO' ROBERT WONG LUM KONG, DSSA, JP, CMJA (UK) (cont'd)

Group Managing Director | Key Senior Management

For Kah Motor Co. Malaysia and Boon Siew Malaysia to be the only two companies, and Malaysia the only country, in the world to attain the No. 1 position for both the Honda brand of passenger cars and motorcycles (non-national segment) for 11 consecutive years (1990 – 2000), Dato' Wong received formal recognition from various Honda Presidents and Managing Directors of Honda Motor Co., Ltd. (Japan). He is held in high esteem by Honda Japan who has honoured him on various occasions including public recognition as the de facto head representative for all Honda Motorcycle Distributors worldwide during Honda Motor's 100th million unit celebration in 1997 and again in 1998 during Honda Motor's 50th Anniversary, this time for all Honda Car Distributors.

The 11 consecutive years of No. 1 achievement in the Honda motorcycle brand was the feather in the cap over the overall No. 1 position for Honda motorcycles in Malaysia (non-national segment) for 33 years and was largely achieved through the development of over 300 professional Honda motorcycle dealers which started from bicycle shops. Dato' Wong further developed Kah Motor - Boon Siew Honda motorcycle assembly plant in Prai, Penang, the first of its kind in the country, and toward acclamation in the Malaysian Book of Records as the first ever motorcycle plant to produce over 3 million units.

During this time, Dato' Wong and his team also catapulted Malaysia to be the first country outside of Japan to locally assemble and market Honda's flagship, the CKD Legend 3.2L, which became one of the top selling cars of its class in Malaysia in that time. The Honda NSX was also introduced in Malaysia being one of the few countries that gained the trust of Honda Motor Japan.

Throughout the illustrious accomplishments of the Oriental Group automotive segment, Dato' Wong and his team also established a professional and accomplished network of Honda car dealers and Honda CKD parts' suppliers some of which today continue to flourish and have become iconic names in Malaysia.

Forward looking with deep passion for sustainability, Dato' Wong and his team worked hard to ensure his stewardship did not only hit the top of the awards' charts but also in generating returns to investors. To this day, Kah Motor's best annual profit that exceeded RM300 million and dividend contribution of close to RM400 million in a single year stand unsurpassed and the fruits of these results have been channeled into the Group's ongoing diversifications for future sustainability.

To ensure these diversifications by Oriental Holdings Berhad involving hotels and resorts, plantation and commodities, investment properties and trading of building material products, healthcare services, land reclamation, healthcare, construction machinery, safety driving centers and financial services are well looked after, Dato' Wong also serves on the boards of the subsidiary and associate companies.

He has been the Managing Director of Boon Siew Sdn Bhd since 1987, a company with controlling interest in Oriental Holdings Berhad, and its subsidiary and associate companies. Amongst his other directorships, he is a director of Hicom-Honda Manufacturing Malaysia Sdn Bhd, a joint-venture between DRB-Hicom Berhad, Honda Motor Co. and Boon Siew Sdn Bhd in the manufacture of motorcycle engines and components and Hicom-Teck See Sdn Bhd which specializes in plastic automotive parts manufacturing. He is also a director of Hitachi Construction Machinery (Malaysia) Sdn Bhd and Singapore Safety Driving Centre Ltd.

In further recognition of his outstanding and exemplary achievements in entrepreneurship, Dato' Wong was awarded with no fewer than 12 entrepreneurship awards, among them the Entrepreneur of the Year Award by Enterprise Asia in its Asia Pacific Entrepreneurship Awards 2010 (APEA 2010), the Great Entrepreneur Brand Icon Leadership Award 2011, the Brand Personality Award 2012-2013 from the BrandLaureate Asia Pacific Brands Foundation as well as the Malaysia Business Leadership Awards 2010 – Automotive Award, from the Kuala Lumpur Malay Chamber of Commerce and the Leaders Magazine. Distinguishing his contributions in the field of leadership, Dato' Wong was awarded the Lifetime Achievement Global Leadership Award 2011 and the Lifetime Achievement Master Class Award in 2011 from ASEAN Retail Chains & Franchise Federation. In 2016, he received recognition as a Global Lifetime Brands Icon in the Automotive Industry Awards and in 2018, was inducted into BrandLaureate's Hall of Fame for Lifetime Achievement.

He was a founding member of the Audit Committee since its formation on 27 April 1994 until his resignation on 31 January 2009.

He attended all 5 Board meetings held in 2021.

He is the spouse of Datin Loh Ean and the eldest brother-in-law of Dato' Seri Lim Su Tong and the uncle of Datuk Loh Kian Chong, Dato' Sri Datuk Wira Tan Hui Jing and Tan Kheng Hwee.

PROFILE OF DIRECTORS/KEY SENIOR MANAGEMENT

DATO' SERI LIM SU TONG

Group Managing Director | Key Senior Management

Dato' Seri Lim, aged 77, Male, a Malaysian, was appointed to the Board on 1 July 1974. He is currently the Group Managing Director in charge of the investment and development of properties, trading of building material products and plantation segments of the Group.

Dato' Seri Lim, a Bachelor of Arts (Hons) Economics graduate from the Universiti Malaya, has over 40 years of experience in business operations.

He is one of the five Executive Directors responsible for the overall business and management operations of the Group.

He is a Director of several subsidiaries involved in hotels and resorts, automotive and plastic parts industries.

He is also a Managing Director of Boon Siew Sdn. Bhd. and Boon Siew Credit Berhad and a Director of Penang Yellow Bus Company Berhad.

He is a member of Risk Management Committee.

He attended all 5 Board Meetings held in 2021.

He is the brother-in-law of Dato' Robert Wong Lum Kong, DSSA, JP, CMJA (UK), Datin Loh Ean and the uncle of Datuk Loh Kian Chong, Dato' Sri Datuk Wira Tan Hui Jing and Tan Kheng Hwee.

TAN KHENG HWEE

Executive Director | Key Senior Management

Ms. Tan Kheng Hwee, aged 56, Female, a Singaporean, joined the Board as an Executive Director on 1 January 2015. She was previously an Alternate Director to Dato' Seri Loh Cheng Yean who retired from the Board on 31 December 2014.

Ms. Tan holds a Bachelor of Arts in Economics, Cornell University and also a MBA in Finance, New York University. She worked in Deloitte and Touche in New York City (International Tax) for a year before joining Kah Motor Singapore Branch as a Finance Manager in 1993. She is currently the Executive Director in charge of the Honda automobile business in Singapore as well as Hotels & Resorts segment.

She is a Director of Boon Siew Credit Berhad and Penang Yellow Bus Company Berhad. On 1 April 2018, she joined the Board of Boon Siew Honda Sdn. Bhd. as the representative director of Oriental Holdings Berhad in Boon Siew Honda Sdn. Bhd..

She is a member of Risk Management Committee.

She attended all 5 Board Meetings held in 2021.

She is the niece of Dato' Robert Wong Lum Kong, DSSA, JP, CMJA (UK), Datin Loh Ean, Dato' Seri Lim Su Tong and the cousin of Datuk Loh Kian Chong and Dato' Sri Datuk Wira Tan Hui Jing.

PROFILE OF DIRECTORS/KEY SENIOR MANAGEMENT

DATO' SRI DATUK WIRA TAN HUI JING

Executive Director | Key Senior Management

Dato' Sri Datuk Wira Tan Hui Jing, aged 41, Male, a Malaysian, joined the Board as a Non-Independent Non-Executive Director on 1 February 2014 and was re-designated as an Executive Director on 1 January 2015.

Dato' Sri Datuk Wira Tan Hui Jing holds a Bachelor of Business Systems degree from Monash University, Clayton, Australia.

He began his career as Sales and Marketing Executive in Boon Siew Sdn. Bhd. in 2004. In 2006, he was appointed as Director of Boon Siew Honda Sdn. Bhd.. He is the Deputy CEO and was re-designated Chairman of Boon Siew Honda Sdn. Bhd. effective 1 April 2018.

He is the Director in charge of Armstrong Auto Parts Group, Honda business in Malaysia and Healthcare segment. In addition, he is the representative director of Oriental Holdings Berhad in Boon Siew Honda Sdn. Bhd., Honda Autoparts Manufacturing (M) Sdn. Bhd. (in liquidation), Honda Malaysia Sdn. Bhd. and Hitachi Construction Machinery (Malaysia) Sdn. Bhd..

He is a member of Risk Management Committee.

He attended all 5 Board Meetings held in 2021.

He is the nephew of Dato' Robert Wong Lum Kong, DSSA, JP, CMJA (UK), Datin Loh Ean, Dato' Seri Lim Su Tong and the cousin of Datuk Loh Kian Chong and Tan Kheng Hwee.

MARY GERALDINE PHIPPS

Independent Non-Executive Director

Ms. Mary Geraldine Phipps, aged 73, Female, a Malaysian, was appointed to the Board as an Independent Non-Executive Director on 14 August 2009. She is the Chairman of the Audit Committee, Risk Management Committee and Nominating Committee. She is also a member of Remuneration Committee.

She is a Chartered Accountant registered with the Malaysian Institute of Accountants, having qualified as a Certified Public Accountant under the Malaysian Institute of Certified Public Accountants. In 1992, she became a member of the Malaysian Institute of Taxation and is currently a Fellow of the Chartered Tax Institute of Malaysia.

In 1982, she was made a partner of KPMG, specializing in taxation. In 1990, she was appointed Managing Partner of the Penang practice of KPMG, a position she held until her retirement in December 2004. During this time, she was also a Director of KPMG Tax Services Sdn Bhd. Her expertise is in taxation and her experience in tax advisory and consultancy services covered a diversified range of industries. She was the Tax/Client Partner for multinational clients of KPMG's international offices with manufacturing facilities in Penang.

She currently sits on the Boards of SLP Resources Berhad and PBA Holdings Bhd. She is the Chairman of Audit and Risk Management Committee and a member of both Remuneration Committee and Nominating Committee in SLP Resources Berhad and PBA Holdings Bhd.

She attended all 6 Board Meetings held in 2021. The additional Board Meeting was convened and attended by the Non-Executive Directors solely to discuss related party transaction.

She does not have any family relationship with any other Director and/or major stockholder of the Company.

PROFILE OF DIRECTORS/KEY SENIOR MANAGEMENT

LEE KEAN TEONG

Independent Non-Executive Director

Mr. Lee Kean Teong, aged 63, Male, a Malaysian, was appointed to the Board as an Independent Non-Executive Director on 31 March 2015.

He was with KPMG Malaysia for more than 35 years and was a partner until his retirement on 31 December 2014. He qualified as a Chartered Accountant of Malaysian Institute of Accountants (MIA) and is also a member of Malaysian Institute of Certified Public Accountants (MICPA).

He has extensive experience in audit and management consulting throughout his career. He was the engagement partner for a wide range of companies which included public listed companies and multinationals in various industries, mainly in manufacturing, property development and construction, hotel, stock broking and finance.

He is the Chairman of Remuneration Committee and a member of both Audit Committee and Nominating Committee.

Mr. Lee currently sits on the Board of EG Industries Berhad and Asas Dunia Berhad. He is a member of Audit and Risk Management Committee, Nominating Committee and Remuneration Committee of EG Industries Berhad.

He attended all 6 Board Meetings held in 2021. The additional Board Meeting was convened and attended by the Non-Executive Directors solely to discuss related party transaction.

He does not have any family relationship with any other Director and/or major stockholder of the Company.

NAZRIAH BINTI SHAIK ALAWDIN

Independent Non-Executive Director

Puan Nazriah, aged 52, Female, a Malaysian, was appointed to the Board as an Independent Non-Executive Director on 11 November 2021. She is also a member of Audit Committee, Nominating Committee and Remuneration Committee.

She graduated from the Universiti Malaya with LL.B (Hons) in 1994 and was called to the Malaysian Bar as an Advocate and Solicitor in February 1995. She is currently a partner of a leading legal firm with offices in Penang and Kuala Lumpur.

Puan Nazriah has extensive experience in banking, commercial and land matters. She has served on the management committee of the Bar Council Legal Aid Centre, Penang as well as the sub-committees of the Penang Bar and the Bar Council. She is a member of the Property Development Construction & Management Committee of the Penang Chinese Chambers of Commerce.

She currently sits on the Board of Master-Pack Group Berhad where she also serves as a member of both its Nominating Committee and Remuneration Committee.

She attended all 2 Board Meetings held in 2021 following her appointment.

She does not have any family relationship with any other Director and/or major stockholder of the Company.

PROFILE OF DIRECTORS/KEY SENIOR MANAGEMENT

SHARIFAH INTAN BINTI S. M. AIDID

Non-Independent Non-Executive Director

Puan Sharifah, aged 87, Female, a Malaysian, is a Non-Independent Non-Executive Director. She joined the Board on 25 July 2002.

After 20 years in the teaching profession, she took up law in 1980 and was called to the Bar in 1985. She is currently a consultant in Messrs. Lim Huck Aik & Co, Advocates & Solicitors.

She is also a director of Penang Yellow Bus Company Berhad and Chainferry Development Sdn. Berhad.

She is a member of Audit Committee, Nominating Committee and Remuneration Committee.

She attended all 6 Board Meetings held in 2021. The additional Board Meeting was convened and attended by the Non-Executive Directors solely to discuss related party transaction.

Puan Sharifah does not have any family relationship with any other Director and/or major stockholder of the Company.

MITSUHARU FUNASE

Non-Independent Non-Executive Director

Mr. Mitsuharu Funase, aged 50, Male, a Japanese, was appointed to the Board as a Non-Independent Non-Executive Director on 1 January 2022. He is the representative of Honda Motor Co., Ltd..

He graduated from National Institute of Technology, Oita College in 1992 with a major in Mechanical Engineering.

Mr. Funase began his journey with Honda Motor Co., Ltd. in Tokyo, Japan ("Honda Japan") in October 1992, under the Engineering department in the Kumamoto Factory. He built his expertise on model development and factory control operation for 4 years before moved to headquarter of Honda Motorcycle business to take up his new challenge in New Model Center in 2004. Subsequently, he extended his expertise in the areas of Product and Business Planning, Human Resource Management then transferred to PT Astra Honda Motor plant as the Head of Sales department in 2015. 3 years later, he moved to headquarters again to take up the management role of business and product strategy planning in Honda Motorcycle business.

Mr. Funase has vast experience in managing total manufacturing environment and is technically-inclined, excellent logic and outstanding organizational skills in multiple areas covering business planning, human resources, production, process engineering, quality assurance, product development and project management.

He was appointed as Managing Director & Chief Executive Officer of Boon Siew Honda Sdn. Bhd., a subsidiary of Honda Japan, in Malaysia effective on 1 January 2022.

He does not have any family relationship with any other Director and/or major stockholder of the Company.

PROFILE OF DIRECTORS/KEY SENIOR MANAGEMENT

DATIN LOH EAN

Alternate Director

Datin Loh Ean, aged 80, Female, a Malaysian, was appointed as Alternate Director to Dato' Robert Wong Lum Kong, DSSA, JP, CMJA (UK) on 9 September 2010. Datin Loh Ean obtained higher education in England.

She started work in Boon Siew Sdn Bhd since 1965. She is a Director of Boon Siew Credit Berhad, Penang Yellow Bus Company Berhad, NGK Spark Plugs Malaysia Bhd., certain subsidiaries in the plantations and healthcare segment and associated companies of Oriental Holdings Berhad and Boon Siew Sdn Bhd.

She is the spouse of Dato' Robert Wong Lum Kong, DSSA, JP, CMJA (UK). She is the eldest sister-in-law of Dato' Seri Lim Su Tong and the aunt of Datuk Loh Kian Chong, Dato' Sri Datuk Wira Tan Hui Jing and Tan Kheng Hwee.

WONG TET LOOK, ADRIAN

Group Chief Financial Officer | Key Senior Management

Wong Tet Look, Adrian, aged 72, Male, a Malaysian, is the Group Chief Financial Officer since assuming the role in 2012 and has since been a part of the Key Senior Management team. He has formerly served as Corporate Controller for the Group. He is a member of Risk Management Committee. He is also on the Board of Directors of numerous joint venture companies, several subsidiaries within the Group and Kwong Wah Yit Poh Press Berhad.

With over forty years with the Group, he has had a broad range of operating and management experience at senior management level in the Group's plantation segment, automotive retail & auto parts manufacturing segment, hotels & resorts segment, investment properties & trading of building material segment, plastic segment, healthcare segment and investment holding segment.

Prior to his career in Oriental Holdings Berhad, he obtained his professional experience with Price Waterhouse & Co. for over seven years in London, Melbourne and Kuala Lumpur.

He is a Fellow Member of the Institute of Chartered Accountants in England and Wales, Associate Member of the Institute of Chartered Accountants, Australia, Malaysian Institute of Accountants and The Chartered Institute of Taxation, Malaysia.

He graduated with Honors in Accounting and Finance from The London School of Economics and Political Science, University of London in 1973.

He does not have any family relationship with any Director and/or major stockholder of the Company.

Notes:-

(a) Conflict of Interest
None of the Directors/Key Senior Management has any conflict of interest with the Group except as disclosed in the Notes to Audited Financial Statements.

(b) Convictions of Offences
None of the Directors/Key Senior Management has been convicted of any offences within the past 5 years. There was no public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

NAME OF SUBSIDIARIES AND ASSOCIATES

Automotive and Related Products	**AAP**	:	Armstrong Auto Parts Sdn. Berhad
	ACPV	:	Armstrong Component Parts (Vietnam) Co., Ltd (Commenced members' voluntary winding up on 6 February 2017)
	ATS	:	Armstrong Trading & Supplies Sdn. Bhd.
	BSB	:	Boon Siew (Borneo) Sendirian Berhad
	HM	:	Happy Motoring Co. Sdn. Bhd.
	KAHA	:	Kah Agency Sdn. Bhd.
	Kah M	:	Kah Motor Company Sdn. Berhad
	KBA	:	Kah Bintang Auto Sdn. Bhd.
	KC	:	Kah Classic Auto Sdn. Bhd.
	KMA	:	KM Agency Sdn. Bhd.
	KP	:	Kah Power Products Pte. Ltd.
Plastic Products	**AI**	:	Armstrong Industries Sdn. Bhd.
	CC	:	Compounding & Colouring Sdn. Bhd.
	DF	:	Dragon Frontier Sdn. Bhd.
	KTSM	:	Kasai Teck See (Malaysia) Sdn. Bhd.
	LMold	:	Lipro Mold Engineering Sdn. Bhd.
	OKI	:	PT Oriental Kyowa Industries
	ONDE	:	Oriental Nichinan Design Engineering Sdn. Bhd.
	OSI	:	Oriental San Industries Sdn. Bhd.
	TSP	:	Teck See Plastic Sdn. Bhd.
Hotels and Resorts	**30Ben**	:	30 Bencoolen Pte. Ltd.
	KNZ	:	KAH New Zealand Limited
	KAust	:	KAH Australia Pty Limited
	Bint	:	Bayview International Sdn. Bhd.
	KPCL	:	Kingdom Properties Co. Limited
	SBHL	:	Silver Beech Holdings Limited
	SBIOM	:	Silver Beech (IOM) Limited
	SBO	:	Silver Beech Operations UK Limited
	SBL	:	Suanplu Bhiman Limited
	PSH	:	Park Suanplu Holdings Co., Ltd.
Plantation	**ORPO**	:	Oriental Rubber & Palm Oil Sdn. Berhad
	PT BSSP	:	PT Bumi Sawit Sukses Pratama
	PT DAM	:	PT Dapo Agro Makmur
	PT GBina	:	PT Gunungsawit Binalestari
	PT GML	:	PT Gunung Maras Lestari
	PT GSSL	:	PT Gunung Sawit Selatan Lestari
	PT PPA	:	PT Pratama Palm Abadi
	PT SAP	:	PT Surya Agro Persada
	PT SSL	:	PT Sumatera Sawit Lestari

NAME OF SUBSIDIARIES AND ASSOCIATES

Investment Holding	**Juta**	:	Jutajati Sdn. Bhd.
	KWE	:	Kwong Wah Enterprise Sdn. Bhd.
	NMEO	:	North Malaya Engineers Overseas Sdn. Bhd.
	OAM	:	Oriental Asia (Mauritius) Pte. Ltd.
	OAMS	:	OAM Asia (Singapore) Pte. Ltd.
	OBSM	:	Oriental Boon Siew (Mauritius) Pte. Ltd.
	OBSS	:	OBS (Singapore) Pte. Ltd.
	OC	:	Syarikat Oriental Credit Berhad
	OIM	:	Oriental International (Mauritius) Pte. Ltd.
	SOAM	:	Selasih OAM Sdn. Bhd.
	SP	:	Selasih Permata Sdn. Bhd.
Investment Properties and Trading of Building Material Products	**ACP**	:	Armstrong Cycle Parts (Sdn.) Berhad
	Ken	:	Kenanga Mekar Sdn. Bhd.
	LT	:	Lipro Trading Sdn. Bhd.
	NME	:	North Malaya Engineers Trading Company Sdn. Bhd.
	NMX	:	North Malaya (Xiamen) Steel Co., Ltd.
	OAA	:	Oriental Asia (Aust.) Pty. Ltd.
	OAMA	:	OAM (Aust) Pty. Ltd.
	OBS(M)	:	Oriental Boon Siew (M) Sdn. Bhd.
	OIM(A)	:	OIM (Aust) Pty. Ltd.
	OR	:	Oriental Realty Sdn. Bhd.
	SU	:	Simen Utara Sdn. Bhd.
	UG	:	Ultra Green Sdn. Bhd.
	UMix	:	Unique Mix (Penang) Sdn. Bhd.
	UniMix	:	Unique Mix Sdn. Bhd.
	UP	:	Unique Pave Sdn. Bhd. (Commenced members' voluntary winding up on 31 December 2021)
Healthcare	**LBSE**	:	Loh Boon Siew Education Sdn. Bhd.
	MSM	:	Melaka Straits Medical Centre Sdn. Bhd.
	NILAM	:	Nilam Healthcare Education Centre Sdn. Bhd.
	OMS	:	Oriental Medical (Segamat) Sdn. Bhd.
	SLP	:	Star Life Pharma Sdn. Bhd.
	SJ	:	Star Joy Sdn. Bhd.
Associates	**BBDS**	:	Bukit Batok Driving Centre Ltd.
	BSH	:	Boon Siew Honda Sdn. Bhd.
	BSKah	:	B. S. Kah Pte. Ltd.
	ChDev	:	Chainferry Development Sdn. Berhad
	HAP	:	Honda Autoparts Manufacturing (M) Sdn. Bhd. (Commenced members' voluntary winding up on 2 August 2021)
	HCM	:	Hitachi Construction Machinery (Malaysia) Sdn. Bhd.
	HTSM	:	Hicom Teck See Manufacturing Malaysia Sdn. Bhd.
	KST	:	Kasai Teck See Co., Ltd.
	PgA	:	Penang Amusements Company Sdn. Berhad
	PT KTS	:	PT Kasai Teck See Indonesia
	PWR	:	Penang Wellesley Realty Sdn. Berhad
	SPP	:	Southern Perak Plantations Sdn. Berhad
	SSDC	:	Singapore Safety Driving Centre Ltd.

GROUP STRUCTURE

ORIENTAL HOLDINGS BERHAD

Automotive and Related Products

AAP, ATS, ACPV*, HM, BSB, KP, KAHA, Kah M, KBA, KC, KMA

Plastic Products

AI, CC, DF, KTSM, LMold, OKI, ONDE, OSI, TSP

Hotels & Resorts

Kah M
- Bayview Hotel Melaka

KAust
- Bayview Geographe Resort,WA
- Bayview Eden, Melbourne
- The Sydney Boulevard Hotel
- 100 William Street

KNZ
- Chateau Tongariro Hotel
- Wairakei Resort Taupo

SBO, 30Ben, PSH, Bint, KPCL, SBL, SBIOM, SBHL

Plantation

ORPO, PT BSSP, PT DAM, PT GBina, PT GML, PT GSSL, PT PPA, PT SAP, PT SSL

Investment Holding

Juta, KWE, NMEO, OAM, OAMS, OBSM, OBSS, OC, OIM, SP, SOAM

Investment Properties and Trading of Building Material Products

Ken, LT, NMX, NME, OAMA, OAA, OBS (M), OIM (A), OR, SU, UG, UMix, UniMix, UP*, ACP

Healthcare

MSM, LBSE, NILAM, SLP, SJ, OMS

Associates

BBDS, BSH, BSKah, ChDev, HAP*, HCM, HTSM, KST, PgA, PT KTS, PWR, SSDC, SPP

SUBSIDIARIES ASSOCIATES

* Under members' voluntary winding up.

CHAIRMAN'S STATEMENT

On behalf of the Board of Directors, I am pleased to present to you the Annual Report together with the Audited Financial Statements of Oriental Holdings Berhad ("the Company") and its subsidiaries ("the Group") for the financial year ended 31 December 2021.

FINANCIAL PERFORMANCE

The Group has recorded a revenue of RM3.3 billion and a profit before tax of RM606.8 million for the financial year ended 31 December 2021 compared to a revenue of RM3.4 billion and a profit before tax of RM107.9 million for the preceding year. The Automotive and Plantation segments led the contribution with 49% and 25% of the consolidated revenue respectively.

The financial performance mainly reflected the strong rise in palm product prices and regaining momentum after the Delta strain of COVID-19 infections disrupted recovery in the third quarter of 2021.

The net assets per stock of the Group increased from RM10.56 to RM10.92, primarily due to the strengthening of stockholders' funds.

A detailed review of the performance and results of the Group's major segments is set forth under the Management Discussion and Analysis in this Annual Report.

RETURN TO STOCKHOLDERS AND VALUE CREATION (DIVIDEND)

Consistent with our approach of rewarding stockholders and taking into due consideration the demanding performance in FY2021 while having contingency plans to deal with the various possible scenarios arising from the pandemic, the Board is pleased to recommend a final single tier dividend of 10 sen per ordinary stock for this financial year. Combined with the first and second interim dividends of totaling 30 sen per ordinary stock paid on 20 January 2022 and 29 March 2022 respectively, this brings the total dividend for FY2021 to 40 sen per ordinary stock.

The Board will endeavour to pay a reasonable dividend each year and regularly reviews the distribution to stockholders vis-à-vis the overarching Group business strategy in order to strike a balance between the interests of stockholders and business growth. The Board believes that providing a stable dividend return and maintaining robust internal reserves will provide the Group with a sustainable future. The total dividend payout to-date constitutes a reasonable payout ratio of more than 77% of the profit after tax after non-controlling interest.

OUTLOOK AND FUTURE STRATEGIES

Almost two years on, the world is still battling the COVID-19 pandemic. The outlook for this year is clouded by resurgence of infection by the Omicron variant, potential financial market volatility and disruptions to oil markets and supply chains due to escalating Russia-Ukraine conflict are expected to weigh on growth.

OUTLOOK AND FUTURE STRATEGIES (cont'd)

The Board is mindful that the continuing COVID-19 pandemic and financial market volatility has impacted many businesses and is unleashing a new era of change for businesses. However, the Group is fortunate that the operations did not face major business disruptions due to business diversification. We will continue to demonstrate resilience by placing emphasis on improving our efficiency and safeguarding the well-being of our employees. We look forward to seek excellent business opportunities to add synergy to our existing business.

We will continue our focus on expanding the Automotive, Plantation and Healthcare segments, venturing into the retail pharmacy and transitional care centre management to provide long-term income streams in the future.

ACKNOWLEDGEMENT AND APPRECIATION

We all share a common goal to create an even brighter future for the Group and on behalf of the Board, I would like to express my deepest appreciation to the Oriental family, including the Management team and all employees, especially during this economically and socially turbulent year and I believe that our people are our most valuable asset, and their continued cooperation and professional work ethics will be integral towards the future growth and in ensuring the Group's success.

To all our stockholders, customers, longstanding business partners and the regulatory authorities, I wish to express my earnest appreciation for your undivided support, trust and confidence towards our Group.

I would like to extend my warmest welcome to Puan Nazriah Binti Shaik Alawdin and Mr. Mitsuharu Funase who joined the Board of Oriental as an Independent Non-Executive Director and a Non-Independent Non-Executive Director respectively. Meanwhile, on behalf of the Board, I would like to extend my heartfelt appreciation to Mr. Yoshitaka Nakamura who recently resigned and thanks him for his invaluable service and contribution during his tenure and wish him the very best in his future endeavours.

On behalf of the Board, I would like to take a moment to mark the passing of our former Senior Independent Non-Executive Director, the late Dato' Ghazi Bin Ishak. The Group remains overwhelming grateful for his dedicated service and passion in demonstrating the highest values in governance and integrity.

To my fellow members of the Board, it has been my great honour to serve with you in my capacity as the Group Chairman. Thank you for the dedication, guidance and support throughout 2021. Let's keep the flame and passion going towards our common goal to enhance the performance and value of Oriental.

Datuk Loh Kian Chong
Executive Chairman
14 April 2022

MANAGEMENT DISCUSSION AND ANALYSIS
- AUTOMOTIVE SEGMENT

OVERVIEW OF THE GROUP'S BUSINESS AND OPERATIONS INCLUDING OBJECTIVES AND STRATEGIES

The main business activity of the Group's Automotive segment is the distribution and retailing of Honda cars and spare parts, provision of after-sales service as well as subsequent diversification to Mitsubishi marque at the end of 2014. In addition, Kah Bintang Auto Sdn. Bhd. commenced used car sales business in June 2019 with expansion into online search portal focusing on automotive which went live on 30 November 2020 concurrent with onboarding of participants followed with marketing and advertisements to the public from January 2021.

We are the exclusive distributor of Honda cars in both Singapore and Brunei Darussalam. Kah Motor Malaysia currently operates eight out of 93 Honda dealerships in Peninsular Malaysia and one in Sabah. Kah Motor Malaysia currently owns one 1S ("showroom") centre, one 2S ("service and body & paint") centre, six 3S ("showroom, service and spare parts") centres and two 4S ("showroom, service, spare parts and body & paint") centres. Kah Motor's branch in Singapore has two showrooms, six service centres and two body & paint centres while Happy Motoring Co. Sdn. Bhd., a subsidiary of Kah Motor boasts one 3S centre and one 1S centre in Brunei Darussalam under its name.

Kah Classic Auto Sdn. Bhd. ("KC") is a dealer of Mitsubishi Motor Malaysia Sdn. Bhd. focusing on sales and servicing of Mitsubishi-branded vehicles through its sole outlet at Jalan Ipoh, Kuala Lumpur.

The Automotive Manufacturing sub-segment leverages strong collaboration with our technical partners to provide specialised original automotive parts to both Original Equipment Manufacturer ("OEM") and Replacement Equipment Manufacturer ("REM") markets.

The segment's objective is to be the top automobile distributor and retailer in the region by setting industry standards for customer satisfaction and cost-effectiveness. Through a relentless commitment to innovation and enhancements in productivity, we strive to provide our customers with top-notch products and services at competitive price levels.

We aim to enhance profitability and strengthen our present position in the industries we operate in, to support our long-term sustainability and growth.

DISCUSSION AND ANALYSIS OF FINANCIAL RESULTS AND CONDITIONS

The global economy was severely affected by the unprecedented pandemic as preventive measures were implemented across the world ranging from quarantines, shutdowns of non-essential services, closure of borders to curb the outbreak since March 2020.

Operating in such a challenging environment caused by the pandemic, the Automotive segment recorded a decrease of 21.6% in total revenue of RM1.6 billion compared to RM2.1 billion in FY2020. Revenue contribution from retail operations in Singapore accounted for 45.8% of total revenue, while the remaining 54.2% came from operations in Malaysia and Brunei. The decline in sales and financial performance were largely caused by the disruptions brought on by the pandemic in Malaysia and across the region.

Retail operations in Singapore recorded a significant decrease in revenue and operating profit by 35.0% and 50.6% respectively. This was mainly due to the lower number of cars sold by 53.4% in line with the cut in Certificate of Entitlement ("COE") quota by the Land Transport Authority ("LTA") and surge in COE prices. A significant drop was recorded for certain models such as Honda Jazz, Civic and HRV models were largely caused by the shortage of chips, supply chain disruption from the pandemic and slow down business activities from the COVID-19 restrictions.

Automotive Malaysia experienced lower sales due to softer demand as a result of the COVID-19 pandemic as well as stiff competition from other automotive brands. Revenue and operating profit dropped by 5.1% and 110.0% respectively in line with the lower number of cars sold by 10.4%, especially for Honda Civic, City and Jazz models. The re-enforcement of MCO, FMCO & EMCO in FY2021 which has resulted in the total stoppage of car sales business (especially in June 2021) with low service intake has worsened the business activities in FY2021 in spite of the Government's extension on the sales tax exemption to boost demand.

The overall number of Honda cars sold decreased by 14.6% which is in line with the overall decline of 12.3% in the total sales of Honda cars in Malaysia. However, the number of Mitsubishi cars sold increased by 31.6% while total sales of Mitsubishi cars in Malaysia increased by 90.9%.

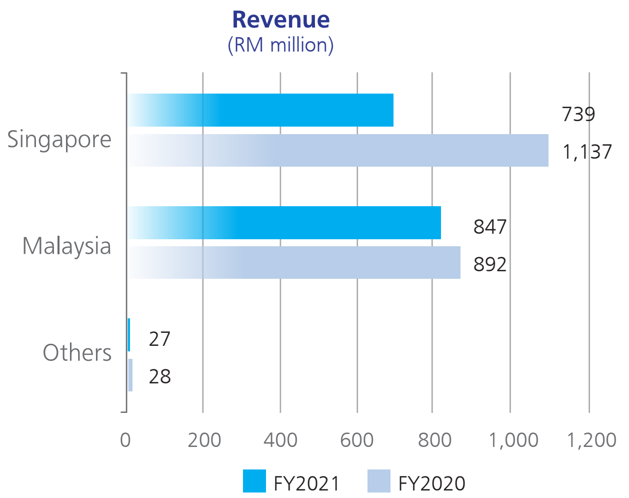
MANAGEMENT DISCUSSION AND ANALYSIS
- AUTOMOTIVE SEGMENT

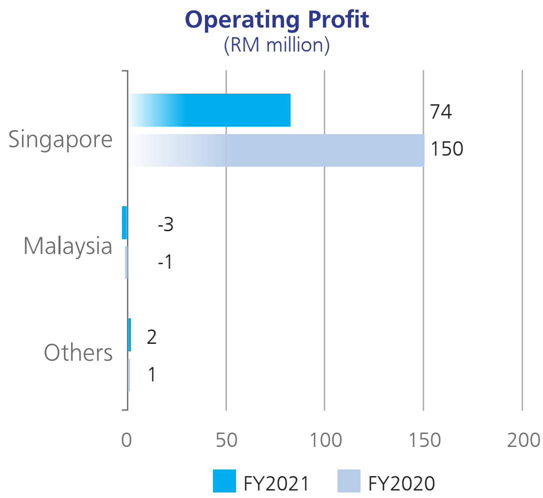
DISCUSSION AND ANALYSIS OF FINANCIAL RESULTS AND CONDITIONS (cont'd)

Both the Malaysia and Singapore governments also provided Wage Subsidy Programmes and Jobs Support Schemes to help companies to retain their employees during this period of economic uncertainty.

The Malaysian government has further extended the 100% sales tax exemption on Complete Knocked-Down ("CKD"), locally assembled cars, and a 50% sales tax exemption on Completely Built-Up ("CBU"), fully imported car models until 30 June 2022 which will give breathing room in fulfilling customer orders from backlogs due to the events in 2021 which will help to boost sales of cars for 1HFY22.

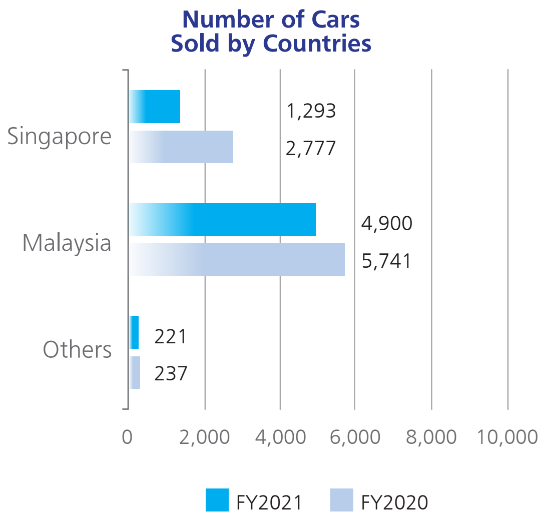
Summary of the financial results of the Automotive segment for the corresponding periods:

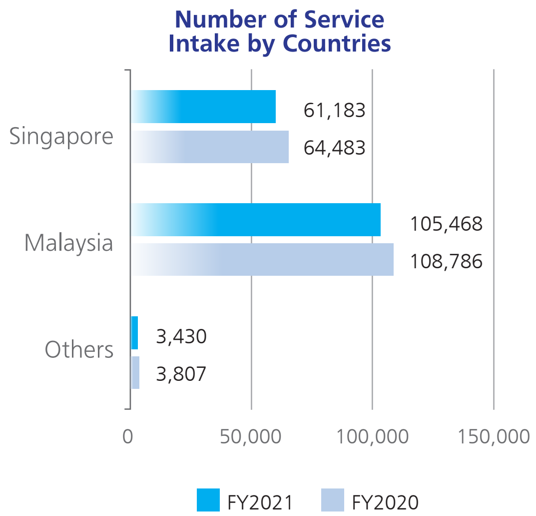




Summary of the number of cars sold and service intake of the Automotive segment for the corresponding periods:

Honda Brand

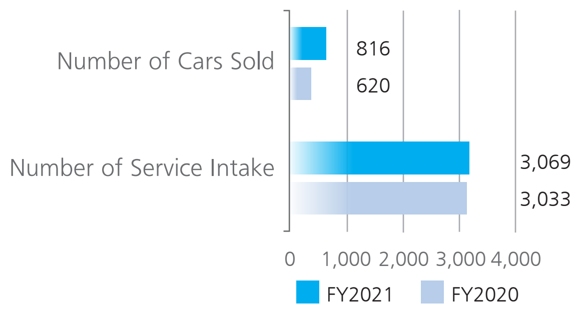




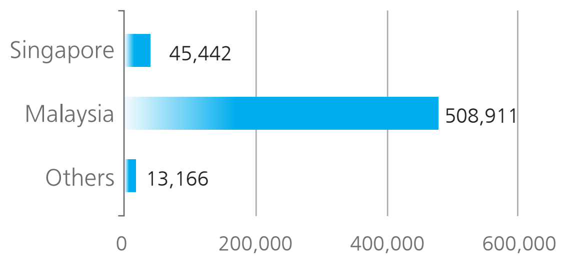
MANAGEMENT DISCUSSION AND ANALYSIS
- AUTOMOTIVE SEGMENT

DISCUSSION AND ANALYSIS OF FINANCIAL RESULTS AND CONDITIONS (cont'd)

Mitsubishi Brand (Malaysia)



The market share analysis for Financial Year 2021:



Honda Market Share
Singapore : 10.6%
Malaysia : 10.4%
Brunei : 1.7%

Mitsubishi Market Share
Malaysia : 3.4%

OHB Group Market Share over Honda Market Share
Singapore : 26.9%
Malaysia : 9.2%
Brunei : 100%

OHB Group Market Share over Mitsubishi Market Share
Malaysia : 4.7%

REVIEW OF OPERATING ACTIVITIES AND DISCUSSION OF MAIN FACTORS THAT MAY AFFECT THE OPERATING ACTIVITIES

2021 has been a challenging year. As the economy remained on a recovery path, the resurgence of COVID-19 cases and the reimposition of nationwide containment measures continued to weigh on the economic growth. Concerns over stricter monetary policies, fear of over-exposures that has curbed lending capacity by borrowers and concerns over security of employment have affected customers' buying powers. Sales margins have been adversely impacted with increased competition.

We have followed the Standard Operating Procedures recommendations by the World Health Organisation and the Ministry of Health on the prevention and control of COVID-19 infection at the workplace and when dealing with stakeholders.

Notwithstanding the pandemic, we have endeavoured to maintain our competitiveness in the automotive market and have expanded and upgraded our showrooms and service centres. We have also strengthened efforts to boost our presence in East Malaysia.

MANAGEMENT DISCUSSION AND ANALYSIS
- AUTOMOTIVE SEGMENT

REVIEW OF OPERATING ACTIVITIES AND DISCUSSION OF MAIN FACTORS THAT MAY AFFECT THE OPERATING ACTIVITIES (cont'd)

In the works are plans to upgrade our Ipoh and Sabah outlets from the current 3S to 4S centres by including body and paint services. However, due to the COVID-19 pandemic, the principal has granted us approval to postpone these projects until the economy recovers.

In terms of capital expenditure, the segment spent a total of RM22.2 million as compared to RM37.1 million in the previous financial year. The capital expenditure incurred was primarily for the expansion and upgrade of showrooms and service centres to improve its sales and after-sales service network throughout Malaysia. We will continue with our strategies to grow our business which include improving and refurbishing our facilities to ensure a high standard of service quality, developing body and paints hubs, enhancing our marketing communications and retention programmes and continuous improvement on work efficiency and cost management.

Moving forward, the Automotive segment will continue to expand its sales and after-sales service network to provide a better ownership experience to our customers.

We have placed a strong focus and worked hard on our after-sales business and it is well-positioned to be a strong pillar for us and is just as important as new car sales to our overall strategy and profitability.

DISCUSSION OF ANY ANTICIPATED OR KNOWN RISKS THAT THE GROUP IS EXPOSED TO

Given that the Group purchases and sells our products in different countries' markets, any adverse development in the political, economic and regulatory environment in the countries involved may adversely affect the financial and operational conditions as well as the overall profitability of the Group.

Electric Vehicles ("EVs") are an alternative mode of transportation for environmentally conscious consumers as it has lower carbon dioxide emissions and carbon footprint. It's an environmentally friendly option as compared to a traditional combustion engine vehicle that uses fossil fuel to power its engine.

EVs can help in reducing air pollution and green technology ecosystems. The Malaysian government has announced that EVs will be exempted from road tax 100% and income tax relief of up to RM2,500 for the costs in the purchase, installation, rental and subscription fees for EV charging facilities for two years (2022 to 2023).

The EV market in Malaysia is at a nascent stage as the attractiveness of EVs is limited by relatively high prices, low resale value and limited supporting infrastructure. Nevertheless, the approval and implementation of the new EV policy under National Automotive Policy 2020, are expected to increase the demand for EVs in Malaysia as EV becomes more affordable and the EV supporting infrastructure becomes more accessible in Malaysia.

Under the Singapore Green Plan 2030, LTA has a comprehensive EV roadmap to ramp up its effort for EV adoptions which include the accessibility of charging infrastructure.

Therefore, the management will further discuss with the principal plans to launch more hybrid or EVs in the future as a strategy to increase its market share.

The management is mindful of the competition from parallel importers who can import a large range of hybrids and/or EVs that are intended for the Japanese domestic market into Singapore. Their ability to import vehicles at a very low price and at the same time, take advantage of the Vehicle Emissions Scheme, places significant pressure as competitors to our models.

MANAGEMENT DISCUSSION AND ANALYSIS
- AUTOMOTIVE SEGMENT

FORWARD-LOOKING STATEMENT

It is clear that the effects of the pandemic will be here to stay, at least in the near term. The Group is prepared to continue operating and be creative under the new norm. We are optimistic that consumer and business sentiments are expected to improve as the year progresses, as the roll-out of the vaccines is expected to lessen the concerns of the pandemic.

The economic conditions will continue to be challenging as the economy copes with the resurgence of COVID-19 cases caused by its variants or mutations. Much will depend on the effectiveness of the vaccination programmes. The Group is operating from a position of strength and is confident that it is able to cope with the uncertainties ahead.

The Malaysian Automotive Association ("MAA") forecasted a 17.9% growth in Total Industry Volume ("TIV") to 600,000 units vehicles in 2022 as consumption recovers on the back of improved labour market and economic activity, helped in part by the sales tax exemption incentive for passengers vehicles that ends on 30 June 2022.

With the extension of sales tax exemption until 30 June 2022 and the expected rebound of the automotive market post-pandemic times as world economics gradually re-opens, we foreseen automotive Malaysia performance will bode well for both Honda and Mitsubishi sales.

With the launch of the Honda CRV, all-new City 5-Door Hatchback, all-new Civic in FY2021 and the new model to be launched in FY2022, Honda announced an 80,000 units production forecast for FY2022.

Automotive Singapore Operations will introduce the mobile app which will offer dedicated services at owners' fingertips to improve customer engagement and the overall ownership experience.

We are confident that the Group's overall business fundamentals remain strong and we have shown that we are capable of adapting to the new norms of business operations. The strong balance sheet and assets of the Group will provide the foundation to weather through these challenges.

Forging ahead, the Group will continue to take active measures to improve its competitiveness in the markets we operate. The Group will also maintain the focus on optimizing its operations and conserving cash through further cost containment initiatives as well as strengthening its working capital management and putting in tighter controls over capital expenditure. Through this prudent management of resources, the Group expects to navigate through the pandemic crisis and maintain a sustainable financial position and drive further business growth.

MANAGEMENT DISCUSSION AND ANALYSIS
- PLANTATION SEGMENT

OVERVIEW OF THE GROUP'S BUSINESS AND OPERATIONS, INCLUDING OBJECTIVES AND STRATEGIES

OHB Group first ventured into the palm oil plantation business in 1965 with the acquisition of its first plantation in Malaysia. The Group diversified into the palm oil plantations business in Indonesia in 1994 with the acquisition of 20,000 hectares of concession plantation land in Bangka Island, marking its first foray into the overseas market. As at 31 December 2021, the Group operates eight plantation companies in Indonesia, three on Bangka Island and five in South Sumatra.

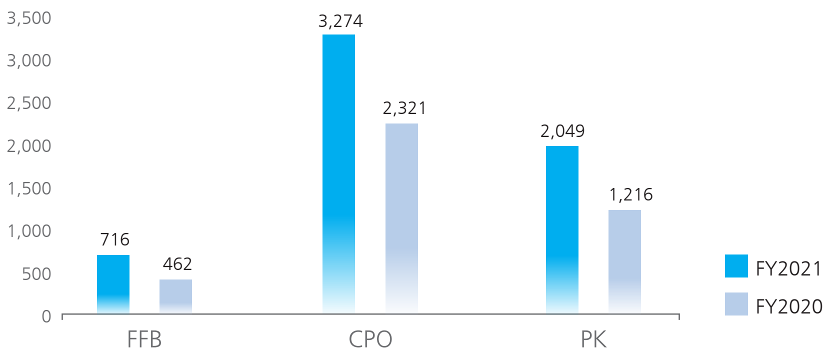
The Group commissioned its first Crude Palm Oil ("CPO") mill in Bangka Island, Indonesia in 1999 followed by a second CPO mill on the island in 2003 in line with the rapid increase in Fresh Fruit Bunches ("FFB") production in Indonesia. The third oil mill on the island was commissioned in FY2016. The fourth oil mill, the first for its South Sumatra operations was commissioned in September 2020.

As of 31 December 2021, The Group's plantation land bank concession stands close to 96,554 hectares, of which 41,942 hectares have been planted with oil palm trees. About 91,596 hectares are in Indonesia (Pulau Bangka and South Sumatra) while the remaining 4,958 hectares are located in Malaysia (in Pahang and Negeri Sembilan). The segment currently has a matured area of 34,576 hectares.

DISCUSSION AND ANALYSIS OF THE FINANCIAL RESULTS AND CONDITIONS

FY2021 has been an outstanding year for plantation segment with remarkable growth in both revenue and operating profit. The plantation segment reported a revenue of RM829.0 million for FY2021, an increase of RM289.2 million or 53.6% compared to RM539.8 million for FY2020, which was mainly attributed to the increase in CPO, Palm Kernel ("PK") and FFB selling prices. The average selling price for CPO, PK and FFB increased by 41.1%, 68.5% and 55.0% respectively compared to the preceding year. The plantation segment recorded an operating profit of RM440.8 million, a significant 1,219.8% increase from the preceding year's operating profit of RM33.4 million. RM409.9 million or 93.0% of the operating profit was from the Indonesian Operations. The outstanding performance was also driven by unrealised foreign exchange gain on our JPY denominated borrowings and reversal of impairment on its bearer plants.

The Average Selling Price
(RM/MT)



The Group's estates produced a total of 682,437 MT of FFB, an increase of 9.5% compared to 623,508 MT in the preceding year. The increase was mainly due to a higher yield - FFB yield per hectare of 19.74 MT/Ha in FY2021 compared to 18.13 MT/Ha in FY2020.

In FY2021, the plantation segment recorded an unrealised foreign exchange gain of RM146.3 million compared with unrealised foreign exchange loss of RM60.2 million in FY2020. This was attributed mainly due to the weakening of the Japanese Yen for the Yen-denominated borrowings for its Indonesian Operations.

For capital expenditure, the segment spent a total of RM64.8 million in FY2021 compared to RM78.1 million in the preceding year. The capital expenditure consisted mainly of development costs for its Indonesian Operations, including new planting and replanting of oil palm, construction of staff quarters and acquisition of agricultural equipment and vehicles. The total capital expenditure to be incurred in FY2022 for new planting, upgrading plant and machineries and the construction of estate building is expected to reach around RM61.9 million.

MANAGEMENT DISCUSSION AND ANALYSIS
- PLANTATION SEGMENT

REVIEW OF OPERATING ACTIVITIES AND DISCUSSION ON MAIN FACTORS THAT MAY AFFECT THE OPERATING ACTIVITIES

The Group's four palm oil mills in Indonesia, with a combined operating capacity of 290 MT per hour, process their own estates' crops as well as crops purchased from smallholders, FFB traders and other third-party estates.

Total FFB processed by its 4 mills was 897,755 MT in FY2021, an increase of 11.4% compared to 806,205 MT in FY2020. The increase in FFB processed was in line with the increase in FFB yield per hectare and increase in external purchases. 38.8% of the total FFB processed during the year was sourced from third parties compared to 37.7% in FY2020.

In FY2021, the average CPO and PK extraction rates stood at 20.16% and 5.14% respectively, compared to 19.78% and 5.00% in FY2020.

A total of 463 hectares of oil palms were replanted in FY2021 compared with 340 hectares in FY2020 for Malaysian plantations. Moving forward, our strategy for the year 2022 is to replant 198 hectares. As for new planting activities in Indonesia, we have planted 12,844 hectares to date and target to plant about 800 to 1,200 hectares each year over the next two years. A total of 769 hectares were replanted in FY2021 compared to 930 hectares in FY2020. An estimated 1,000 hectares is planned for replanting in FY2022. All the replanting activities will be carried out in a sustainable manner and in accordance with an environment- friendly, zero- burning policy.

DISCUSSION OF ANY ANTICIPATED OR KNOWN RISKS THAT THE GROUP IS EXPOSED TO

The oil palm industry is exposed to climate risks such as erratic weather patterns. The La Nina phenomenon causes prolonged wet weather while the El Nino phenomenon results in prolonged low rainfall. Other factors include the depressed prices in CPO and PK, unstable Ringgit, intensified competition from substitutes, and rising operational costs, notably that of fuel, fertilisers and chemicals. Geopolitical factors such as the ongoing trade war between the United States and China, Russian invasion of Ukraine, social disorder, cross border and country risks as well as labour shortages in estates also impacted the segment performance. On the international front, palm oil continues to face criticism for alleged links to deforestation, climate change, health effects and market restrictions in terms of tariff and non-tariff trade barriers. These were further exacerbated by the European Union's plan to phase out the use of palm oil in its biofuels starting from 2023 and to reduce it to zero by 2030.

Given that many factors are beyond our control, we will focus on key measures like cost control, improvements in all round productivity and efficiency, and prudent treasury management to enhance the bottom line. We will continue to prioritise controlling costs and yield improvements through better agronomic administration and reorganising harvesting operations. In addition, we will focus on the automation and mechanisation of the operations at our mills and estates as reliance on manpower restricts the institution of quality control for field works. With these enhanced internal efficiencies in place, production costs for matured areas were held in check, partially offsetting higher costs for newly matured areas.

As a commodity operator, we address the environmental, social and economic aspects of oil palm production while ensuring that we carry out the best management practices consistently. In all our activities, we are guided by the firm commitment to contribute to a better society, with environmental awareness as a top-of-mind priority.

STRATEGY

The Group continually evaluates its portfolio to ensure competitiveness and to unlock the value of its investment when an opportunity arises. Hence, for our Indonesian Operations, we strive to further consolidate plantation operations with a critical review of its current land bank. Marginal land will be removed from development. Efforts will be focussed on the development of the existing land bank into premium quality plantations and the expansion of planted hectares via acquisition of planted areas and plantation companies which fit our technical specifications and affordability requirements. In tandem with the expansion plans, the Group plans to enhance and improve the technical skills and capabilities of our staff through training sessions with the aim of talent retention to fulfil the current and future needs of the Group.

MANAGEMENT DISCUSSION AND ANALYSIS
- PLANTATION SEGMENT

FORWARD-LOOKING STATEMENT

2021 has been a recovery year after a year fraught with challenges of pandemic that has profoundly changed many aspects globally with economic uncertainties and volatile market conditions. However, the emergence of new COVID-19 variants and its fast spread has made the global economic recovery increasingly uneven towards the tail end of 2021 and the rate of economic recovery will be dependent on the deployment pace of booster vaccinations and containment of variants of concern.

In spite of the above, we will continue our efforts to improve operational productivity and efficiency, and strengthen sustainable estate management practices at all levels of operations while adhering to the standard operating procedures which have been implemented at all levels of operations following the outbreak of the COVID-19 pandemic.

Indonesia, being the world's largest palm oil producer and exporter has mandated the use of biodiesel containing 30% palm-based fuel ("B30") on 1 January 2020 in a bid to slash its fuel import bill and boost domestic palm oil consumption. Plans to increase the bio-content to 40% ("B40") has been further pushed to 2025 from planned 2022 as more work will be needed for the recommended marketed B40 before moving to higher biodiesel blend rates from the current B30 mandate.

Indonesian Government has made changes to the CPO export levy rate for the third time in the last two years by imposing lower rate from USD255/MT in December 2020 to USD175/MT in July 2021 hence will increase the competitiveness of Indonesian palm oil products in the global market.

On 27 January 2022, Indonesia imposes a mandatory domestic market obligation ("DMO") rule to curtail the rise in domestic cooking oil prices which requires palm oil exporters to sell 20% of their intended export volume to the domestic market at a price set by the Government before being granted a palm oil export permit. The new rule had affected export volume which further caused supply tightness in the market as Indonesia is the largest palm oil exporter in the world.

The export permit requirement which was initially set for exports of CPO and Olein was extended to include other derivatives in February 2022. Effective 10 March 2022, the DMO was increased to 30% for at least six months after which it will be reviewed for further expansion or adjustment. On 17 March 2022, the Indonesian Government announced that the DMO policy which had resulted in supply scarcity was withdrawn and raised its export levy instead. The Indonesian Government's announcement on 22 April 2022 on the ban of exports of raw materials for cooking oil amid a continuing cooking oil crisis in the country, effective from 28 April 2022, was widened on 27 April 2022 to include crude and refined palm oil among other products.

Meanwhile, Malaysia has launched the nationwide implementation of the B20 programme in 2020 which was carried out in stages, starting with Langkawi and Labuan. However, due to the COVID-19 pandemic, the nationwide rollout of its B20 programme was later pushed forward to 2022 from its initial mid-2021 plan in order to give priority to the Government's post COVID-19 economic recovery plan. Under the Rancangan Malaysia Ke-12 (RMK-12) plan, the Government has reconfirmed its commitment to expand the B20 programme throughout the country in stages whereby by the end of the plan, which is 2025, B30 biodiesel will be introduced.

CPO price for 2021 has been on a bullish trend amid supply tightness, mainly due to drop in production and strong recovery in demand. In October 2021, CPO price has surpassed the RM5,000 per MT mark as the supply crunch lingered while demand has been rising as more countries are uplifting their COVID-19 restrictions. In December 2021, the average CPO price rose to RM5,070 per MT ending the 2021 with an average of RM4,417 per MT.

CPO price topped RM8,000 per MT in March 2022, setting a new record high since 2008 as the conflict between Russia and Ukraine continues to escalate. The recent CPO prices may not be sustainable and dependent on key factors which include unresolved labour shortage issue, the drought in South America, as well as how the Ukraine crisis pans out over the period.

Analysts projected CPO price will stay elevated in early-2022 as supplies are expected to be kept tight by the seasonally low production. Malaysian Palm Oil Board expects CPO prices to remain at RM5,000 to RM8,000 per MT range until April to May 2022 based on current fundamental and sentimental factors and projected CPO price to average at RM4,250 per MT for 2022.

While many economies have been quick to vaccinate their population against COVID-19, we are conscious of the far-reaching effects of the COVID-19 pandemic on the plantation sector. Our main focus remains steadfast and that is to ensure a lean and cost-effective operations, maximize efficiency and effectiveness in the use of all resources, monitor the market conditions closely and enable prompt management action and decision to ensure the sustainability of the operations.

MANAGEMENT DISCUSSION AND ANALYSIS
- PLANTATION SEGMENT

FORWARD-LOOKING STATEMENT (cont'd)

The critical challenges for planters amid the lower production include:

1. Sustainability risks (climate change, forest and biodiversity issues, water & carbon foot prints)
2. Human rights and forced labour issues
3. Mechanisation, digitalisation and automation for sustainable crop production
4. Focus of reducing labour-to-land ratio
5. Improve on the quality of local palm products
6. Productivity improvement in oil yields
7. Skilfully address palm oil reputation issues in a rational manner (back by scientific data)
8. Intensify downstream value added to escape from CPO dependence trap
9. Abrupt discruptions to trade

PLANTATION STATISTICS

The Group's estate production, yield and Profit per HA records

	FY2021	FY2020	Change (%)
Production (MT)			
Malaysian Operations			
FFB	65,299	69,277	-5.7
Indonesian Operations			
FFB	617,138	554,231	11.4
Total FFB	**682,437**	**623,508**	**9.5**
Yield Per Mature Hectare (MT)			
Malaysian Operations	19.38	17.92	8.1
Indonesian Operations	19.78	18.15	9.0
Group	**19.74**	**18.13**	**8.9**
Operating Profit Per Mature Hectare (RM)			
Malaysian Operations	9,182	2,089	339.5
Indonesian Operations	13,134	828	1,486.2
Group	**12,749**	**970**	**1,214.3**

The Group's production records of 4 palm oil mills

	FY2021	FY2020	Change (%)
Indonesian Operations			
FFB processed (MT)			
Own Estates	549,238	501,920	9.4
External	348,517	304,285	14.5
Total	**897,755**	**806,205**	**11.4**
CPO production (MT)	180,990	159,492	13.5
PK production (MT)	46,152	40,315	14.5
Extraction rates (%)			
CPO	20.16	19.78	1.9
PK	5.14	5.00	2.8

MANAGEMENT DISCUSSION AND ANALYSIS
- PLANTATION SEGMENT

Distribution by Country and Level of Maturity of the Group's Planted Areas (hectares)

Malaysian Operations	FY2021	FY2020
	Ha	Ha
Matured	3,369	3,865
Immature	1,425	936
Planted	**4,794**	**4,801**
Buildings, roads, etc.	164	157
Land Bank	**4,958**	**4,958**

Indonesian Operations	FY2021	FY2020
	Ha	Ha
Matured	31,207	30,532
Immature	5,941	7,018
Planted	**37,148**	**37,550**
Plantable	51,748	52,087
Buildings, roads, etc.	2,700	1,959
Land Bank	**91,596**	**91,596**
Total Group Planted	**41,942**	**42,351**
Total Group Land Bank	**96,554**	**96,554**

Distribution by Age Profile of the Group's Oil Palms:

Malaysian Operations	FY2021		FY2020	
	Ha	%	Ha	%
Young (4 to 7 years)	1,238	37	1,668	43
Prime (8 to 18 years)	968	29	496	13
Mature (More than 18 years)	1,163	34	1,701	44
Total Matured Planted	**3,369**	**100**	**3,865**	**100**

Indonesian Operations	FY2021		FY2020	
	Ha	%	Ha	%
Young (4 to 7 years)	6,411	21	6,285	21
Prime (8 to 18 years)	9,775	31	8,227	27
Mature (More than 18 years)	15,021	48	16,020	52
Total Matured Planted	**31,207**	**100**	**30,532**	**100**
Group Matured Planted	**34,576**	**100**	**34,397**	**100**

MANAGEMENT DISCUSSION AND ANALYSIS
- HOTELS & RESORTS SEGMENT

OVERVIEW OF THE GROUP'S BUSINESS AND OPERATIONS INCLUDING OBJECTIVES AND STRATEGIES

The Hotels & Resorts segment owns 9 operating units, including one in Malaysia and eight other overseas-based units. Bayview Hotel Malacca is located in Malaysia while the remaining eight hotels and resorts located overseas are 30 Bencoolen (Singapore); Chateau Tongariro Hotel and Wairakei Resort Taupo (New Zealand); The Sydney Boulevard Hotel, Bayview Eden, and Bayview Geographe Resort (Australia); Somerset Park Suanplu (Thailand) and Thistle Holborn The Kingsley Hotel (United Kingdom).

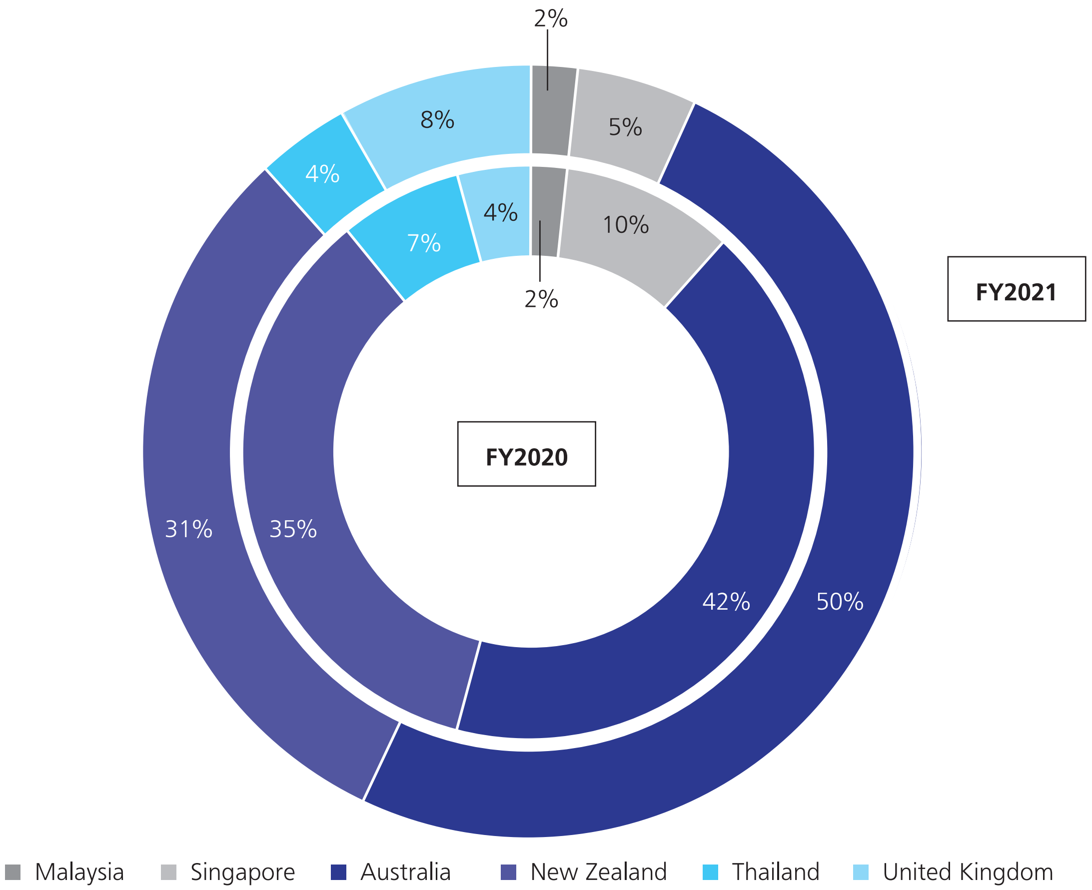
The Group operates all hotels and resorts on its own with the exception of Somerset Park Suanplu (managed by The Ascott Limited) and Thistle Holborn The Kingsley Hotel (managed by Guoman). The portfolio also includes Bayview International Sdn Bhd which oversees the operations, marketing and promotion activities for Bayview hotels and resorts worldwide.

The segment's vision is to become a preferred brand for guests through providing a warm, personalised experience with each stay. With an emphasis on exceptional service, comfortable accommodation for every guest, high-quality amenities and dining options, friendly, attentive staff and excellent value for money, it aims to meet and exceed guest expectations.

DISCUSSION AND ANALYSIS OF THE FINANCIAL RESULTS AND CONDITIONS

The Hotels & Resorts segment recorded a revenue of RM192.6 million, an increase of RM26.0 million (15.6%) compared to RM166.6 million for FY2020. This was mainly attributed to the slight improvement in average occupancy rate and average room rate as boosted by further easing of COVID-19 curbs and an upturn in domestic leisure demands especially in the 1H of FY2021. However, the emergence of more virulent vaccine-resistant COVID-19 variants contracting sharply in Q3 FY2021 which have disrupting recovery and lead to weaker growth in the segment's performance.

Revenue by Geographical Location (%)



MANAGEMENT DISCUSSION AND ANALYSIS
- HOTELS & RESORTS SEGMENT

DISCUSSION AND ANALYSIS OF THE FINANCIAL RESULTS AND CONDITIONS (cont'd)

The segment recorded an operating profit of RM15.6 million in FY2021 compared to an operating loss of RM6.5 million in FY2020. This was the result of the combined effects of improvement in average occupancy rate and average room rate as the resumption of economic activity and unrestricted domestic travel and higher performance from Bayview Eden, Melbourne due to Australian Defence Force buy-out deal contract since early February 2021. The average occupancy rate for the hotels and resorts increased from 43% to 50% in FY2021.

Hotels	**Location**	**Star Rating**	**Managed by**	**Occupancy Rate**	
				FY2021	**FY2020**
Bayview Hotel Malacca	Malaysia	4 star	Bayview International Sdn Bhd	22%	29%
30 Bencoolen	Singapore	4 star	Bayview International Sdn Bhd	95%	88%
The Sydney Boulevard Hotel	Australia	4 star	Bayview International Sdn Bhd	11%	19%
Bayview Eden Melbourne	Australia	4 star	Bayview International Sdn Bhd	81%	19%
Bayview On The Park	Australia	4 Star	Bayview International Sdn Bhd	0%	13%
(disposed off and completed in March 2022)					
Bayview Geographe Resort	Australia	4 star	Bayview International Sdn Bhd	46%	51%
Chateau Tongariro Hotel	New Zealand	4 star	Bayview International Sdn Bhd	55%	72%
Wairakei Resort Taupo	New Zealand	4 star	Bayview International Sdn Bhd	56%	59%
Somerset Park Suanplu	Thailand	4 star	The Ascott Limited	35%	42%
Thistle Holborn The Kingsley Hotel	United Kingdom	4 star	Guoman	47%	40%

REVIEW OF OPERATING ACTIVITIES AND DISCUSSION ON MAIN FACTORS THAT MAY AFFECT THE OPERATING ACTIVITIES

Almost two years passed, the world is still battling the COVID-19 pandemic. Vaccines have allowed economies to reopen, but constantly evolving virus strains have resulted in an intermittent recovery, hospitality and tourism sector remain under severe pressure. The recent emergence of the Omicron variant is slowing the pace of reopening and pose downside risks to growth and employment. To keep the business going during this unprecedented period, we have developed and implemented various strategies.

The management had taken measures to minimise the impact by disposing one of the hotel in the underperforming business. The swift action helped the segment to operate in a lean and more efficient manner. The segment will continue to look for further potential investments if opportunities arise.

The segment focused its efforts on controlling operation costs effectively especially during the pandemic, and managing the availability of rooms efficiently to gain better yield. As such, the hotels powered down unnecessary equipment to conserve energy and focused on maintenance and cleanliness during the lockdown period to maintain the property. In order to keep the business afloat, 30 Bencoolen became a designated Stay-Home Notice Dedicated Facility for travellers returning to Singapore from abroad since FY2020. While Bayview Eden, Melbourne signed on the Australian Defence Force buy-out deal contract since early February 2021. Thus, the hotels managed to maintain a higher occupancy rate compared to the other hotels in the segment. Correspondingly, the segment was successful in applying for subsidies and incentives introduced by the Government during the year.

MANAGEMENT DISCUSSION AND ANALYSIS
- HOTELS & RESORTS SEGMENT

REVIEW OF OPERATING ACTIVITIES AND DISCUSSION ON MAIN FACTORS THAT MAY AFFECT THE OPERATING ACTIVITIES (cont'd)

Bayview International will continue to carry out upgrading exercises on its digital distribution channels to improve its hotels' market share via implement "Member Deal" into the hotels' brand websites to drive direct booking and partnership with Online Travel Agencies to improve hotels' revenues. In addition, Bayview International will continue to embark on an e-payment gateway to enable contactless transactions for an optimised customer journey.

Corporate activity will gradually increase as business recover after vaccine boosters and vaccinations plans for children which will stimulate more travel. Also, more strategies plans were put in place to pivot our business to corporate, domestic leisure and Government business.

Despite the challenging year, the segment has spent about the same amount of RM8.6 million in its capital expenditure in FY2021 compared to RM8.7 million in the preceding year. The capital expenditure incurred was for the upgrading of hotel rooms, fire system, corridor, replacement of furniture and fixtures to increase our competitive performance in the industry.

DISCUSSION OF ANY ANTICIPATED OR KNOWN RISKS THAT THE GROUP IS EXPOSED TO

The segment manages the pandemic risk by identifying and implementing the best procedures as this is important in the decision-making procedures for guests. Strict international accepted Standard Operating Procedures and best practices have been adopted and are practiced.

With the discontinuation of the Government financial support, rent and tax bills due, managing cash flow and operations will be critical. The segment will focus on cash management to identify its essential in the short-term. Minimising working capital and revisiting variable costs to ensure efficiencies during peak and low times will be a requirement throughout the year.

Technology solutions will continue to transform the hotel and resorts segment. We will improve the efficiency of the sales process, contactless interactions during check in process and also enhance our system firewalls.

As hotels and resorts segment is working towards recovery, maintaining quality staff remains one of the key risks on a long-term basis. Prolong COVID-19 has exacerbated the labour crisis in the industry. Further, rising payroll cost pressures are likely to continue as labour shortages in hotels are at a pressure level, leading to an inflation increase in wage rates. Thus, it is important to protect our employees, especially since COVID-19 and its variants are still highly contagious. Besides, the segment will improve working conditions and positive recognition to attract more workers.

Competition remains the main threat in the hospitality industry. New inventories will come into place after current COVID-19 situation has improved and return to normal once the borders reopen. Thus, we are looking into planned refurbishment, ongoing maintenance programme and aggressive marketing strategies such as using attractive promotions and packaging to appeal to guests, and expected that our hotels will regain and strengthen its competitiveness in the market.

FORWARD-LOOKING STATEMENT

The hospitality industry struggled since 2020 to make a comeback after the fallout from the COVID-19 pandemic. As 2022 and COVID-19's third year began—heralded by another new variant, Omicron and economy uncertainty due to recent Ukraine crisis—the testing times will continue. Therefore, creativity, combined with a sharpened focus on risk management, will be key for navigating forward.

We are optimistic about the global recovery and the return of the travelling activities following the Government announcement to open international border. With the accelerating vaccination programmes and greater immunity, we anticipate the business demands from the international market will gradually recover.

Further, with our strategic efforts put in place, we will be able to transform and reinvent our business to exploit more opportunities going forward.

We will reserve about 3% to 4% of our revenue per year for capital expenditure to ensure the properties remain in optimal condition at all times to create positive customer experiences.

MANAGEMENT DISCUSSION AND ANALYSIS
- HEALTHCARE SEGMENT

OVERVIEW OF GROUP'S BUSINESS AND OPERATIONS INCLUDING OBJECTIVES & STRATEGIES

The companies are principally involved in the operations of a medical centre, a nursing college and an integrated lifestyle retail pharmacy in the healthcare segment. This segment was initiated concurrently with the acquisition of a nursing college in Melaka in April 2011 followed by the construction of the medical hub in August 2012 on the OHB Group's reclaimed land in Klebang, Melaka, a mere 10 minutes from the heart of Melaka Heritage City. Officially launched on 31 January 2015, Oriental Melaka Straits Medical Centre ("OMSMC") is the flagship hospital for the Group's healthcare segment. The hospital has been growing constantly since its inception to become a leading tertiary hospital in Melaka.

As a healthcare service provider, the segment is setting a 10-year direction to develop and grow OMSMC into: (1) a full-fledged 300-bed tertiary medical centre offering multi-disciplinary medical services with sub-specialities that provide quality and value-based services with a strong presence in the community; and (2) a leader and trendsetter in quality healthcare delivery.

This segment opened its first lifestyle retail pharmacy outlet in Melaka at the end of March 2020 and its second outlet in Bagan, which officially opened at the beginning of February 2022. The setting-up of these retail pharmacies will produce a synergistic effect with the hospital by offering a variety of extended healthcare services which include comprehensive product segmentation to meet the local community's needs.

In March 2021, we have incorporated a wholly-owned sub-subsidiary named Oriental Medical (Segamat) Sdn Bhd, through our direct 51.7% owned subsidiary, Melaka Straits Medical Centre Sdn Bhd. The step was taken to further expand the outreach of our operations to the Northern Johor region.

DISCUSSION AND ANALYSIS OF THE FINANCIAL RESULTS AND CONDITIONS

As we navigate the ongoing challenges of the pandemic, the segment continues to take constructive measures to mitigate the impact of the pandemic.

The increase in revenue from higher patient volume resulted in a higher EBITDA and the segment recorded an improvement in operating profit which increased by RM5.8 million or 306% from the previous year.

With the upward trend in the recovery of patient volume, we are optimistic that the segment will continue to contribute to the Group's revenue and operating profit.

Key Indicators

	FY2021	FY2020	Variance (%)
Revenue (RM'000)	81,788	71,087	15.1
EBITDA (RM'000)	11,035	6,222	77.4
Operating profit/(loss) (RM'000)	3,893	(1,892)	305.8
Number of beds (operational)	139	139	-
Medical consultants	47	49	- 4.1
Number of inpatients	9,210	9,299	- 1.0
Number of outpatients	90,780	75,571	20.1
Number of student intake	111	134	- 17.2

MANAGEMENT DISCUSSION AND ANALYSIS
- HEALTHCARE SEGMENT

REVIEW OF OPERATING ACTIVITIES & DISCUSSION ON MAIN FACTORS THAT MAY AFFECT THE OPERATING ACTIVITIES

Presently in its seventh year of offering high quality-based health services, the segment is undergoing a transformational expansion to become a leading tertiary hospital in Melaka and southern Malaysia. We are proud to announce that OMSMC has successfully received another full 4-year accreditation from the Malaysia Society of Quality Healthcare ("MSQH") in 2020. While conducting business and strategising for the future, the management keeps a close watch on relevant trends to spot opportunities and challenges to prepare better and more effectively for future developments.

Key profit drivers affecting the segment are:

Opportunities and Challenges	Current Directions
Pandemic - The ongoing COVID-19 pandemic impacted the operations of hospital.	• OMSMC puts a greater emphasis and implements the COVID-19 Standard Operating Procedures in its operation. • OMSMC ensures all staff are trained with skills and supplied with personal protective equipment. • OMSMC ensures that adequate personal protective equipment is available at all times. • OMSMC enforces strict hygiene and sanitation measures across its premises to ensure the safety of patients, visitors and staff.
Emergence of new competition - Growth in the industry has increased the number of healthcare service providers and retail pharmacies.	• OMSMC strengthens its position by enhancing brand awareness and active brand differentiation. • OMSMC continues to develop brand loyalty by reinforcing positive experiences for its patients and customers achieved through top quality medical care and retail pharmacy services. • OMSMC continues to recruit additional medical consultants to provide and introduce new services or subspecialties such as dialysis service and wound care management. • Management continues to work with key principals to enhance pricing competitiveness.
Digital healthcare – Addresses the changing needs of patients especially healthcare travellers to continue consultation with doctors	• OMSMC is linked to Malaysia's first digital healthcare platform, DoctorOnCall, to facilitate access to uninterrupted patient care. • OMSMC continues to focus on innovation and digitalisation to respond to patients' needs and adapt to the new normal post-COVID-19. • OMSMC will provide digital skills training to both clinical and non-clinical staff to enable them to deliver top-notch assistance and support to patients.

Aside from delivering outstanding patient care, the segment will continue to:
- actively promote and participate in health-related events in local and international communities such as medical education talks, public forums, corporate or insurance health talks and blood donation campaigns;
- sponsor and organize fund-raising events, for both environmental and community initiatives;
- position itself as a medical centre that not only provides treatment but also promotes a healthy lifestyle through Pro-Health initiatives and activities;
- build a core OMSMC team with the focus on talent management and retention to grow and retain talents, with necessary competencies, attitudes and skillsets; and
- promote an ongoing culture of quality improvement and patient safety.

MANAGEMENT DISCUSSION AND ANALYSIS
- HEALTHCARE SEGMENT

REVIEW OF OPERATING ACTIVITIES AND DISCUSSION ON MAIN FACTORS THAT MAY AFFECT THE OPERATING ACTIVITIES (cont'd)

Notwithstanding the comprehensive efforts taken-to-date to enhance the operations of the segment to contain the spread of the COVID-19 pandemic, the segment faces unprecedented challenges during this uncertain time. Among other impacts, manpower shortage due to disruption of staff work schedule, increased usage of personal protective equipment and increased manpower requirement for the screening of human traffic and safety supply of controls. Arising from these challenges, the main priority for OMSMC is to ramp up measures to minimise the risk of COVID-19 transmission and ensure the protection and safety of our patients, visitors and staff. OMSMC remains vigilant and continues to work with the public healthcare system.

The segment invested RM3.1 million in FY2021 (FY2020: RM6.3 million) in medical and non-medical equipment needed for the improvement of service quality and efficiency as well as the renovation of its retail pharmacy outlets and preparation of inpatient wards.

DISCUSSION OF ANY ANTICIPATED OR KNOWN RISKS THAT THE GROUP IS EXPOSED TO

The health tourism industry has the potential to become the country's new investment. As such, under Budget 2022, the Malaysian government has allocated RM20 million to the Malaysia Healthcare Travel Council ("MHTC") to promote the country's medical tourism industry internationally, amid the COVID-19 pandemic that has halted global travel. Being a member of MHTC, we are recognised and promoted as a quality provider of healthcare travel services for international patients. This serves as an opportunity to attract more international patients through MHTC's diverse international marketing programmes.

The rising number of new hospitals and expansion of existing hospitals has intensified the competition with the domestic healthcare industry. Human capital retention remains a key challenge to operations. Skilled and qualified healthcare professionals and support staff are presented with more options from the increasing number of medical institutions. Thus, the segment will continue to develop a core team through talent management, aggressive staff recruitment and retention programme. Currently, there are four private hospitals in Melaka.

FORWARD-LOOKING STATEMENT

The COVID-19 pandemic has presented unprecedented challenges for all industries worldwide including healthcare. Whilst the segment is confident of progressive economic recovery, it expects the continued impact from the COVID-19 pandemic for the year ahead, especially in the event of a COVID-19 resurgence. Whilst some costs such as personnel costs and depreciation remain relatively fixed in the hospital operations, the segment maintains tight cost controls and has strict cash management, which includes deferring non-critical capital expansion projects. The segment continues to concentrate on innovation and digitalisation to respond to patients' needs and adapt to new normal post-COVID. As such, the segment balances the short-term challenges while building a more resilient business model in the long term.

The strategic focus for the segment in the year 2022 will include the following action plans:

- continue to seek opportunities to reach out to foreign medical travellers;
- set up new retail pharmacy outlets in a wholesome community-based setting to serve as a contact point for recruitment and maintenance of customers into the OMSMC healthcare ecosystem;
- continue monitoring the progress of setting up an aged care facility and transitional care centre to provide specialised care for patients requiring medium to long-term medical or rehabilitative services;
- ready to collaborate with the public healthcare sector on health related programs;
- look for an opportunity in the form of healthcare e-commerce where doctors can give online consultations or speak on social media; and
- look for further expansion both organically and inorganically, whenever an opportunity arises.

MANAGEMENT DISCUSSION AND ANALYSIS
- INVESTMENT PROPERTIES AND TRADING OF BUILDING MATERIAL PRODUCTS

OVERVIEW OF GROUP'S BUSINESS AND OPERATIONS INCLUDING OBJECTIVES AND STRATEGIES

In 1994, Ultra Green Sdn. Bhd. acquired a concession from the Melaka state government to reclaim a total of 1,125 acres of the waterfront at Klebang, Melaka. In consideration, the Melaka state government is entitled to one-sixth of the whole reclaimed area. To-date, 985 acres of the total concession area has been reclaimed. The reclamation works for the balance 140 acres of the concession area will commence once all relevant approvals are in place. The reclaimed lands will provide the Group with an invaluable land bank for commercial, tourism and residential development once completed.

As part of the segment's diversification plans, we have ventured into real estate investment in Australia since 2014 to provide long term recurring income and capital appreciation. The segment owns two commercial properties in the Central Business District of Melbourne, as well as a commercial complex comprising a block of service apartments and retail space which it developed at Burwood East to the south east of Melbourne.

Key activities carried out under the trading of building materials segment include the manufacturing of steel wire, distributing and trading of cement, and supply of concrete related products and building materials to the property and construction industry.

The segment is committed to capture the synergistic benefit in order to secure good business volume and economies of scale that will benefit to the Group.

DISCUSSION AND ANALYSIS OF THE FINANCIAL RESULTS AND CONDITIONS

During the year, the segment recorded revenue of RM339.2 million, up by RM25.8 million or 8.2% (FY2020: RM313.4 million); and an operating profit of RM2.6 million, up by RM45.8 million or 106.0% compared to operating losses of RM43.2 million in FY2020.

The key driver for its revenue was from the trading of building material products which accounted for 94.7% of the segment's revenue and 9.8% of the Group's revenue. The increase in revenue was due to the increase in sales volume and prices of building material products. The rise in the price of building materials, such as cement and steel, was caused by the global increase in the price of coal and petroleum products. The Home Ownership Campaign (HOC) has certainly helped the property market during this challenging period. The HOC had in fact stabilised the market. The segment also managed to achieve an operating profit as there was no impairment to the fair value of its overseas service apartment and commercial complex (FY2021: Nil ; FY2020: RM43.8 million).

REVIEW OF OPERATING ACTIVITIES AND DISCUSSION ON MAIN FACTORS THAT MAY AFFECT THE OPERATING ACTIVITIES

The trading of building material products business segment continues to confront tough competition and challenging year ahead in view of the rise in the cost of building material. The business unit will continue to improve its marketing strategies and efforts to source for the distribution of a wider range of building products, secure new projects and broaden its markets and client base.

All the investment properties in Melbourne are tenanted. Due to the pandemic's lockdowns and economic, rental reliefs have been provided to tenants who were in need of assistance. We will continue to actively monitor the market conditions and offer appropriate assistance to the tenants to ensure that all lettable areas are fully tenanted. The service apartment complex located along Burwood Highway in Burwood East comprising 55 apartments with 109 key/beds are leased to Quest Service Apartments since May 2019.

MANAGEMENT DISCUSSION AND ANALYSIS
- INVESTMENT PROPERTIES AND TRADING OF BUILDING MATERIAL PRODUCTS

REVIEW OF OPERATING ACTIVITIES AND DISCUSSION ON MAIN FACTORS THAT MAY AFFECT THE OPERATING ACTIVITIES (cont'd)

The land reclamation works in Melaka are strategically located between Kuala Lumpur and Singapore with close proximity to Ayer Keroh, the toll exit point to Melaka along the North South Highway. The infrastructure as required by the local authorities are ongoing and largely in place. The reclamation for the remaining 140 acres of the concession will commence as soon as all regulatory approvals are obtained. The Group's medical unit, Oriental Melaka Straits Medical Centre and Nilam Nursing College are located on the reclaimed land. Plans to develop the titled areas are being looked into to value add to the Group.

Despite a challenging year for the investment property market and building material trading segments, we are optimistic that benefits will accrue from capital appreciation and the steady growth in recurring rental income. In terms of capital expenditure, the segment invested RM3.2 million in FY2021 as compared to RM18.8 million in the previous financial year with funds used primarily to support on-going reclamation works.

DISCUSSION OF ANY ANTICIPATED OR KNOWN RISKS THAT THE GROUP IS EXPOSED TO

The segment has the financial strength and experience to weather the storm by operating sustainably, containing operating costs, improving its recurring income and adding value with a diverse portfolio of investment properties.

FORWARD-LOOKING STATEMENT

Given the ongoing uncertain business environment coupled with the higher price of building materials, the segment expects its performance to remain challenging. The management will continue to strategise, adapt and navigate through the challenging business environment as well as to take appropriate initiatives to minimise operating risks and optimise its resources to ensure the resilience of its businesses.

The management will continue to focus on completing the reclamation of the remaining 140 acres in Melaka, as well as looking for ways to increase value to its land bank for future development when opportunities arise.

As part of its diversification strategy, we will continue to invest in affordable and strategic real estate properties for a continuous stream of recurring income and capital appreciation.

FIVE-YEAR GROUP FINANCIAL SUMMARY

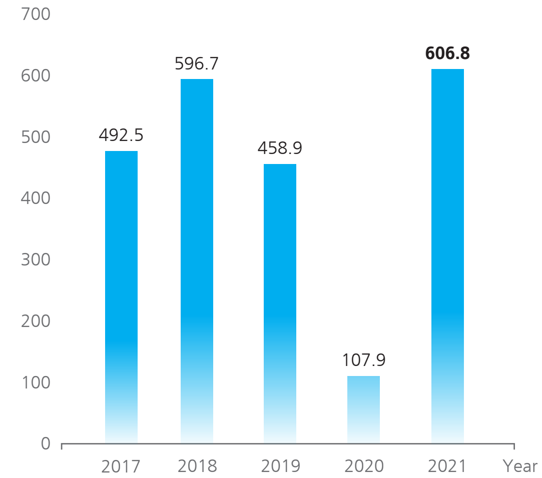
(RM' Million)

	2021	2020	2019	2018	2017[1]
FINANCIAL POSITION ANALYSIS					
Share capital	**620.5**	620.5	620.5	620.5	620.5
Reserves	**6,157.2**	5,931.2	6,046.0	5,947.7	5,759.4
Treasury stocks	**(0.2)**	(0.2)	(0.2)	(0.2)	(0.2)
Total equity attributable to stockholders of the Company	**6,777.5**	6,551.5	6,666.3	6,568.0	6,379.7
Non-controlling interests	**980.2**	814.5	876.3	868.3	935.6
TOTAL EQUITY	**7,757.7**	7,366.0	7,542.6	7,436.3	7,315.3
Property, plant and equipment	**1,919.4**	1,931.9	1,964.7	2,160.8	2,218.7
Right-of-use assets	**328.2**	335.4	348.7	-	-
Intangible assets	**23.1**	22.5	21.9	29.1	29.6
Investment properties	**1,095.5**	1,109.9	1,108.3	1,095.3	1,018.8
Prepaid land lease payments	**-**	-	-	60.0	63.0
Investments	**1,304.4**	1,220.5	1,286.7	1,314.3	1,298.5
Deferred tax assets	**57.5**	59.2	35.2	32.8	53.1
Inventories	**35.9**	35.9	35.9	36.2	36.2
Other receivables	**31.1**	30.8	32.6	28.8	26.1
Current assets	**5,654.1**	5,264.4	5,399.7	5,262.6	4,806.1
TOTAL ASSETS	**10,449.2**	10,010.5	10,233.7	10,019.9	9,550.1
TOTAL LIABILITIES	**(2,691.5)**	(2,644.5)	(2,691.1)	(2,583.6)	(2,234.8)
	7,757.7	7,366.0	7,542.6	7,436.3	7,315.3
OTHER DATA					
Profit before taxation	**606.8**	107.9	458.9	596.7	492.5
Taxation	**(106.4)**	(34.3)	(105.6)	(122.5)	(90.5)
PROFIT FOR THE YEAR	**500.4**	73.6	353.3	474.2	402.0
Non-controlling interests	**(179.5)**	38.5	(0.7)	35.6	(17.2)
NET PROFIT ATTRIBUTABLE TO STOCKHOLDERS OF THE COMPANY	**320.9**	112.1	352.6	509.8	384.8
DIVIDEND					
Net - RM' million	**248.1**	124.1	186.1	248.1	248.1
Sen	**40.0**	20.0	30.0	40.0	40.0

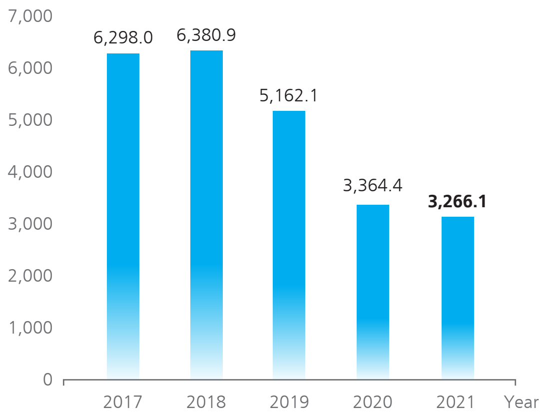
Note: [1] Restated following the first-time adoption of the Malaysian Financial Reporting Standards ("MFRS") framework in FY2018.

FINANCIAL HIGHLIGHTS OF THE GROUP

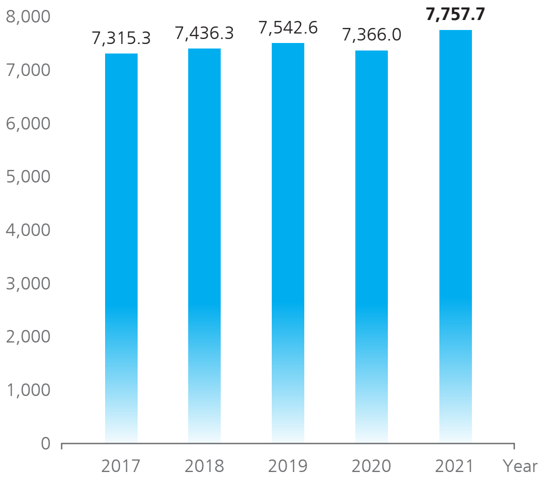
Profit Before Taxation
RM' Million
606.8



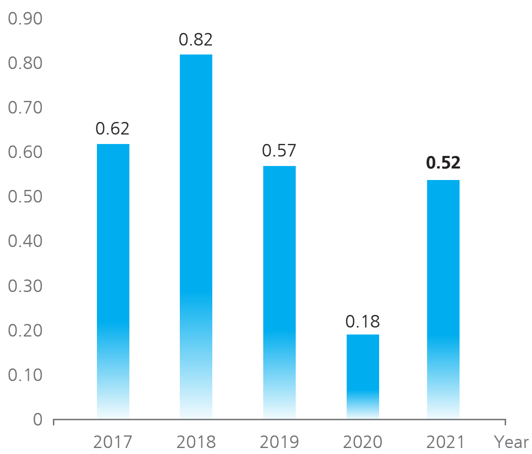
Turnover
RM' Million
3,266.1



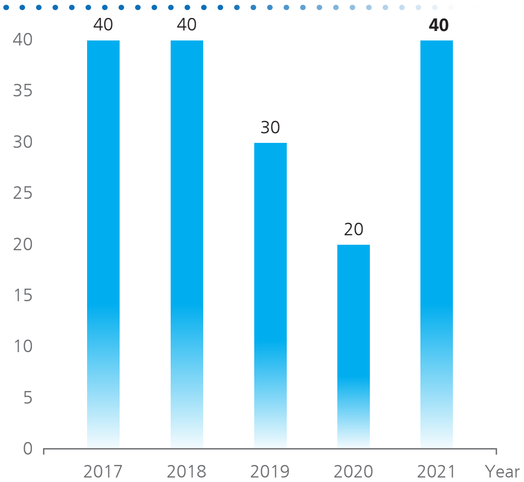
Shareholders' Fund
RM' Million
7,757.7



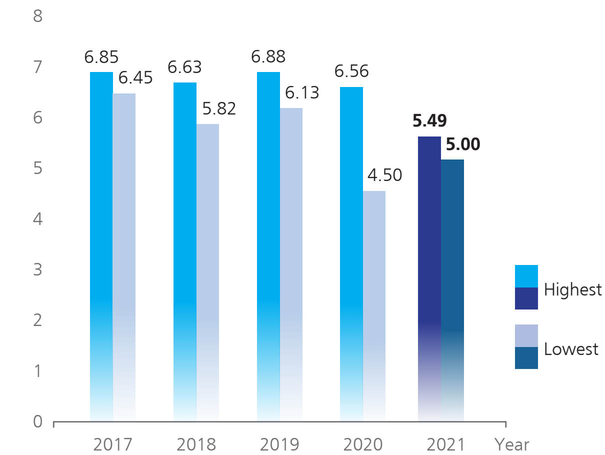
Earnings Per Stock
RM
0.52



Gross Dividends
sen
40



Market Price
RM
5.49 5.00



FINANCIAL CALENDAR

FINANCIAL YEAR END	31 December 2021
ANNOUNCEMENT OF RESULTS	
Quarter ended 31 March 2021	28 May 2021
Quarter ended 30 June 2021	26 August 2021
Quarter ended 30 September 2021	23 November 2021
Quarter ended 31 December 2021	25 February 2022
DIVIDENDS	
Payment of Second Interim and Special Single Tier Dividend of 14 sen per ordinary stock for Year 2020	15 July 2021
Payment of First Interim Single Tier Dividend of 10 sen per ordinary stock for Year 2021	20 January 2022
Payment of Second Interim Single Tier Dividend 20 sen per ordinary stock for Year 2021	29 March 2022
POSTING OF ANNUAL REPORT AND FINANCIAL STATEMENTS TO STOCKHOLDERS	29 April 2022
ANNUAL GENERAL MEETING	15 June 2022

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors (the "Board") of Oriental Holdings Berhad ("OHB" or the "Company") remain committed to implement and maintain high standards of corporate governance practices that are premised on the notions of transparency, accountability and integrity with a view to enhance stakeholders' value. As such, the Board strives to adopt the substance behind corporate governance prescriptions and not merely the form.

This Corporate Governance Overview Statement is made pursuant to paragraph 15.25(1) of the Main Market Listing Requirements ("Main Market Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Malaysia"). In producing this Corporate Governance Overview Statement, guidance was drawn from Practice Note 9 of Main Market Listing Requirements and the Corporate Governance Guide (4th Edition) issued by Bursa Malaysia.

The Corporate Governance Overview Statement in respect of financial year ended 31 December 2021 ("FY2021") is supplemented with a Corporate Governance Report which provides detailed articulation on the application of each Practice as prescribed in the Malaysian Code on Corporate Governance ("MCCG"). The Corporate Governance Report is available on OHB's website and via an announcement on Bursa Malaysia's website.

The Corporate Governance Overview Statement should also be read in conjunction with the other statements in the Annual Report (e.g. Statement on Risk Management and Internal Control, Audit Committee Report and Sustainability Statement) as the depth or relevance of applying certain corporate governance promulgations may be better explained in the context of the respective statements.

CORPORATE GOVERNANCE APPROACH

The Board of OHB is focused on ensuring the Company and its subsidiaries (collectively referred to as the "Group") continue to strive forward with the vigour and tenacity that has consistently produced value to its stockholders as well as the wider cross-section of stakeholders. The Board believes that a robust and dynamic corporate governance framework is essential to provide a solid foundation for effective and responsible decision-making in OHB.

OHB's key approach to a robust and dynamic corporate governance framework is to:

- have the appropriate people, processes and structures to direct and manage the business and affairs of the Group;
- promote the long-term sustainability of the Company by identifying business opportunities whilst equally being cognisant of the associated risks; and
- drive the application of good corporate governance practices through the alignment of the interests of stakeholders and Board as well as Management.

In its effort to promote meaningful and thoughtful application of good governance practices, the Board regularly reviews the Company's corporate governance policies and procedures to ensure they reflect the latest curation of thoughts, market dynamics and best practices whilst simultaneously addressing the needs of the Group.

SUMMARY OF CORPORATE GOVERNANCE PRACTICES

OHB has applied all of the Practices encapsulated in the MCCG for the financial year ended 31 December 2021, save for:

- Practice 1.4 (participation of Chairman of the Board in Audit Committee meetings);
- Practice 5.2 (having majority Independent Directors on the Board);
- Practice 5.3 (seeking annual stockholders' approval through a two-tier voting process to retain an Independent Director beyond nine years);
- Practice 12.2 (the adoption of Integrated Reporting);
- Practice 13.1 (issuance of Notice of Annual General Meeting ("AGM") at least 28 days prior to the meeting); and
- Practice 13.6 (circulation of minutes of general meeting to stockholders).

CORPORATE GOVERNANCE OVERVIEW STATEMENT

SUMMARY OF CORPORATE GOVERNANCE PRACTICES (cont'd)

In relation to the aforementioned departed Practices, the Company has provided explanations for their non-application. The explanations are augmented with an articulation of alternative practices that has been adopted by the Board, taking into account the Intended Outcomes envisioned by the said Practices of MCCG. The details on how OHB has applied the Practices are available in the Corporate Governance Report.

OHB's corporate governance practices are made with reference to the three Principles of MCCG as outlined below:

Principle A		Principle B		Principle C
Board Leadership and Effectiveness	+	Effective Audit and Risk Management	+	Integrity in corporate reporting and meaningful relationship with stakeholders

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

I: Board responsibilities

As stewards of the Company, the Board is primarily responsible for directing and providing leadership for the overall strategic direction of the Group. The Board is focused on delivering on the long-term stockholder value whilst equally taking into account the interest of the wider stakeholder groups. By maintaining high standards of transparency, accountability and integrity in its conduct, the Board ensures that it meets its obligation to the Company's stakeholders.

The Board recognises that there should be a harmonious synergy between corporate pursuits and social obligations. Accordingly, the Board has renewed its commitment in driving corporate social responsibility and sustainable development efforts by embedding environmental, economic and social considerations into the formulation of the Company's long-term strategy.

The respective positions of the Chairman of the Board and Group Managing Directors of OHB are held by different individuals. Datuk Loh Kian Chong leads the Board as its Chairman whilst Dato' Robert Wong Lum Kong, DSSA, JP, CMJA (UK) and Dato' Seri Lim Su Tong manage the day-to-day business activities and affairs of the Group as joint Group Managing Directors.

To assist in its oversight function on specific matters, the Board has established and delegated its authority to several Board Committees, namely, the Executive Committee ("EXCO"), Audit Committee ("AC"), Remuneration Committee ("RC"), Nominating Committee ("NC") and Risk Management Committee ("RMC"). The Committees are guided by their respective Terms of Reference ("TOR") as approved by the Board and report to the Board on the key matters deliberated during the respective Committee meetings. Notwithstanding that, the Board adheres to the principle "delegate, not abdicate" and thus, has exercised collective oversight on the Board Committees at all times and retains the authority and responsibility to make decisions for the Group.

The EXCO, which comprises the five Executive Directors on the Board, oversees the implementation of Board decisions and policies at Management level. During the year under review, the EXCO has approved the Group annual budget as well as the budget for all segments. The Performance Coordinating Team ("PCT") of each segments report to the EXCO in relation to the performance and Key Performance Indicators on a quarterly basis. The EXCO reports the findings and make subsequent recommendations to the Board.

The AC assists and supports the Board to oversee the Group's processes for preparation of financial information, its internal control system and independence of the Group's external and internal auditors.

The RC is primarily responsible for recommending to the Board the remuneration of Executive Directors, drawing from outside advice, if necessary.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

I: Board responsibilities (cont'd)

The NC oversees the nomination and election of new Directors, the conduct of Directors' assessment and the facilitation of Directors' induction, training and succession programmes.

The RMC is tasked for reviewing and recommending risk management policies and strategies for the Group. It assists the Board to fulfil its oversight responsibility on risk management to manage the overall risk exposure of the Group.

During the financial year under review, the Board has met regularly to deliberate on matters under their purview. All Directors have devoted adequate time to prepare, attend and actively participate during Board and/or Board Committee meetings. Details of Directors' meeting attendance are outlined below.

Director	Board	AC	EXCO	RMC	RC	NC
Datuk Loh Kian Chong *Executive Chairman*	5/5		7/7	2/2		
Dato' Robert Wong Lum Kong, DSSA, JP, CMJA (UK) *Group Managing Director*	5/5		7/7	2/2		
Dato' Seri Lim Su Tong *Group Managing Director*	5/5		7/7	2/2		
Ms. Tan Kheng Hwee *Executive Director*	5/5		7/7	1/2[1]		
Dato' Sri Datuk Wira Tan Hui Jing *Executive Director*	5/5		7/7	2/2		
Dato' Ghazi Bin Ishak *Senior Independent Non-Executive Director* *(Demised on 13 August 2021)*	3/3	4/4			1/1	1/1
Ms. Mary Geraldine Phipps *Independent Non-Executive Director*	6/6	7/7		2/2	1/1	2/2
Mr. Lee Kean Teong *Independent Non-Executive Director*	6/6	7/7			1/1	2/2
Pn. Sharifah Intan Binti S. M. Aidid *Non-Independent Non-Executive Director*	6/6	7/7			1/1	2/2
Mr. Yoshitaka Nakamura *Non-Independent Non-Executive Director* *(Resigned on 31 December 2021)*	6/6					
Pn. Nazriah Binti Shaik Alawdin *Independent Non-Executive Director* *(Appointed on 11 November 2021)*	2/2	2/2			NA	NA

Chairman   Member

Note:
[1] Ms. Tan Kheng Hwee was absent on 22 November 2021.

The Board has unrestricted access to the services of two competent and suitably qualified Company Secretaries, who fulfil the requirements set out in Section 235(2) of Companies Act 2016. The Company Secretaries regularly apprise the Board on the latest regulatory developments relating to corporate governance and assist the Board in interpreting and applying pertinent corporate governance promulgations.

Meeting materials are circulated to Directors at least seven (7) calendar days prior to Board or Board Committee meetings in order to accord Directors with sufficient time to review the materials and prepare for the meeting(s). The minutes of meetings reflect the decisions made by the Board, including the key deliberations, rationale of each decision and any significant concerns or dissenting views voiced out by Directors. The minutes additionally indicate whether any Director abstained from deliberating and voting on specific matters.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

I: Board responsibilities (cont'd)

The Board has formalised a Board Charter which serves as a guiding literature that governs the conduct of the Board, Board Committees and individual Directors in the discharge of their responsibilities to the Company.

Following the recent amendments to the Malaysian Anti-Corruption Commission ("MACC") Act 2009 in imposing corporate liability, the Company has also taken proactive actions to equip the Directors with better understanding of their liability and the impact of the new Section 17A of MACC Act 2009 (Amendment 2018), as well as putting adequate procedures in place to prevent occurrences of bribery and corruption. This includes the establishment of an Anti-Bribery and Corruption Policy that outlines OHB's commitment towards ethical business practices. OHB adopts a zero-tolerance approach towards corruption and bribery, and OHB is committed to carry out all of its business practices with transparency, accountability and integrity.

The Board Charter stipulates the responsibility of the Board in ensuring the Company's sustainability strategies, priorities, and targets, as well as performance against these targets are communicated to its internal and external stakeholders. The Board has formalised a Sustainability Policy which focused on three key areas – Environment, Social and Governance (ESG). The Board is supported with regular updates on sustainability issues and requirements and is mindful of the capacity and competency required in addressing ESG issues.

The summarised version of the Board Charter, Anti-Bribery and Corruption Policy, Sustainability Policy and Fit & Proper Policy are made available on the Company's website at **www.ohb.com.my**.

II: Board composition

To support the Company's vision of achieving sustainable growth and enhancing stockholders' value, it is especially imperative for the Board to have an appropriate mix of skills, qualifications, attributes and experience. The Board presently comprises five (5) Executive Directors, three (3) Independent Non-Executive Directors and two (2) Non-Independent Non-Executive Directors. The Board, through the NC, periodically reviews its composition to ensure it is aligned to the needs and strategic direction of the Group. The combined skills and expertise of the Directors provide a breadth and depth of perspectives and unique insights that can refine the decision-making process of the Board in pertinent areas. The Board has also appointed Mr. Mitsuharu Funase as the Non-Independent Non-Executive Director on 1 January 2022 following the resignation of Mr. Yoshitaka Nakamura.

The presence of the Non-Executive Directors contributes the element of objectivity to the Board's decision-making process as they are able to constructively challenge and probe Management's proposal for the Group's strategies. Each of the Executive Director is in charge of different segments and bring diverse skill sets and experiences to the Board. The Executive Directors are accountable to the Board for the achievement of the Group's goals and objectives as well as observance of Management's authority limits. The Non-Executive Directors provide the relevant check and balance mechanism within the Group's governance structure. They additionally serve as conduits between stakeholders and Management by taking into account feedback received from stakeholders during Board discussions.

The NC, chaired by Ms. Mary Geraldine Phipps who is an Independent Non-Executive Director, comprises wholly Non-Executive Directors, with a majority being Independent. The NC was formed by the Board with specific TOR to recommend to the Board the candidature of Directors (if any), oversee assessment of the Board, Board Committees as well as individual Directors, appoint Directors to Board Committees and review the Board's succession plans as well as training programmes.

The NC is responsible to review and assess the Board and Key Senior Management's composition and skills mix and make recommendations on the appointment of new Directors and Key Senior Management (where relevant).

As a future priority for the Board, the NC will continue assessing the objectivity of the Board whilst keeping a close watch on any indication of entrenchment.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

II: Board composition (cont'd)

The NC undertakes the responsibility of sourcing for suitable candidates for directorships and Key Senior Management positions and make subsequent recommendations to the Board on the appointment of new Directors and Key Senior Management personnel, where needed. The NC will leverage on various sources to cast the net on a wider pool of candidates. This includes Directors' network, referrals from Management and/or stockholders as well as independent sources such as Directors' registry, open advertisements and independent search firms. The Board, through the NC, ensures that the recruitment and selection process for the Directors and Key Senior Management are appropriately structured so as to ensure a diverse range of candidates are considered and that there are no conscious or unconscious biases against certain candidates. With regards to appointments to the Board, the NC is guided by the Board Diversity Policy which sets out the approach to ensure diversity in the boardroom. The Board Diversity Policy outlines the following:

- Identifying and creating the right balance of skills and industry experience, background and gender of Directors;
- Retaining Directors based on performance and merit, in the context of skills, time commitment and experience, in order for the Board to be effective;
- Providing a safe and healthy environment for the views of Board members to be heard, their concerns attended to and where, bias, discrimination and harassment on any matter are not tolerated; and
- Reviewing and assessing the Board and Key Senior Management's composition and mix and make recommendations on the appointment of new Directors and Key Senior Management.

In line with the policy pronouncement by the government to have at least 30% women representation on the boards of public listed companies, the Board of OHB comprised 40% women Directors (i.e. four out of ten Directors are women). In respect of the workforce diversity, female employees make up 24% of the total workforce of the Group.

On an annual basis, the Board, Board Committees and individual Directors including Independent Directors are subjected to a comprehensive evaluation process that reviews their performance and assesses their effectiveness during the year. The assessment is administered using questionnaires that incorporate a range of criteria including Board composition, skills and competencies, meeting conduct and administration as well as self and peer evaluation model. Whilst the Board evaluation exercise was carried out in-house, the results were compiled by an independent third party so as to elevate the objectivity and rigour of the assessment process. Additionally, anonymity is maintained when feedback from individual Directors are discussed with the Chairman of the NC and the Board as a whole.

The Board has formalised a policy that restricts the cumulative (consecutive or intermittent) tenure of Independent Directors to nine (9) years. Independent Directors may continue to serve on the Board beyond the 9-year tenure in the capacity of a Non-Independent Non-Executive Director. In the event that the Board intends to retain the Director as Independent after the latter has served a cumulative term of nine (9) years, the Board shall justify the decision and seek stockholders' approval at general meeting. In justifying the decision, the NC is entrusted to assess the candidate's suitability to continue as an Independent Non-Executive Director based on the criteria of independence.

Following the assessment and deliberations by the NC and the Board, as a whole, the Board has decided to recommend Ms. Mary Geraldine Phipps to continue to act as Independent Non-Executive Director although tenure have exceeded nine (9) years by 31 December 2021. The Board has obtained stockholders' approval to retain Ms. Mary Geraldine Phipps as the Independent Non- Executive Director beyond the 9-year tenure at the 59th AGM. Key justifications for their recommended retention as an Independent Non-Executive Director are as follows:

- fulfils the criteria under the definition on Independent Director as stated in the Main Market Listing Requirements of Bursa Malaysia and, therefore, is free from any relationship and able to bring independent and objective judgment to the Board;

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

II: Board composition (cont'd)

- has proven business insight, academic qualifications, professional and entrepreneurial experience to enable her to share her valuable experience, skills and expertise with the Board;
- has been with the Company long and therefore understands and have detailed knowledge of the Company's business operations, internal controls and risk profile which enables her to contribute actively and effectively during deliberations or discussions at Board meetings;
- contributed sufficient time and efforts in attending the Board meetings;
- actively participated in Board deliberations, provided objectivity in decision making and possesses sufficient self-esteem and confidence to stand up with an independent voice to the Board; and
- exercised due care during her tenure as Independent Non-Executive Director of the Company and carried out her professional duties in the best interest of the Company and stakeholders.

Based on the annual Board performance assessment carried out, the Board is satisfied with the current Board composition and believes the decisions were made objectively in the best interests of the Company, taking into account diverse perspectives and insights. The Board is satisfied with the effectiveness of the Board, Board Committees and individual Directors, based on the mix and composition of the Board members which comprises wide skill set and range of experiences.

During the year under review, all Directors had attended relevant trainings in order to upskill themselves and keep themselves abreast of the latest market developments relevant to the growth and performance of the Group. Trainings attended by the Directors during the year are as below:

Directors	Details of Training Programme
Datuk Loh Kian Chong	• Malaysian Code on Corporate Governance • MIA Webinar Series: Share Buy-Back, and Dealings In Listed Securities, Closed Period and Insider Trading • Training on the Malaysian Code on Corporate Governance (updated 2021) • Webinar on Conflict of Interest and Related Party Transactions • Prevention and Control of COVID-19 Pandemic
Dato' Robert Wong Lum Kong, DSSA, JP, CMJA (UK)	• Board Dynamics - What are the Key Governance Reporting & Compliance Requirements • Malaysian Code on Corporate Governance • Training on the Malaysian Code on Corporate Governance (updated 2021) • Webinar on Conflict of Interest and Related Party Transactions • Prevention and Control of COVID-19 Pandemic
Dato' Seri Lim Su Tong	• Malaysian Code on Corporate Governance • Training on the Malaysian Code on Corporate Governance (updated 2021) • Webinar on Conflict of Interest and Related Party Transactions
Ms. Tan Kheng Hwee	• Malaysian Code on Corporate Governance • Training on the Malaysian Code on Corporate Governance (updated 2021) • Webinar on Conflict of Interest and Related Party Transactions
Dato' Sri Datuk Wira Tan Hui Jing	• Malaysian Code on Corporate Governance • MIA Webinar Series: Pre & Post IPO Rules and Key Updates to Listing Requirements • Training on the Malaysian Code on Corporate Governance (updated 2021) • Webinar on Conflict of Interest and Related Party Transactions
Ms. Mary Geraldine Phipps	• Managing Human Rights: Why is it important to corporations • SVDP. Tax Audits & Investigations: What you need to know - Dialogue with CEO of IRB • Malaysian Code on Corporate Governance • Training on the Malaysian Code on Corporate Governance (updated 2021) • Webinar on Conflict of Interest and Related Party Transactions • US Forced Labour Legislation: Impact on Corporate Malaysia • OECD/G20 Inclusive framework - BEPS 2.0 Implementation Plan

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

II: Board composition (cont'd)

Directors	Details of Training Programme
Mr. Lee Kean Teong	• Fundamental of Corporate Governance • The Malaysian Code on Corporate Governance - Updated April 2021 • Malaysian Code on Corporate Governance • Training on the Malaysian Code on Corporate Governance (updated 2021) • Webinar on Conflict of Interest and Related Party Transactions • Prevention and Control of COVID-19 Pandemic • Global Summit of Integrated Reporting Communities • KPMG Asia Pacific Board of Leadership & Assurance Summit 2021 • KPMG Tax and Business Summit 2021 • 2021 MFRS Updates
Pn. Sharifah Intan Binti S. M. Aidid	• Malaysian Code on Corporate Governance • Training on the Malaysian Code on Corporate Governance (updated 2021) • Webinar on Conflict of Interest and Related Party Transactions
Pn. Nazriah Binti Shaik Alawdin (Appointed on 11 November 2021)	• SMART Capability Building Workshop - Strengthening Your Global Competitive Position with HTF – NIA • Director Proficiency : Financial Oversight • MIA : Virtual Conference Series : Islamic Finance Conference 2021
Yoshitaka Nakamura (Resigned on 31 December 2021)	• Malaysian Code on Corporate Governance • Webinar on Conflict of Interest and Related Party Transactions
Datin Loh Ean (Alternate Director to Dato' Robert Wong Lum Kong, DSSA, JP, CMJA (UK))	• Board Dynamics - What are the Key Governance Reporting & Compliance Requirements • Malaysian Code on Corporate Governance
Dato' Ghazi Bin Ishak (Demised on 13 August 2021)	• Malaysian Code on Corporate Governance

III: Remuneration

The Board recognises that a fair remuneration package is an important component to attract, retain and motivate Directors, both executive and non-executive. In this regard, the Board has formalised a Directors' Remuneration Policy to guide the RC in determining the remuneration of Directors. For the Executive Directors, the component parts of their remuneration are structured so as to link rewards to the individual and Group's performance. For Non-Executive Directors, the remuneration packages reflect their experience, time commitment, scope of responsibilities and contribution to the effective functioning of the Board.

During the financial year under review, the RC has reviewed and recommended to the Board the remuneration package for Executive Directors of the Company. The Board as a whole has deliberated on and subsequently decided on the remuneration package for Non-Executive Directors. The Directors concerned abstained from deciding and voting on their individual remuneration. The Board has agreed on the Directors' fees, other fees and allowances to be tabled for stockholders' approval during the forthcoming AGM.

Remuneration Package for Executive Directors / Key Senior Management [N1]
The remuneration of Executive Directors is structured to ensure the rewards are linked to their performance and contributions to the Group's growth and profitability in order to align the interest of the Directors with those of stockholders. The Committee also considered the extent of responsibilities undertaken by the individual Executive Director and their respective contribution to the effective functioning of the Board in arriving at their level of remuneration.

N1: The Executive Committee members, by virtue of their positions as Executive Directors of the Group, form part of the Key Senior Management of the Group that is primarily responsible for the business operations of OHB's core businesses and principal subsidiaries.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

III: Remuneration (cont'd)

Remuneration Package for Non-Executive Directors
As for Non-Executive Directors, their level of remuneration reflects the experience, time commitment and scope of responsibilities undertaken by the said Directors as well as the onerous challenges in discharging their fiduciary duties.

Fees
Effective from FY2018, Executive Director will be paid RM90,000 each and Non-Executive Director will be paid RM120,000 each. All Directors are also paid meeting fee for each meeting attended. In recognition of the additional time and commitment required, the Directors also received annual fee arising from their participation on various Board Committees. In addition, the payment of Directors' Fees and benefit payable to the Directors was tabled and approved at the 59th AGM.

The various fees for the Directors as approved by the Board is set out as follows:

Meeting attendance fees	**RM**
Board meeting fee	2,000
Audit Committee meeting fee	1,000
Remuneration, Nominating and Risk Management Committees meeting fee (per Committee meeting)	500

Chairman and Board Committee fee	**Chairman**	**Members**
Chairman of the Board	200,000	-
Audit Committee	40,000	15,000
Remuneration, Nominating and Risk Management Committees (per Committee)	15,000	8,000

Details of remuneration of Directors of the Company for the financial year ended 31 December 2021 are provided in the Corporate Governance Report.

The Director's Remuneration Policy and the TOR of the RC, which address the roles and responsibility as well as matters reserved of the Committee are formalised in Board Charter and is made available on the Company's website.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

I: Audit Committee

The Board has established an AC to provide a robust and comprehensive oversight on the financial matters as well as the External and Internal Audit processes of the Group. The AC is chaired by Ms. Mary Geraldine Phipps, an Independent Non-Executive Director who is distinct from the Chairman of the Board. The composition of the AC allows it to possess the financial literacy that are required to have a sound understanding of the financial matters of the Company and of the Group.

The AC has unfettered access to both the Internal and External Auditors, who, in turn report directly to the AC. The Board has established a formal and transparent arrangements to maintain an appropriate relationship with the External Auditor. This includes adopting policies and procedures to assess the suitability and independence of the External Auditors on an annual basis and implementing a mandatory three-year cooling off period for former partner of external audit firm before being appointed as a Director or employee of the Company. Additionally, the AC has formalised the policy and procedures on the nature of non-audit services that may be provided by External Auditor.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (cont'd)

I: Audit Committee (cont'd)

During the year under review, the Board has received confirmation from its External Auditor that its personnel are and have been independent throughout the conduct of audit engagement in accordance with the terms of relevant professional and regulatory requirements.

Based on the outcome of Director performance assessment conducted, the Board is satisfied with the AC's performance as its Chairman and members are able to understand matters under the purview of the AC including the financial reporting process. All members of the AC attended relevant trainings in order to upskill themselves and keep themselves abreast of the latest market developments relevant to the growth and performance of the Group.

II: Risk Management and Internal Control Framework

The Board, through the RMC, has established the risk management and internal control framework for the Group and respective segments which facilitates the identification, evaluation and continuous monitoring of key business risks. The Heads of segments within the Group undertake the responsibility of managing the identified risks by implementing appropriate mitigating measures and providing periodic reports to the Corporate Office and the RMC. The RMC has received updated Group risk compilation for the financial year ended 2021. Top 8 risks were identified with Management controls, Key Risk Indicators ("KRI") and action plan put in place to manage the risks.

The Group has established an in-house Internal Audit function which provides the Board, through the AC, with independent assurance on the efficiency and effectiveness of governance, risk management and internal control systems. The Internal Audit function will perform root cause analysis and recommend action plans to improve on areas where control deficiencies are identified during the field audits. The AC assesses the performance of Internal Audit function on an annual basis to ensure the Internal Auditors have performed effectively and acted independently in undertaking the Internal Audit process. The Internal Audit Department adheres to a globally recognised framework, namely International Professional Practices Framework ("IPPF") as promulgated by the Institution of Internal Auditors. All eight (8) Internal Audit personnel, including the Head of Internal Audit, are free from any relationships or conflicts of interest, which could impair their objectivity and independence, as disclosed in the Audit Committee Report.

The Board has also received written assurances from Executive Chairman, Executive Directors and Group Chief Financial Officer on the adequacy and effectiveness of the Group's risk management and internal control system in all material aspects. The details of the Risk Management and Internal Control Framework are set out in the Statement on Risk Management and Internal Control of this Annual Report.

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

I: Communication with Stakeholders

The Board recognises the importance of fostering a transparent, active and constructive communication with its stakeholders. Towards this end, the Board has formalised a Corporate Disclosure and Communication Policy to govern the dissemination of information to stakeholders. Amongst others, the policy covers the procedures on publications of reports, conduct of events such as analyst and investors' engagement sessions, procedures on responding to market rumours, confidential information and leakage of private information. Additionally, a summary of the key matters discussed during AGMs are also disclosed on its website.

The Group Chief Financial Officer serves as the primary contact person for inquiries from analysts and investors. In addition to the contact information of the Group Chief Financial Officer, OHB's investor relations' email address **ir@ohb.com.my** is also provided on the website to increase accessibility of information for stakeholders, including potential investors.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (cont'd)

I: Communication with Stakeholders (cont'd)

Whilst OHB has yet to adopt Integrated Reporting regime, the Board is of the view that the existing Annual Report provides a holistic view of the Group's performance as it covers key non-financial information in the form of Management Discussion and Analysis, Audit Committee Report and Statement on Risk Management and Internal Control, to complement the financial information. Additionally, the Company has, as in the previous year, produced a Sustainability Report to augment the Annual Report. The Annual Report and Sustainability Report have both adopted certain elements of an integrated report such as the organisation overview, outlook and external environment, governance policies, performance and the basis of preparation and presentation.

These developments signal a significant step forward and has positioned the Company on a solid footing to adopt Integrated Reporting. Moving forward, the Board would like to allow an advocacy period for the awareness of Integrated Reporting to be better appreciated by Management personnel before it is adopted.

II: Conduct of General Meetings

The AGM forms the principal avenue for a productive two-way dialogue between the Company and its stockholders. The questions and answers ("Q&A") session conducted during the AGM allows stockholders to assess the Group by posing questions to the Board and Key Senior Management on the information disclosed in the Annual Report. During the AGM, stockholders are encouraged to participate in the deliberation on the resolutions being tabled as well as on the Group's operations and business performance in general.

The notice of 59th AGM was circulated at least twenty-one (21) days prior to the date of the meeting to enable stockholders to make adequate preparation. The notice for AGM outlines the resolutions to be tabled during the meeting and is accompanied with explanatory notes and background information where applicable.

All the resolutions set out in the Notice of the 59th AGM were put to vote by poll and the voting was conducted through online remote voting via a Remote Participation and Voting ("RPV") Facilities via online meeting platform. This was done as a precautionary measure amid COVID-19 pandemic and is in line with the Guidance Note and FAQs on Conduct of General Meetings for Listed Issuers issued by the Securities Commission Malaysia on 18 April 2020. The outcome of the AGM was announced to Bursa Malaysia on the same day.

All Directors attended the 59th AGM on 27 October 2021. The Group Chief Financial Officer presented an overview of the Group's performance for 2020 and impact of pandemic on 2021 outlook and shared the responses to questions submitted in advance by the Minority Shareholders Watch Group and other stockholders. The Executive Chairman, Executive Directors and Group Chief Financial Officer were responsible for answering the questions relating to business operations raised by stockholders.

Extract on key discussion matters were published on OHB's website. The key discussion matters summarise the Q&A posed by the stockholders, and their respective responses.

This CG Overview Statement was approved by the Board of Directors of OHB on 14 April 2022.

OTHER INFORMATION AND DISCLOSURE

I. NON-AUDIT FEES

Non-audit fees amounting to RM535,000 for the Group and RM119,000 for the Company were paid to the External Auditors of the Company for the financial year ended 31 December 2021 mainly for the services in connection with the Group risk compilation and annual tax compliances.

II. LOAN CONTRACTS INVOLVING INTEREST OF RELATED PARTY

(a) Loan contract of USD1.5 million dated January 1, 2013 between the Company ("OHB") and Oriental Boon Siew (Mauritius) Pte. Ltd. ("OBSM"). The loan has been fully settled in February 2022;

(b) Total USD17.3 million in loan contracts of USD6 million, USD3.3 million, USD2 million, USD1 million, USD1 million and USD4 million dated December 28, 2018, December 11, 2019, March 18, 2020, September 18, 2020, December 18, 2020 and September 24, 2021 respectively between OBS (Singapore) Pte. Ltd. ("OBSS") and PT Sumatera Sawit Lestari ("SSL");

(c) Total RM91.5 million loan contract of RM38 million, RM20 million, RM20 million, RM9 million, RM4.5 million dated January 11, 2013, March 19, 2014, September 3, 2014, March 1, 2019 and July 19, 2019 respectively between OHB and Armstrong Auto Parts Sdn Berhad ("AAP"); and

(d) Total RM99.9 million loan contract of RM25 million, RM25 million, RM10 million, RM5 million, RM3 million, RM6 million, RM6 million, RM6 million, RM6 million, RM2 million and RM5.9 million dated September 15, 2014, January 6, 2015, July 1, 2015, September 15, 2015, December 15, 2015, March 1, 2016, June 1, 2016, September 9, 2016, December 1, 2016, July 5, 2017 and August 1, 2017 respectively between OHB and Melaka Straits Medical Centre Sdn Bhd ("MSMC").

OBSS is a wholly owned subsidiary of OBSM. OBSM is a company 50.5% and 49.5% owned by OHB and the substantial stockholder, Boon Siew Sdn Bhd respectively.

Meanwhile, the sub-subsidiary, namely SSL in Indonesia is 90% owned by OBSS, which in turn is 45.5% owned by OHB.

AAP and MSMC is a 94.79% and 51.7% owned subsidiary by OHB respectively.

	Loan From OHB to OBSM
Purpose	For working capital
Interest rate	USD London Interbank Offered Rate (LIBOR) + 2.0% per annum
Term as to payment of interest	Payable at end of tenor (1,2, 3 or 6 months) or quarterly (tenor more than 3 months) whichever applicable
Repayment of principal	On demand
Security	Unsecured

	Loan From OBSS to SSL
Purpose	For working capital
Interest rate	USD LIBOR + 4.0% per annum
Term as to payment of interest	Payable at end of tenor (1,2 or 3 months) or quarterly (tenor more than 3 months) whichever applicable
Repayment of principal	On demand
Security	Unsecured

OTHER INFORMATION AND DISCLOSURE

II. LOAN CONTRACTS INVOLVING INTEREST OF RELATED PARTY (cont'd)

	Loan From OHB to AAP
Purpose	For working capital and restructuring
Interest rate	KL Interbank Offered Rate (KLIBOR) + 0.50% per annum
Term as to payment of interest	Payable monthly
Repayment of principal	On demand
Security	Unsecured

	Loan From OHB to MSMC
Purpose	For working capital
Interest rate	KLIBOR + 1.00% per annum
Term as to payment of interest	Payable monthly
Repayment of principal	On demand
Security	Unsecured

III. MATERIAL CONTRACTS

Material contracts of the Company and its subsidiaries involving Directors and major stockholders either subsisting at the end of the financial year or entered into since the end of the previous financial year are as disclosed above.

IV. RECURRENT RELATED PARTY TRANSACTIONS

At the Annual General Meeting held on 27 October 2021, the Company obtained a stockholders' Mandate to allow the Group to enter into recurrent related party transactions of a revenue or trading nature.

In accordance with Section 3.1.5 of Practice Note 12 of the Bursa Malaysia Securities Berhad Listing Requirements, the details of recurrent related party transactions conducted during the financial year ended 31 December 2021 pursuant to the Stockholders' Mandate are disclosed as follow:-

(a) Transactions between OHB Group and Boon Siew Sdn Bhd Group which involve the interests of major stockholder of OHB, Boon Siew Sdn Bhd and its Group

	RM' 000
New cars, spare parts and car services	525
Quarry products and red earth	269
Office rental expenses	1,194
Plant rental	35
Provision of sales, corporate advertising and marketing of hotel	997
Management, technical and advisory services	11,481
Finance lease	237
Nursing course sponsorship	488
Medical supplies	1,753
Shop lot rental	67

OTHER INFORMATION AND DISCLOSURE

IV. RECURRENT RELATED PARTY TRANSACTIONS (cont'd)

(b) Transactions between OHB Group which involve the interests of Dato' Syed Mohamad Bin Syed Murtaza and family and their interests

	RM' 000
Factory and land rental	1,750
Motorcycle spokes, nipples, control cables, shock absorbers, raw materials and motorcycle parts	2,311
Plastic components for motorcycles	436

(c) Transactions between OHB Group and Karli Boenjamin and his interest

	RM' 000
Fresh fruit bunches	31,442
Contractor for land clearing	2,322

(d) Transaction between OHB Group and Datuk Loh Kian Chong and his interests

	RM' 000
Building materials	3

(e) Transactions between OHB Group and Teck See Plastic Sdn. Bhd. and its interests

	RM' 000
Prototype of plastic parts, jigs	1,532
Plastic parts	13,631

(f) Transactions between OHB Group and Teck See Plastic Sdn. Bhd. and Kasai Kogyo Co., Ltd. and their interests

	RM' 000
New molds, mold repairs	4,776
Plastic parts	8,672

AUDIT COMMITTEE REPORT

MEMBERSHIP

The present members of the Audit Committee (the "Committee") of Oriental Holdings Berhad ("OHB" or "the Company") comprise:

Name of member	Position
Ms. Mary Geraldine Phipps	Chairman, Independent Non-Executive Director
Mr. Lee Kean Teong	Independent Non-Executive Director
Pn. Nazriah Binti Shaik Alawdin	Independent Non-Executive Director
Pn. Sharifah Intan Binti S.M. Aidid	Non-Independent Non-Executive Director

Ms. Mary Geraldine Phipps and Mr. Lee Kean Teong are members of the Malaysian Institute of Accountants and this is in line with Paragraph 15.09 (i) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad which prescribes that at least one member of the Committee must be a member of the Malaysian Institute of Accountants.

TERMS OF REFERENCE

The Committee was established to act as a Committee of the Board of Directors, with terms of reference as set out under Terms of Reference of the Audit Committee which is published on the corporate website.

MEETINGS

The Committee convened seven (7) meetings during the financial year ended 31 December 2021. Details of the attendance of members are as follows:

Name of member	Attendance
Ms. Mary Geraldine Phipps	7/7
Mr. Lee Kean Teong	7/7
Pn. Nazriah Binti Shaik Alawdin (Appointed on 11 November 2021)	2/2
Pn. Sharifah Intan Binti S.M. Aidid	7/7
Dato' Ghazi Bin Ishak (Demised on 13 August 2021)	4/4

The meetings were appropriately structured through the use of agendas, which were distributed to members with sufficient notice of at least seven (7) days prior to the meeting.

The Company Secretaries were present by invitation at all meetings. Representatives of the External Auditors and the Head of Internal Audit also attended the meetings upon invitation.

TRAINING AND CONTINUOUS ENGAGEMENT

Members of the Committee have attended relevant training seminars and programmes to enhance their competency in fulfilling their functions and duties more effectively. The details of training attended by each member are set out under Corporate Governance Overview Statement in this Annual Report.

During the financial year, the Committee Chairman engaged with Senior Management, Internal and External Auditors by way of telephone conversations and attending ad-hoc meetings, in order to be kept informed of matters affecting the Group. Through such engagements, relevant issues were brought to the attention of the Committee in a timely manner.

AUDIT COMMITTEE REPORT

SUMMARY OF WORK DURING THE FINANCIAL YEAR

The Committee carried out its duties in accordance with its terms of reference during the financial year which adopts the Principles and Recommendations promulgated by the Malaysian Code on Corporate Governance. The main work undertaken by the Committee to ensure that they are able to discharge their responsibilities during the year were as follows:

General

- Reviewed the Company's compliance with the Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities") and other relevant legal and regulatory requirements;

- Reviewed the Committee's Terms of Reference to include matters pertaining to oversight of ethics and integrity in line with the newly reposed section 17A of the Malaysian Anti-Corruption Commission ("MACC") Act 2009 (Amendment 2018);

- Considered major findings of whistleblowing reports, internal investigations and Management's response;

- Reviewed pertinent issues of the Group which had a significant impact on the results of the Group;

Financial Reporting

- Reviewed the audited financial statements of the Company and of the Group, before submission to the Board for its consideration and approval. The review was to ensure that the audited financial statements were drawn up in accordance with the provisions of the Companies Act 2016 and the applicable approved accounting standards adopted by the Malaysian Accounting Standards Board. The External Auditors would clarify issues that required the Committee's attention as well as areas of concern which the Committee should be aware of before the financial statements were approved. This includes financial reporting issues, key audit areas, significant judgements made by Management, significant and unusual events or transactions, and how these matters are addressed;

- Reviewed the quarterly unaudited financial results, year-end financial statements and announcements before recommending them for the Board's approval. This includes enquiries on material fluctuations noted in the financial results as well as any major changes in the financial position of the Group;

Internal Audit

- Reviewed the Internal Audit Department's ("IAD") audit plan for the financial year under review to ensure adequate scope and comprehensive coverage of the activities of the Group (OHB and subsidiaries, collectively). This includes a review of the planned audit assignments, scope of review and the risk areas selected for review. Active discussions were held together with the head of IAD as well as the Group's Chief Financial Officer on the extent and scope of review to ensure that all the top Group risks are included in the internal audit plan;

- Reviewed the effectiveness of the audit process, resource requirements for the year and assessed the performance of IAD against the international practices framework for internal auditing;

- Reviewed the Internal Audit reports, which highlighted the audit issues and Management's response. Where relevant, the Committee directed Management to present its status report on the management action plans to the Committee directly. In certain instances, Management was asked to be physically present to answer queries that were posed directly by the Committee. Where issues of significance arise, the Committee would bring it up to the full Board for clarification and resolution;

- Reviewed and approved the IAD's Operating Budget;

- Reviewed and assessed the performance of Internal Auditors which covered Internal Auditor Charter and Structure, skills and experience, training and training policy and endorsed their annual increment. The Audit Committee would communicate with Executive Directors and Management when necessary;

AUDIT COMMITTEE REPORT

SUMMARY OF WORK DURING THE FINANCIAL YEAR (cont'd)

External Audit

- Reviewed the External Auditors' scope of work and audit plan for the year. Prior to the audit, representatives of the External Auditors presented their audit strategy and plan for the Audit Committee's deliberations. The Audit Committee sought further clarification on the scope, selected risk areas as well as the planned audit approach and coverage by the External Auditors before giving their approval. Sometimes, the Audit Committee would also give their input to the External Auditors on other areas which they are concerned about;

- Reviewed with the External Auditors the results of the audit, their evaluation of the system of internal controls, the audit report and the management letter. The Audit Committee had obtained clarification and confirmation on the results of the audit and areas of concern;

- Reviewed the independence, suitability and objectivity of the External Auditors and their services, including professional fees, so as to ensure a proper balance between objectivity and value for money;

- Met with the External Auditors twice (2) on 21 April 2021 and 23 November 2021 without the presence of any Executive Board members and Senior Management, to discuss issues and reservations arising from the interim and final audits, and other matters;

- Considered and recommended to the Board on the re-appointment of the External Auditors and the audit fees payable to the External Auditors for the Board's submission to stockholders for approval at the Annual General Meeting;

Related Party Transactions and Conflict of Interest

- Reviewed the recurrent related party transactions of revenue and trading nature and other related party transactions entered into by the Group to ensure that such transactions were undertaken on an arm's length basis and were in the best interest of OHB and recommended to the Board for approval.

INTERNAL AUDIT FUNCTION

The Group has an Internal Audit function that is independent from the operations and activities of the Group in order to maintain impartiality. The head of IAD reports directly to the Audit Committee which is responsible for the review and approval of the IAD's annual audit plan, financial budget and human resource requirements to ensure that the department is adequately resourced with competent and proficient Internal Auditors.

Mr. Choo Mun Yew ("Mr Choo") is the Head of Internal Audit of Oriental Holdings Berhad, a post he held since joining the Company in October 2001. Mr. Choo has been with the Company for a total of 20 years. Prior to joining the Company, Mr. Choo had a diverse experience in external and internal audit as well as accounting positions. He started his career with an international accounting firm for eight years and later a local banking institution for four years. Mr. Choo was also a member of an internal audit team responsible for the audit of Asia Pacific operations of a global multinational corporation prior to joining the Company. Mr. Choo is currently a member of Malaysian Institute of Accountants (MIA), Malaysian Institute of Certified Public Accountants (MICPA) as well as a chartered member of The Institute of Internal Auditors Malaysia.

The IAD is staffed by eight audit executives, including the Head of Internal Audit. Most of the IAD staff have professional qualifications and are members of The Institute of Internal Auditors Malaysia. All the internal audit personnel are free from any relationships or conflicts of interest which could impair their objectivity and independence. In addition, all new prospective internal auditors are personally screened by the Head of Internal Audit before they are accepted into the department.

AUDIT COMMITTEE REPORT

INTERNAL AUDIT FUNCTION (cont'd)

The principal role of the IAD is to undertake independent, regular and systematic reviews of the systems of internal control in order to provide reasonable assurance that such systems continue to operate satisfactorily and effectively. It is the responsibility of the IAD to provide the Board, through the Audit Committee, with independent assurance on the efficiency and effectiveness of governance, risk management and internal control systems of the various operating units within the Group and the extent of compliance of the units with the Group's established policies and procedures as well as relevant statutory requirements. The Internal Audit function will perform root cause analysis and recommend action plans to improve on areas where control deficiencies are identified during the field audits. The Head of Internal Audit is also actively involved in the risk management review process by attending the Company's Risk Management Committee meetings.

The IAD governs itself through adherence to International Professional Practices Framework promulgated by The Institute of Internal Auditors Malaysia. The mandatory guidance includes the Definition of Internal Auditing, Core Principles, the Code of Ethics, and the International Standards for the Professional Practice of Internal Auditing. This mandatory guidance constitutes principles of the fundamental requirements for the professional practice of internal auditing and for evaluating the effectiveness of the internal audit activity's performance.

The recommended guidance, i.e. Implementation Guidance and Supplemental Guidance is also being adhered to as applicable to guide operations. In addition, the internal audit activities also adhere to OHB's relevant policies and procedures.

The total costs incurred for the Internal Audit function at the Company and the Group levels for 2021 and 2020 are as follows:

	2021 RM '000	2020 RM '000
Group	1,586	1,921
Company	1,586	1,805

Further details of the activities of Internal Audit function are set out under the Statement on Risk Management and Internal Control in this Annual Report. Summary of work carried out by Internal Auditor during the year are as follows:-

- Performed a risk assessment of the business activities and functions for the whole Group at the beginning of the year;
- Aligned the risk assessments with the risks identified by the Group's risk assessment exercise to develop the audit universe and current year's audit risk map;
- Evaluated and assigned weightage to the risks identified and prioritized the risks according to significance and importance;
- Developed current year's audit plan in consideration of resources available to the IAD;
- Presented the audit plan to the Audit Committee for their consideration and approval;
- Carried out review of areas as outlined in annual audit plan to evaluate the adequacy of risk management, the strength and effectiveness of the internal controls including management information system, compliance to both internal and statutory requirements, governance and management efficiency, among others;
- Performed root cause analysis on all audit findings, after which appropriate recommendations are identified to address the weaknesses noted based on cost-benefit analysis for consideration by Management;

AUDIT COMMITTEE REPORT

INTERNAL AUDIT FUNCTION (cont'd)

- Presented the Internal Audit reports to the Audit Committee for deliberations during quarterly meetings, including the conclusion on the adequacy and operating effectiveness of governance, risk and control processes as a Group as well as the Management action plans;

- Performed follow up reviews and updated the Audit Committee on the status of action plans by Management to ensure that they are completed within the agreed timeframe;

- Performed reviews of recurrent related party transaction and other related party transactions entered into by the Group;

- Assisted the Audit Committee to investigate complaints of fraud and improprieties as reported via the Group's Whistleblowing channel; and

- Perform any other investigations or reviews as instructed by the Audit Committee from time to time.

During the year, the IAD issued and presented 10 Internal Audit reports to the Committee. All the audits were performed using alternative off-site approach where online video conferencing and other online tools were used to communicate with the auditees. Documents were either submitted online or scanned into pdf files for verification purposes. A major bulk of the IAD's review centered on the subsidiaries control measures in dealing with COVID-19 at the work place as well as vulnerability of supply chain management. The IAD has also focused their attention to areas of compliance and governance for the subsidiaries by reviewing the adoption and compliance with Group policies.

For the year under review, the IAD has not audited the overseas operations due to severe travel restrictions arising from COVID-19 pandemic. Other alternative auditing procedures have been considered but were not viable due to difficulties encountered by these operations as well. At the time of this report, the IAD is still exploring the possibility of outsourcing/co-sourcing reviews of foreign operations to address ever changing travel restrictions. Ultimately, the IAD would have to reach a decision based on cost consideration versus IAD's deliverables.

All Internal Audit reports were presented to the Audit Committee and Management was invited to attend the Audit Committee meetings to present their explanations and action plans to remedy weaknesses, if any and enhance controls. The Audit Committee actively follows up on the issues brought up in the reports to ensure satisfactory resolution on a timely basis. During the year, the Audit Committee received three cases of whistleblowing. All the complaints were duly investigated by IAD and acted upon by Audit Committee with recommendations to the Board where warranted. The privacy of complainants has been observed by the Company at all times.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

The Board of Directors ("Board") of Oriental Holdings Berhad ("OHB" or "the Company") is committed to maintain a sound risk management and internal control framework to safeguard the stockholders' investment as well as the Group's assets. The Board's Statement on Risk Management and Internal Control ("Statement") outlines the nature and scope of the Group's (OHB and subsidiaries, collectively) risk management and internal control during the financial year ended 31 December 2021 ("FY2021"). The Statement also takes into consideration the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers ("Guidelines"), a publication issued by Bursa Malaysia Securities Berhad ("Bursa Securities") on the issuance of a statement about the state of risk management and internal control pursuant to Paragraph 15.26(b) of the Main Market Listing Requirements of Bursa Securities.

BOARD'S RESPONSIBILITY

The Board affirms its overall responsibility for the Group in maintaining a sound system of risk management and internal control. This includes reviewing the adequacy and integrity of the system's financial, operational, regulatory compliance and risk management procedures. In view of the inherent limitations in any system, the Board ensures that the risk management and internal control framework is designed to manage the Group's key risk areas within an acceptable risk profile, rather than to eliminate the risk of non-adherence to achieve the Group's business and corporate objectives. The Board continually reviews the framework to ensure that the risk management and internal control framework provides a reasonable but not absolute assurance against the occurrence of any material misstatement of management and financial information and records, financial losses or fraud.

The Board has established an on-going process for identifying, evaluating and managing the relevant and material risk encountered by the Group. The Board, through its Audit Committee and Risk Management Committee ("RMC"), regularly reviews the results of this process, including risk mitigating measures taken by Management to address key risks identified. The Board confirms that this process has been in place for the financial year under review and up to the date of approval of this Statement for inclusion in the Annual Report of the Group.

The Audit Committee and Risk Management Committee are to assist the Board to oversee the management of all identified material risks including review of the adequacy and effectiveness of the Group's risk management and internal control system to ensure that appropriate measures are carried out by Management to obtain the level of assurance required by the Board. Excluded from this Statement are those associated companies in which the Group does not have control.

RISK MANAGEMENT

The Board has, through the RMC, established a Group risk management framework which is firmly embedded in all key processes. Management has the overall responsibility for ensuring that the day-to-day management of the Group's activities is consistent with its risk strategy, risk appetite and policies approved by the Board. In addition, key responsibilities of the Management are to identify, evaluate, monitor and report the risks and internal control as well as provide assurance to the Board that it has done so in accordance with the adopted framework.

The Board believes that the following features of the Group's risk management and internal control framework are integral to maintaining a sound system:-

- formalisation of Enterprise Risk Management ("ERM") framework with reference to global standards and better practices of ISO 31000 Risk Management Guidelines;
- establishment of the RMC with the responsibility of identifying key risks and communicating to the Board the present and potential risks, risk changes and mitigation plans;

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

RISK MANAGEMENT (cont'd)

- the appointment of a team of dedicated Risk Officers reporting to the RMC to coordinate ERM activities across the Group which includes supervising policy implementation, overseeing documentation at Group level, function as the central contact and provide guidance for ERM issues;

- identification of key risk indicators to monitor the risk and Management's deployment of internal controls to manage these risks; and

- articulation of the Group's risk appetite and parameters (qualitative and quantitative) for the Group and individual business units so as to gauge acceptability of risk exposure.

SUMMARY OF RISK MANAGEMENT ACTIVITIES DURING THE FINANCIAL YEAR

The Risk Management Committee carried out its duties in accordance with its term of reference during the financial year.

Highlights of the activities undertaken during the year are as follows:

- the RMC, with the assistance from a firm of independent consultants and Management, continues to drive the risk management activities across all business segments of the Group on risk identification, evaluation, control, monitoring and reporting;

- Management of each company within the Group's business segments, i.e. Automotive and related products, Hotels and resorts, Plantation, Plastic products, Investment holding, Healthcare and Investment properties and trading of building material products, identified the risks affecting their business by assessing the existing as well as emerging risks under the strategic, financial, operational and compliance categories. The Management reported the Company's top five (5) risks and four (4) featured risks (included Pandemic risk, Corruption risk, IT risk and Regulatory compliance risk) to their segment's risk coordinator for review;

- risk coordinators, in turn, assessed the overall risks faced by their business segments with the financial controller and the head of respective business segment/units, the potential impact and likelihood of those risks occurring, the control effectiveness and the action plans taken to manage those risks to the desired level;

- strategic discussions have been carried out by the independent consultants with the Executive Directors, RMC Chairman, Group Chief Financial Officer and Group Accountant on the key concerns and strategic top risks identified. The main objectives are to obtain the inputs and to confirm the completeness of top concerns as well as the key management controls put in place to address the risks by respective business segment/units. These activities are also to engender continuous and proactive risk management activities within the Group;

- compilation of the Group risk profile, considering the materiality of the business segment in relation to the Group risk parameters, with the top risks from each business segment selected by Management and feedback from Executive Directors on strategic risks, was carried out with assistance from consultants;

- reviewed corruption risk and controls as part of the Group ERM annual update;

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

SUMMARY OF RISK MANAGEMENT ACTIVITIES DURING THE FINANCIAL YEAR (cont'd)

- conducted one (1) virtual ERM briefing across the Group on 1 July 2021 for Key Management personnel focusing on alignment of strategic objectives through risk awareness, risk identification and key risk indicator monitoring;

- two (2) RMC meetings were conducted during the year on 24 February 2021 and 22 November 2021 where the significant risks of the Group and management action plans were presented for deliberations and approval. The final Group risk profile for year 2021 was presented in February 2022, detailing the top eight (8) principal risks of the Group and the top eight (8) or nine (9) principal risks of each business segment, based on the significance of evaluated risks to the segment's results. Management of each segment/company in the Group shall continue to monitor and manage all risks at their level, as appropriate;

- the risk mitigating measures taken and/or to be taken by Management were reported and reviewed at the RMC meetings. For each of the risks identified, the segmental head has been assigned to ensure appropriate action plans are carried out in a timely manner; and

- the ERM Policy and Procedures have been updated and approved with the latest risk reporting framework, e.g. risk organisation structure, frequency and risk reporting documents for the Group.

Whilst the Board considers the risk management framework to be robust to meet the Group's needs, it will still subject the framework to continuous improvement, taking into consideration better practices and the changing business environment.

In view of the critical global health crisis, the Board and the Group's Management proactively monitors and manages the impact to businesses and operations arising from COVID-19 pandemic. In this respect, the Group actively engages with customers, suppliers, and other stakeholders to minimise movement disruptions. Various safety and health measures were implemented. The Group has in place business continuity plans to provide adequate support for its business and employees, and introduced new working arrangements for business continuity.

INTERNAL AUDIT FUNCTION

The Group has an in-house Internal Audit function, which provides the Board, through the Audit Committee, with independent assurance on the efficiency and effectiveness of governance, risk management and internal control systems. The Internal Audit function adopts a risk-based internal audit methodology in reviewing key processes of the various business units in the Group and reporting directly to Audit Committee on the state of risk management and internal control of the various business units audited during the financial year.

The Internal Audit function will perform root cause analysis and recommend action plans to improve on areas where control deficiencies are identified during the field audits. Action plans are taken by Management to address the findings and concerns raised in the Internal Audit reports and Internal Audit function will follow up on the Management's implementation of action plans. Further details of the activities of the Internal Audit function are provided in the Audit Committee Report.

INTERNAL CONTROL

The key elements of the Group's internal control system described below are relevant across the Group to provide for continuous assurance to the Management and the Board:

- *limits of authority and responsibility*

  Formally defined and documented lines of responsibility and delegation of authority has been established through the relevant charters/terms of reference, organisational structures and appropriate authority limits. Hierarchical reporting is also in place to enhance the Group's ability to achieve its strategies and operational objectives as well as provide for documented and auditable trail of accountability;

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTERNAL CONTROL (cont'd)

- *planning, monitoring, reporting and safeguarding*
  - established budgeting process requiring all business segments within the Group to prepare the annual budget, taking into consideration the strategic plans, capital and operating expenditure for the upcoming financial year for discussion and approval by the Executive Committee ("EXCO");
  - Performance Coordinating Team ("PCT") comprising Management from each business segment who reviews operational and financial Key Performance Indicators of their respective business segments and reports to the EXCO quarterly in order to assist EXCO in discharging their oversight role on the Group's activities;
  - the Audit Committee reviews the quarterly financial results and evaluates the explanations and reasons for significant unusual variances noted thereof;
  - information, which includes quarterly reports covering all key financial and operational indicators, is provided to Key Management for monitoring of performance against budget and actions to be taken, where necessary; and
  - Management meetings are held regularly to identify, discuss and resolve strategic, operational, financial and key Management issues.

REVIEW OF THIS STATEMENT BY EXTERNAL AUDITORS

The External Auditors have reviewed this Statement on Risk Management and Internal Control pursuant to the scope set out in the Audit and Assurance Practice Guide ("AAPG") 3, Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report issued by the Malaysian Institute of Accountants ("MIA") for inclusion in the Annual Report of the Group for the year ended 31 December 2021, and reported to the Board that nothing has come to their attention that cause them to believe that the statement intended to be included in the Annual Report of the Group, in all material respects:

(a) has not been prepared in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers; or

(b) is factually inaccurate.

AAPG 3 does not require the External Auditors to consider whether this Statement covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control system including the assessment and opinion by the Board and Management thereon. The auditors are also not required to consider whether the processes described to deal with material internal control aspects of any significant problems disclosed in the Annual Report will, in fact, remedy the problems.

REVIEW BY THE BOARD

The Board is of the view that the Group's risk management and internal control system for the year under review and as at the date of this Statement for inclusion in the Annual Report is sound and sufficient to safeguard the stockholders' investment as well as the Group's assets. The Board recognises that the development of internal control system is an ongoing process and will continue to take appropriate action to further enhance the Group's system of internal control.

As recommended by the Guidelines, the Board has received assurances in writing from Executive Chairman, Group Managing Directors and Group Chief Financial Officer that the Group's risk management and internal control system has been operating adequately and effectively, in all material aspects, during the financial year under review and up to the date of this Statement.

This statement is issued in accordance with a resolution of the Directors dated 25 April 2022.

SUSTAINABILITY STATEMENT

OVERVIEW

We are delighted to share our sixth annual Sustainability Report which reflects our Group's sustainability efforts in 2021. Across the various countries and industries where Oriental Holdings Berhad ("OHB") is present, we strive to integrate the highest standards of governance into our sustainability initiatives and our daily business processes. By doing this, we maintain responsible practices, optimise the environmental impact of our business, and provide safe and healthy working environments across our entire chain of operations.

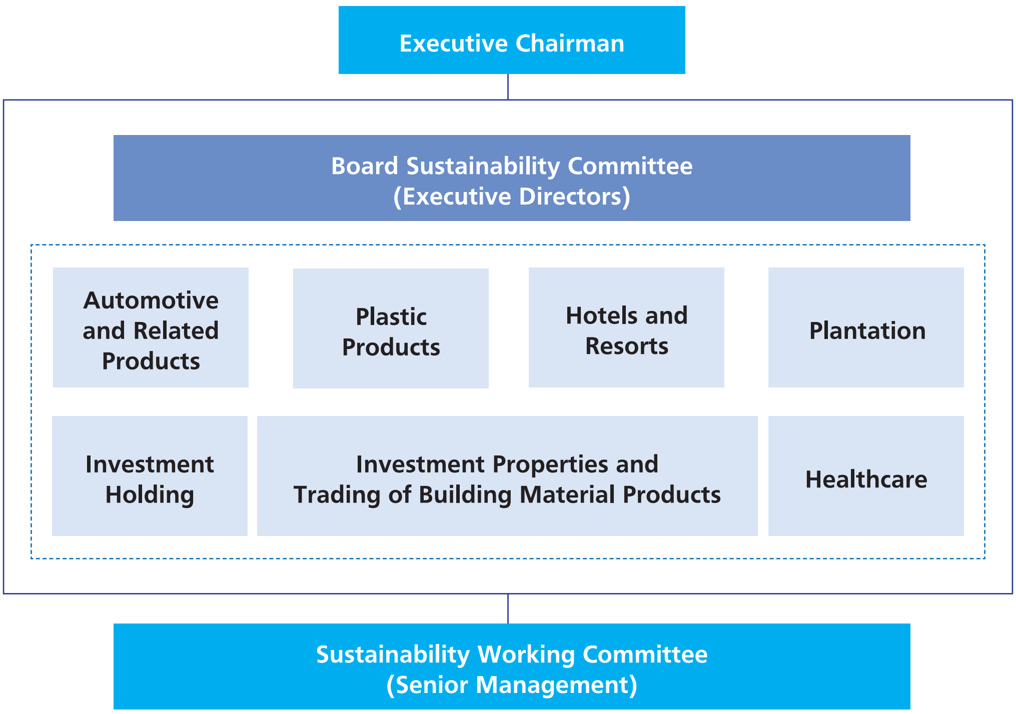
In accordance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, our Sustainability Report has been produced with reference to the Global Reporting Initiatives Standards.

GOVERNANCE STRUCTURE

As part of our commitment towards sustainability, we have established a clear governance structure to ensure utmost compliance and optimal performance across our business operations. Our sustainability directives stem from the head of our organisation, with the Board of Directors (Board) setting the tone and maintaining responsibility for our overall business conduct. Led by our Board Sustainability Committee (BSC), which comprises of the Executive Directors that oversee our seven business segments, oversight and guidance are provided in relation to the formulation and direction of our corporate strategies and policies.

In order to ensure the efficacy of our approach, the BSC is regularly updated on sustainability issues by our Sustainability Working Committee, which consists of Senior Management personnel who are responsible for reviewing and setting goals and targets for identified key sustainability matters and overseeing the progress of OHB's sustainability efforts. Our quarterly Executive Committee meeting provides a regular communication platform for the BSC to highlight and deliberate any matters relating to our sustainability approach and reporting.

OHB Group Governance Structure



SUSTAINABILITY STATEMENT

SCOPE

Our Sustainability Report covers the sustainability performance and progress from all segments for the financial year ended December 2021, unless otherwise stated.

SUSTAINABILITY MATTERS

The three sustainability matters are as follows:-

1. **Economic**
   We constantly review our business practices and focus on creating long-term sustainable growth for our stakeholders. We deliver economic performance that is underpinned by good corporate governance and high ethical standards. We ensure compliance with various national laws in Malaysia, Indonesia, Singapore, Australia, New Zealand and other overseas markets where we have operations and business activities.

2. **Environment**
   We strive to adopt best practices in our daily operations through accountable processes, continuous monitoring and implementation of effective initiatives to reduce and mitigate our environmental footprint. We work with our stakeholders to enhance awareness, promote environmental practices and utilise operational processes that do not adversely affect the environments in which we operate.

   We acknowledge the impact of climate change both within our business environment and beyond. Our segments are working proactively - actively monitoring changing government policy, adopting eco-conscious practices, and working with our customers, suppliers and communities to create positive impact.

3. **Social**
   We consider our people to be our most valued resource and take great care in managing and developing talent to ensure our people are supported and protected at the workplace. We also strongly believe that our success and growth should be mirrored in local communities where we conduct our business. We thus endeavour to give back to our local communities in ways that are meaningful as well as impactful.

   With COVID-19 pandemic bringing forth new challenges for employers, we have responded swiftly and decisively, implementing comprehensive guidelines which protect the wellbeing and safety of our workforce while minimising the impact of the crisis on our business.

SUPPORTING SOCIETY'S FIGHT AGAINST COVID-19

In upholding our commitment towards making positive contributions with meaningful impacts for our community, OHB has been diligently carrying out its role as a responsible business in the midst of the ongoing COVID-19 pandemic situation. Notably, OHB has initiated a full scale COVID-19 relief programme led by Dr Tan Hui Ling as our corporate social responsibility project leader. The Group has donated RM2.4 million worth of medical equipment to the country's healthcare providers. With this contribution, we hope to join forces with healthcare providers to realise our common goal of curbing the COVID-19 pandemic and enhancing public health of the nation.

For more detailed disclosures on our sustainability efforts and material matters, please refer to our Sustainability Report 2021, publicly available online via our website at **www.ohb.com.my**.

FORWARD LOOKING STATEMENT

The Group is pleased to have remained on track in driving our sustainability initiatives whilst mitigating and managing the challenges brought forth by the pandemic. The Group remains optimistic that we will continue to deliver an overall performance that meets or surpasses our Economic, Environmental, and Social objectives and goals. We will continue to improve our disclosures and reporting approach, delivering positive performance and progress within these three pillars of sustainability.

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021

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

PRINCIPAL ACTIVITIES

The principal activities of the Company are as follows :

(a) investment holding; and
(b) provision of management services.

There has been no significant change in the nature of these activities during the financial year.

The principal activities of its subsidiaries and associates are set out in Note 35 and Note 8 to the financial statements respectively.

SUBSIDIARIES

The details of the Company's subsidiaries are disclosed in Note 7 and Note 35 to the financial statements.

RESULTS

	Group RM'000	Company RM'000
Profit for the year attributable to :		
Stockholders of the Company	320,953	375,607
Non-controlling interests	179,473	-
	500,426	375,607

RESERVES AND PROVISIONS

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

DIVIDENDS

Since the end of the previous financial year, the amount of dividends paid or declared by the Company were as follows :

i) In respect of the financial year ended 31 December 2020 as reported in the Directors' Report of that year :

- a single tier first interim dividend of 6 sen per ordinary stock totalling RM37,221,710 paid on 21 January 2021; and

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021

DIVIDENDS (cont'd)

- a single tier second interim dividend of 8 sen per ordinary stock and a single tier special interim dividend of 6 sen per ordinary stock totalling RM49,628,946 and RM37,221,710 respectively, paid on 15 July 2021.

ii) In respect of the financial year ended 31 December 2021 :

- a first interim single tier dividend of 10 sen per ordinary stock totalling RM62,036,183 declared on 22 November 2021 and paid on 20 January 2022; and
- a second interim single tier dividend of 20 sen per ordinary stock totalling RM124,072,366 declared on 25 February 2022 and paid on 29 March 2022.

A final single tier dividend of 10 sen per ordinary stock have been recommended by the Directors in respect of the year ended 31 December 2021, subject to approval of the stockholders at the forthcoming Annual General Meeting.

DIRECTORS OF THE COMPANY

Directors who served during the financial year until the date of this report are :

Datuk Loh Kian Chong, DMSM	
Dato' Wong Lum Kong, DSSA, JP, CMJA (UK)	
Dato' Seri Lim Su Tong, DGPN, DSPN	
Tan Kheng Hwee	
Dato' Sri Datuk Wira Tan Hui Jing, SSAP, DCSM, PKT, PJK	
Mary Geraldine Phipps	
Lee Kean Teong	
Nazriah Binti Shaik Alawdin	(Appointed on 11 November 2021)
Sharifah Intan Binti S. M. Aidid	
Mitsuharu Funase	(Appointed on 1 January 2022)
Datin Loh Ean (Alternate to Dato' Wong Lum Kong, DSSA, JP, CMJA (UK))	
Dato' Ghazi Bin Ishak, DSSA	(Deceased on 13 August 2021)
Yoshitaka Nakamura	(Resigned on 31 December 2021)

DIRECTORS OF THE SUBSIDIARIES

Directors of the subsidiaries who served during the financial year until the date of this report are as shown in the Appendix after the financial statements.

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021

DIRECTORS' INTERESTS IN SHARES

The direct and deemed interests in the stocks of the Company and of its related corporations (other than wholly-owned subsidiaries) of those who were Directors at financial year end (including the interests of the spouse or children of the Directors who themselves are not Directors of the Company) as recorded in the Register of Directors' Shareholdings are as follows :

	Balance at 1.1.2021	Bought	Sold	Balance at 31.12.2021
		Number of Ordinary Stocks		
Interests in the Company				
Dato' Wong Lum Kong, DSSA, JP, CMJA (UK)				
Direct interest				
- own	181,149	-	-	181,149
Dato' Seri Lim Su Tong, DGPN, DSPN				
Direct interest				
- own	2,966,906	-	-	2,966,906
Deemed interest				
- others *	4,067,226	5,970	-	4,073,196
Datuk Loh Kian Chong, DMSM				
Direct interest				
- own	800,000	109,300	-	909,300
Deemed interest				
- own	360,102,450	200,000	-	360,302,450
Tan Kheng Hwee				
Direct interest				
- own	172,032	-	-	172,032
Dato' Sri Datuk Wira Tan Hui Jing, SSAP, DCSM, PKT, PJK				
Deemed interest				
- own	794,800	-	-	794,800
Mary Geraldine Phipps				
Deemed interest				
- own	5,161	-	-	5,161
Sharifah Intan Binti S. M. Aidid				
Direct interest				
- own	18,000	-	-	18,000

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021

DIRECTORS' INTERESTS IN SHARES (cont'd)

	Balance at 1.1.2021	Bought	Sold	Balance at 31.12.2021
		Number of Ordinary Stocks		
Interests in the Company				
Datin Loh Ean				
Direct interest				
- own	161,872	-	-	161,872
Lee Kean Teong				
Direct interest				
- own	7,680	-	-	7,680
		Number of ordinary shares		
Interests in subsidiaries				
Datuk Loh Kian Chong, DMSM				
Deemed interest – own				
- Melaka Straits Medical Centre Sdn. Bhd.	212,000,000	11,999,200	-	223,999,200
- Oriental Boon Siew (M) Sdn. Bhd.	339,000,000	-	-	339,000,000
- Selasih Permata Sdn. Bhd.	70,675,000	-	-	70,675,000
Sharifah Intan Binti S.M. Aidid				
Direct interest – own				
- Armstrong Auto Parts Sdn. Berhad	227,318	-	-	227,318
- Teck See Plastic Sdn. Bhd.	100,000	-	-	100,000

* *These are shares held in the names of the children and are regarded as interest of the Director in accordance with the Companies Act 2016.*

By virtue of his interests in the ordinary stocks of the Company, Datuk Loh Kian Chong is also deemed interested in the shares of the subsidiaries during the financial year to the extent that Oriental Holdings Berhad has an interest.

None of the other Directors holding office at 31 December 2021 had any interest in the shares of the Company and of its related corporations during the financial year.

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021

DIRECTORS' BENEFITS

Since the end of the previous financial year, no Director of the Company has received nor become entitled to receive any benefit (other than a benefit included in the aggregate amount of remuneration received or due and receivable by Directors as shown in the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest other than certain Directors who have substantial financial interests in companies which traded with certain companies in the Group in the ordinary course of business as disclosed in Note 31 to the financial statements.

There were no arrangements during and at the end of the financial year which had the object of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

ISSUE OF SHARES AND DEBENTURES

There were no changes in the issued and paid-up capital of the Company and no debentures were issued by the Company during the financial year.

OPTIONS GRANTED OVER UNISSUED SHARES

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

INDEMNITY AND INSURANCE COST

During the financial year, the total amount of insurance premium paid for Directors or officers of the Group and of the Company was RM136,900.

There was no indemnity given to Directors, officers or auditors of the Group and of the Company during the year.

OTHER STATUTORY INFORMATION

Before the financial statements of the Group and of the Company were made out, the Directors took reasonable steps to ascertain that:

i) all known bad debts have been written off and adequate provision made for doubtful debts, and

ii) any current assets which were unlikely to be realised in the ordinary course of business have been written down to an amount which they might be expected so to realise.

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

i) that would render the amount written off for bad debts or the amount of the provision for doubtful debts in the Group and in the Company inadequate to any substantial extent, or

ii) that would render the value attributed to the current assets in the financial statements of the Group and of the Company misleading, or

iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate, or

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

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

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

ii) any contingent liability in respect of the Group or of the Company that has arisen since the end of the financial year.

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021

OTHER STATUTORY INFORMATION (cont'd)

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

In the opinion of the Directors, the financial performance of the Group and of the Company for the financial year ended 31 December 2021 have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report.

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

Details of the significant events during the financial year are as disclosed in Note 34 to the financial statements.

AUDITORS

The auditors, KPMG PLT, have indicated their willingness to accept re-appointment.

The auditors' remuneration is disclosed in Note 24 to the financial statements.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors :

....
Datuk Loh Kian Chong, DMSM
Director

....
Dato' Seri Lim Su Tong, DGPN, DSPN
Director

Penang

Date : 25 April 2022

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2021

	Note	2021 RM'000	2020 RM'000
Assets			
Property, plant and equipment	3	**1,919,410**	1,931,858
Right-of-use assets	4	**328,170**	335,357
Intangible assets	5	**23,059**	22,539
Investment properties	6	**1,095,528**	1,109,922
Investments in associates	8	**624,502**	600,695
Other investments	9	**679,934**	619,789
Deferred tax assets	10	**57,451**	59,189
Inventories	11	**35,941**	35,936
Other receivables	13	**31,141**	30,771
Total non-current assets		**4,795,136**	4,746,056
Inventories	11	**239,028**	220,360
Biological assets	12	**15,615**	11,793
Trade and other receivables	13	**357,770**	381,787
Deferred tax assets	10	**58,655**	-
Current tax assets		**13,982**	22,882
Other investments	9	**1,426,929**	1,416,252
Cash and cash equivalents	14	**3,526,066**	3,211,313
		5,638,045	5,264,387
Assets classified as held for sale	15	**16,018**	-
Total current assets		**5,654,063**	5,264,387
Total assets		**10,449,199**	10,010,443

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

	Note	2021 RM'000	2020 RM'000
Equity			
Share capital	16	**620,462**	620,462
Reserves	17	**6,157,062**	5,931,047
Total equity attributable to stockholders of the Company		**6,777,524**	6,551,509
Non-controlling interests		**980,160**	814,476
Total equity		**7,757,684**	7,365,985
Liabilities			
Borrowings	18	**147,829**	226,257
Lease liabilities		**22,250**	27,861
Retirement benefits	19	**26,235**	31,266
Contract liabilities	20	**47,816**	76,990
Deferred tax liabilities	10	**41,516**	33,048
Total non-current liabilities		**285,646**	395,422
Borrowings	18	**1,866,950**	1,828,206
Lease liabilities		**6,031**	6,952
Current tax liabilities		**116,009**	42,675
Trade and other payables	21	**327,572**	304,023
Contract liabilities	20	**27,271**	29,958
Dividend payable		**62,036**	37,222
Total current liabilities		**2,405,869**	2,249,036
Total liabilities		**2,691,515**	2,644,458
Total equity and liabilities		**10,449,199**	10,010,443

The notes on pages 92 to 227 are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	2021 RM'000	2020 RM'000
Revenue	22	**3,266,063**	3,364,446
Cost of sales		**(2,433,754)**	(2,721,169)
Gross profit		**832,309**	643,277
Distribution expenses		**(40,087)**	(41,547)
Administrative expenses		**(249,373)**	(252,693)
Other operating expenses		**(191,577)**	(300,710)
Other operating income		**230,309**	98,151
Net loss on impairment of financial instruments	24	**(264)**	(920)
		(250,992)	(497,719)
Results from operating activities		**581,317**	145,558
Finance costs	23	**(28,029)**	(30,035)
Operating profit		**553,288**	115,523
Share of profit/(loss) after tax of equity accounted associates	8	**53,481**	(7,629)
Profit before tax	24	**606,769**	107,894
Tax expense	25	**(106,343)**	(34,299)
Profit for the year		**500,426**	73,595

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	2021 RM'000	2020 RM'000
Other comprehensive income/(expense), net of tax			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of defined benefit liability		**3,466**	(207)
Net change in fair value of equity instruments designated at fair value through other comprehensive income		**23,254**	(112,696)
		26,720	(112,903)
Items that are or may be reclassified subsequently to profit or loss			
Foreign currency translation differences for foreign operations			
- gains during the year		**27,352**	31,721
- reclassification to profit or loss on disposal of a subsidiary		**-**	(13,564)
Share of other comprehensive income/(expense) of equity accounted associates	8	**3,207**	(2,005)
		30,559	16,152
Total other comprehensive income/(expense) for the year	26	**57,279**	(96,751)
Total comprehensive income/(expense) for the year		**557,705**	(23,156)
Profit/(Loss) attributable to :			
Stockholders of the Company		**320,953**	112,130
Non-controlling interests		**179,473**	(38,535)
Profit for the year		**500,426**	73,595
Total comprehensive income/(expense) attributable to :			
Stockholders of the Company		**374,902**	36,709
Non-controlling interests		**182,803**	(59,865)
Total comprehensive income/(expense) for the year		**557,705**	(23,156)
Basic earnings per ordinary stock (sen)	27	**51.74**	18.07

The notes on pages 92 to 227 are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2021

	Attributable to stockholders of the Company								
	Share capital RM'000	Foreign currency translation reserve RM'000	Fair value reserve RM'000	Treasury stocks RM'000	Retained earnings RM'000	Capital reserve RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
At 1 January 2020	620,462	858,453	400,948	(249)	4,746,447	40,248	6,666,309	876,243	7,542,552
Remeasurement of defined benefit liability	-	-	-	-	(93)	-	(93)	(114)	(207)
Foreign currency translation differences for foreign operations	-	31,521	-	-	-	-	31,521	(13,364)	18,157
Net change in fair value of equity instruments designated at fair value through other comprehensive income	-	-	(104,844)	-	-	-	(104,844)	(7,852)	(112,696)
Share of other comprehensive expense of equity accounted associates	-	-	(2,005)	-	-	-	(2,005)	-	(2,005)
Total other comprehensive income/(expense) for the year	-	31,521	(106,849)	-	(93)	-	(75,421)	(21,330)	(96,751)
Profit/(Loss) for the year	-	-	-	-	112,130	-	112,130	(38,535)	73,595
Total comprehensive income/(expense) for the year	-	31,521	(106,849)	-	112,037	-	36,709	(59,865)	(23,156)
Dividends to stockholders (Note 28)	-	-	-	-	(148,887)	-	(148,887)	-	(148,887)
Dividends to non-controlling interests	-	-	-	-	-	-	-	(9,370)	(9,370)
Disposal of a subsidiary	-	-	-	-	-	-	-	(1,034)	(1,034)
Changes in ownership interests in a subsidiary	-	-	-	-	(2,622)	-	(2,622)	2,622	-
Shares issued to non-controlling interests	-	-	-	-	-	-	-	5,880	5,880
Total transactions with stockholders of the Company	-	-	-	-	(151,509)	-	(151,509)	(1,902)	(153,411)
At 31 December 2020	620,462	889,974	294,099	(249)	4,706,975	40,248	6,551,509	814,476	7,365,985

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

	Attributable to stockholders of the Company								
	Share capital RM'000	Foreign currency translation reserve RM'000	Fair value reserve RM'000	Treasury stocks RM'000	Retained earnings RM'000	Capital reserve RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
At 1 January 2021	620,462	889,974	294,099	(249)	4,706,975	40,248	6,551,509	814,476	7,365,985
Remeasurement of defined benefit liability	-	-	-	-	1,601	-	1,601	1,865	3,466
Foreign currency translation differences for foreign operations	-	25,112	-	-	-	-	25,112	2,240	27,352
Net change in fair value of equity instruments designated at fair value through other comprehensive income	-	-	24,029	-	-	-	24,029	(775)	23,254
Share of other comprehensive income of equity accounted associates	-	-	3,207	-	-	-	3,207	-	3,207
Total other comprehensive income for the year	-	25,112	27,236	-	1,601	-	53,949	3,330	57,279
Profit for the year	-	-	-	-	320,953	-	320,953	179,473	500,426
Total comprehensive income for the year	-	25,112	27,236	-	322,554	-	374,902	182,803	557,705
Dividends to stockholders (Note 28)	-	-	-	-	(148,887)	-	(148,887)	-	(148,887)
Dividends to non-controlling interests	-	-	-	-	-	-	-	(21,469)	(21,469)
Shares issued to non-controlling interests	-	-	-	-	-	-	-	4,350	4,350
Total transactions with stockholders of the Company	-	-	-	-	(148,887)	-	(148,887)	(17,119)	(166,006)
Transfer upon the disposal of equity investment designated at FVOCI (Note 9)	-	-	(873)	-	873	-	-	-	-
At 31 December 2021	620,462	915,086	320,462	(249)	4,881,515	40,248	6,777,524	980,160	7,757,684

The notes on pages 92 to 227 are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	2021 RM'000	2020 RM'000
Cash flows from operating activities			
Profit before tax		**606,769**	107,894
Adjustments for :			
Amortisation of intangible assets	**5**	**271**	283
Depreciation of :			
- property, plant and equipment	**3**	**127,790**	120,013
- right-of-use assets	**4**	**13,876**	15,732
- investment properties	**6**	**11,883**	11,780
Dividend income	**22**	**(28,378)**	(10,294)
Interest income	**22**	**(49,799)**	(74,614)
Interest expense	**23**	**28,029**	30,035
Assets written off :			
- property, plant and equipment	**24**	**342**	414
- right-of-use assets	**24**	**1**	26
- investment properties	**24**	**4**	-
(Reversal of)/Impairment loss on :			
- property, plant and equipment	**3**	**(13,385)**	25,535
- investment properties	**6**	**(93)**	43,803
(Gain)/Loss on disposal of :			
- property, plant and equipment	**24**	**(3,076)**	(2,940)
- right-of-use assets	**24**	**(93)**	(117)
- a subsidiary	**24**	**-**	(25,799)
- debt instruments at amortised cost	**24**	**136**	(1)
Fair value change from financial asset designated at FVTPL	**24**	**14**	-
Fair value change from biological asset	**12**	**(3,594)**	(3,858)
Retirement benefits	**19**	**(474)**	5,340
Share of (profit)/loss of equity-accounted associates, net of tax	**8**	**(53,481)**	7,629
Unrealised (gain)/loss on foreign exchange for borrowings	**D**	**(176,917)**	75,928
Operating profit before changes in working capital		**459,825**	326,789
Changes in working capital :			
Inventories		**(16,013)**	96,983
Trade and other receivables		**30,175**	14,782
Trade and other payables		**21,260**	(51,233)
Contract liabilities		**(33,469)**	(24,337)
Cash generated from operations		**461,778**	362,984

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

	Note	2021 RM'000	2020 RM'000
Cash flows from operating activities (Cont'd)			
Dividends received (net)		**59,845**	16,510
Tax paid		**(75,010)**	(70,781)
Retirement benefits paid	**19**	**(738)**	(930)
Net cash from operating activities		**445,875**	307,783
Cash flows from investing activities			
Additions of :			
- property, plant and equipment	**A**	**(113,123)**	(135,801)
- intangible assets	**5**	**(506)**	(1,346)
- investment properties	**6**	**(1,588)**	(19,750)
- land held for property development	**11.1**	**(5)**	(1)
- other investments		**(125,424)**	(146,848)
- investments in associates		**-**	(7,989)
Interest received		**50,583**	79,529
Proceeds from disposal of :			
- property, plant and equipment		**4,768**	7,985
- right-of-use assets		**202**	143
- a subsidiary		**-**	23,414
- other investments		**85,290**	399,422
Net cash (used in)/from investing activities		**(99,803)**	198,758
Cash flows from financing activities			
Dividends paid to :			
- stockholders of the Company		**(124,073)**	(111,665)
- non-controlling interests		**(21,469)**	(9,370)
Proceeds from issue of shares to non-controlling interests		**4,350**	5,880
Placement of fixed deposits pledged for banking facilities		**(33,501)**	(4,721)
Changes in bank borrowings	**D**	**87,250**	(47,323)
Payment of lease liabilities	**D**	**(8,541)**	(10,597)
Interest paid		**(30,772)**	(33,033)
Net cash used in financing activities		**(126,756)**	(210,829)
Net increase in cash and cash equivalents		**219,316**	295,712

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

	Note	2021 RM'000	2020 RM'000
Cash and cash equivalents at 1 January		**2,498,860**	2,222,934
Effect of exchange rate fluctuations on cash held		**61,936**	(19,786)
Cash and cash equivalents at 31 December	**B**	**2,780,112**	2,498,860

Notes to consolidated statement of cash flows

A. *Additions of property, plant and equipment*

During the financial year, the Group acquired property, plant and equipment (excluding interest capitalised) with an aggregate cost of **RM113,417,000** (2020 : RM136,389,000) of which **RM294,000** (2020 : RM588,000) was through hire purchase financing.

B. *Cash and cash equivalents*

Cash and cash equivalents included in the consolidated statement of cash flows comprise the following consolidated statement of financial position amounts :

	Note	2021 RM'000	2020 RM'000
Fixed deposits	**14**	**1,653,384**	1,430,772
Cash and bank balances	**14**	**1,691,740**	1,631,373
Unit trust money market funds	**14**	**180,942**	149,168
		3,526,066	3,211,313
Less :			
Deposits pledged	**14.1**	**(745,954)**	(712,453)
		2,780,112	2,498,860

C. *Cash outflows for leases as a lessee*

	Note	2021 RM'000	2020 RM'000
Included in net cash from operating activities:			
Payment relating to short-term leases	**24**	**2,804**	2,706
Payment relating to leases of low-value assets	**24**	**368**	322
Included in net cash used in financing activities:			
Payment of lease liabilities		**8,541**	10,597
Interest paid in relation to lease liabilities	**23**	**1,342**	2,007
Total cash outflows for leases		**13,055**	15,632

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

Notes to consolidated statement of cash flows (cont'd)

D. *Reconciliation of movements of liabilities to cash flows arising from financing activities*

	At 1.1.2020 RM'000	Net changes from financing cash flows RM'000	Acquisition of new hire purchase/ lease RM'000	Unrealised loss on foreign exchange RM'000	Foreign exchange movement RM'000	At 31.12.2020 RM'000
Term loans	43,026	192,057	-	685	(640)	235,128
Revolving credit	1,987,130	(241,121)	-	75,243	(24,576)	1,796,676
Bankers' acceptances	20,330	1,802	-	-	-	22,132
Hire purchase financing	-	(61)	588	-	-	527
Total borrowings	2,050,486	(47,323)	588	75,928	(25,216)	2,054,463
Lease liabilities	36,391	(10,597)	9,163	-	(144)	34,813
Total liabilities from financing activities	2,086,877	(57,920)	9,751	75,928	(25,360)	2,089,276

	At 1.1.2021 RM'000	Net changes from financing cash flows RM'000	Acquisition of new hire purchase/ lease RM'000	Unrealised gain on foreign exchange RM'000	Foreign exchange movement RM'000	At 31.12.2021 RM'000
Term loans	**235,128**	**(13,364)**	**-**	**(3,430)**	**8,521**	**226,855**
Revolving credit	**1,796,676**	**91,209**	**-**	**(173,487)**	**41,168**	**1,755,566**
Bankers' acceptances	**22,132**	**9,616**	**-**	**-**	**-**	**31,748**
Hire purchase financing	**527**	**(211)**	**294**	**-**	**-**	**610**
Total borrowings	**2,054,463**	**87,250**	**294**	**(176,917)**	**49,689**	**2,014,779**
Lease liabilities	**34,813**	**(8,541)**	**1,961**	**-**	**48**	**28,281**
Total liabilities from financing activities	**2,089,276**	**78,709**	**2,255**	**(176,917)**	**49,737**	**2,043,060**

The notes on pages 92 to 227 are an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

	Note	2021 RM'000	2020 RM'000
Assets			
Property, plant and equipment	3	**535**	703
Investment properties	6	**18,745**	15,047
Interests in subsidiaries	7	**995,167**	960,598
Investments in associates	8	**28,935**	28,935
Other investments	9	**258,235**	244,110
Total non-current assets		**1,301,617**	1,249,393
Trade and other receivables	13	**1,899**	12,633
Current tax assets		**614**	648
Other investments	9	**-**	49,811
Cash and cash equivalents	14	**404,810**	130,944
Total current assets		**407,323**	194,036
Total assets		**1,708,940**	1,443,429
Equity			
Share capital	16	**620,462**	620,462
Reserves	17	**1,025,662**	784,817
Total equity attributable to stockholders of the Company		**1,646,124**	1,405,279
Liabilities			
Trade and other payables	21	**780**	928
Dividend payable		**62,036**	37,222
Total current liabilities		**62,816**	38,150
Total liabilities		**62,816**	38,150
Total equity and liabilities		**1,708,940**	1,443,429

The notes on pages 92 to 227 are an integral part of these financial statements.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	2021 RM'000	2020 RM'000
Revenue	22	**358,015**	190,618
Administrative expenses		**(9,235)**	(7,210)
Other operating expenses		**(99)**	(63,950)
Other operating income		**29,080**	21,170
		19,746	(49,990)
Results from operating activities		**377,761**	140,628
Finance costs	23	**-**	(1,109)
Profit before tax	24	**377,761**	139,519
Tax expense	25	**(2,154)**	(1,905)
Profit for the year		**375,607**	137,614
Other comprehensive income/(expense), net of tax			
Items that will not be reclassified subsequently to profit or loss			
Net change in fair value of equity instruments designated at fair value through other comprehensive income		**14,125**	(76,758)
Total other comprehensive income/(expense) for the year		**14,125**	(76,758)
Total comprehensive income for the year attributable to stockholders of the Company		**389,732**	60,856

The notes on pages 92 to 227 are an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2021

		Attributable to stockholders of the Company					
	Note	**Share capital RM'000**	**Fair value reserve RM'000**	**Treasury stocks RM'000**	**Retained earnings RM'000**	**Capital reserve RM'000**	**Total equity RM'000**
At 1 January 2020		620,462	295,172	(249)	547,933	29,992	1,493,310
Net change in fair value of equity investment designated at FVOCI		-	(76,758)	-	-	-	(76,758)
Profit for the year		-	-	-	137,614	-	137,614
Total comprehensive (expense)/income for the year		-	(76,758)	-	137,614	-	60,856
Dividends to stockholders	**28**	-	-	-	(148,887)	-	(148,887)
At 31 December 2020/1 January 2021		**620,462**	**218,414**	**(249)**	**536,660**	**29,992**	**1,405,279**
Net change in fair value of equity investment designated at FVOCI		**-**	**14,125**	**-**	**-**	**-**	**14,125**
Profit for the year		**-**	**-**	**-**	**375,607**	**-**	**375,607**
Total comprehensive income for the year		**-**	**14,125**	**-**	**375,607**	**-**	**389,732**
Dividends to stockholders	**28**	**-**	**-**	**-**	**(148,887)**	**-**	**(148,887)**
At 31 December 2021		**620,462**	**232,539**	**(249)**	**763,380**	**29,992**	**1,646,124**

The notes on pages 92 to 227are an integral part of these financial statements.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	2021 RM'000	2020 RM'000
Cash flows from operating activities			
Profit before tax		**377,761**	139,519
Adjustments for :			
Depreciation of :			
- property, plant and equipment	**3**	**185**	228
- investment properties	**6**	**3**	3
Dividend income	**22**	**(348,285)**	(179,219)
Interest income	**22**	**(6,126)**	(7,480)
Interest expense	**23**	**-**	1,109
(Reversal of)/Impairment loss on investments in subsidiaries	**24**	**(27,968)**	59,487
Gain on disposal of property, plant and equipment	**24**	**-**	(2)
Gain on disposal of a subsidiary	**24**	**-**	(20,933)
Unrealised loss on foreign exchange on other investments		**-**	428
Operating loss before changes in working capital		**(4,430)**	(6,860)
Changes in working capital :			
Trade and other receivables		**10,734**	(8,859)
Trade and other payables		**(148)**	61
Cash generated from/(used in) operations		**6,156**	(15,658)
Dividends received		**348,285**	179,219
Tax paid		**(2,120)**	(2,501)
Net cash from operating activities		**352,321**	161,060

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	2021 RM'000	2020 RM'000
Cash flows from investing activities			
Additions of :			
- property, plant and equipment	3	(59)	(109)
- investment properties	6	(3,659)	-
- interests in subsidiaries		(6,601)	(47,103)
- other investments		-	(50,239)
Interest received		6,126	7,480
Proceeds from disposal of			
- property, plant and equipment		-	2
- a subsidiary		-	50,333
- other investments		49,811	-
Net cash from/(used in) investing activities		45,618	(39,636)
Cash flows from financing activities			
Dividends paid		(124,073)	(111,665)
Repayment of bank borrowings		-	(101,728)
Interest paid		-	(1,109)
Net cash used in financing activities		(124,073)	(214,502)
Net increase/(decrease) in cash and cash equivalents		273,866	(93,078)
Cash and cash equivalents at 1 January		130,944	224,022
Cash and cash equivalents at 31 December	14	404,810	130,944

Cash outflows for leases as a lessee

	Note	2021 RM'000	2020 RM'000
Included in net cash from operating activities:			
Payment relating to short-term leases	24	67	67
Payment relating to leases of low-value assets	24	4	4
Total cash outflows for leases		71	71

The notes on pages 92 to 227 are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

Oriental Holdings Berhad is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad. The addresses of the registered office and principal place of business of the Company are as follows :

Registered office

170-09-01 Livingston Tower
Jalan Argyll
10050 George Town
Pulau Pinang

Principal place of business

1st Floor, 25B Lebuh Farquhar
10200 Penang

The consolidated financial statements of the Company as at and for the financial year ended 31 December 2021 comprise the Company and its subsidiaries (together referred to as the "Group" and individually referred to as "Group entities") and the Group's interests in associates.

The principal activities of the Company are as follows :

(a) investment holding; and
(b) provision of management services.

The principal activities of its subsidiaries and associates are set out in Notes 35 and 8 to the financial statements respectively.

These financial statements were authorised for issue by the Board of Directors on 25 April 2022.

1. Basis of preparation

(a) Statement of compliance

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

NOTES TO THE FINANCIAL STATEMENTS

1. Basis of preparation (cont'd)

(a) Statement of compliance (cont'd)

The following are accounting standards, interpretations and amendments of the MFRSs that have been issued by the Malaysian Accounting Standards Board ("MASB") but have not been adopted by the Group and the Company:

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 April 2021

- Amendment to MFRS 16, Leases - *Covid-19-Related Rent Concessions beyond 30 June 2021*

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2022

- Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements to MFRS Standards 2018-2020)*
- Amendments to MFRS 3, *Business Combinations - Reference to the Conceptual Framework*
- Amendments to MFRS 9, *Financial Instruments (Annual Improvements to MFRS Standards 2018-2020)*
- Amendments to Illustrative Examples accompanying MFRS 16, *Leases (Annual Improvements to MFRS Standards 2018-2020)*
- Amendments to MFRS 116, *Property, Plant and Equipment - Proceeds before Intended Use*
- Amendments to MFRS 137, *Provisions, Contingent Liabilities and Contingent Assets - Onerous Contracts - Cost of Fulfilling a Contract*
- Amendments to MFRS 141, *Agriculture (Annual Improvements to MFRS Standards 2018-2020)*

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2023

- MFRS 17, *Insurance Contracts*
- Amendments to MFRS 17, *Insurance Contracts - Initial application of MFRS 17 and MFRS 9 - Comparative Information*
- Amendments to MFRS 101, *Presentation of Financial Statements - Classification of Liabilities as Current or Non-current and Disclosures of Accounting Policies*
- Amendments to MFRS 108, *Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates*
- Amendments to MFRS 112, *Income Taxes - Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

MFRSs, interpretations and amendments effective for annual periods beginning on or after a date yet to be confirmed

- Amendments to MFRS 10, *Consolidated Financial Statements and MFRS 128, Investments in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

NOTES TO THE FINANCIAL STATEMENTS

1. Basis of preparation (cont'd)

(a) Statement of compliance (cont'd)

The Group and the Company plan to apply the abovementioned accounting standards, interpretations and amendments, where applicable, in the respective financial years when the abovementioned accounting standards, interpretations and amendments become effective.

The initial application of the accounting standards, interpretations and amendments are not expected to have any material financial impacts to the current period and prior period financial statements of the Group and of the Company.

(b) Basis of measurement

These financial statements have been prepared on the historical cost basis other than as disclosed in Note 2.

(c) Functional and presentation currencies

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

(d) Use of estimates and judgements

The preparation of the financial statements in conformity with Malaysian Financial Reporting Standards requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognised in the financial statements other than those disclosed in the following notes :

Note 3	- assessment on impairment of property, plant and equipment
Note 4	- incremental borrowing rate in relation to leases
Note 6	- fair value of investment properties
Note 7	- impairment loss of interests in subsidiaries
Note 9 and 32.7	- fair value of unquoted investments
Note 10	- deferred tax asset recognition
Note 22.4	- allocation of transaction price as contract liabilities for free servicing and complimentary extended warranties
Note 25	- income tax recognition
Note 32.4	- measurement of expected credit loss (“ECL”)

NOTES TO THE FINANCIAL STATEMENTS

2. Significant accounting policies

The accounting policies set out below have been applied consistently to the periods presented in these financial statements and have been applied consistently by Group entities, unless otherwise stated.

(a) Basis of consolidation

(i) Subsidiaries

Subsidiaries are entities, including structured entities, controlled by the Company. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Potential voting rights are considered when assessing control only when such rights are substantive. The Group also considers it has *de facto* power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return.

Investments in subsidiaries are measured in the Company's statement of financial position at cost less any impairment losses, unless the investment is classified as held for sale or distribution. The cost of investment includes transaction costs.

(ii) Business combinations

Business combinations are accounted for using the acquisition method from the acquisition date, which is the date on which control is transferred to the Group.

For new acquisitions, the Group measures the cost of goodwill at the acquisition date as :

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

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

For each business combination, the Group elects whether it measures the non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets at the acquisition date.

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

NOTES TO THE FINANCIAL STATEMENTS

2. Significant accounting policies (cont'd)

(a) Basis of consolidation (cont'd)

(iii) Acquisitions of non-controlling interests

The Group accounts for all changes in its ownership interest in a subsidiary that do not result in a loss of control as equity transactions between the Group and its non-controlling interest holders. Any difference between the Group's share of net assets before and after the change, and any consideration received or paid, is adjusted to or against Group reserves.

(iv) Acquisitions from entities under common controls

Business combinations arising from transfers of interests in entities that are under the control of the shareholder that controls the Group are accounted for as if the acquisition had occurred at the beginning of the earliest comparative period presented or, if later, at the date that common control was established; and for this purpose, comparatives are restated. The assets and liabilities acquired are recognised at the carrying amounts recognised previously in the Group's controlling shareholder's consolidated financial statements. The components of equity of the acquired entities are added to the same components within the Group's equity and any resulting gain or loss is recognised directly in equity.

(v) Loss of control

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

(vi) Associates

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

Investments in associates are accounted for in the consolidated financial statements using the equity method less any impairment losses, unless it is classified as held for sale or distribution (or included in a disposal group that is classified as held for sale or distribution). The cost of the investment includes transaction costs. The consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of the associates, after adjustments if any, to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases.

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

NOTES TO THE FINANCIAL STATEMENTS

2. Significant accounting policies (cont'd)

(a) Basis of consolidation (cont'd)

(vi) Associates (cont'd)

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

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

Investments in associates are measured in the Company's statement of financial position at cost less any impairment losses, unless the investment is classified as held for sale or distribution. The cost of the investment includes transaction costs.

(vii) Non-controlling interests

Non-controlling interests at the end of the reporting period, being the equity in a subsidiary not attributable directly or indirectly to the equity holders of the Company, are presented in the consolidated statement of financial position and statement of changes in equity within equity, separately from equity attributable to the stockholders of the Company. Non-controlling interests in the results of the Group is presented in the consolidated statement of profit or loss and other comprehensive income as an allocation of the profit or loss and the comprehensive income for the year between non-controlling interests and the stockholders of the Company.

Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

(viii) 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.

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

(b) Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are retranslated to the functional currency at the exchange rate at that date.

NOTES TO THE FINANCIAL STATEMENTS

2. Significant accounting policies (cont'd)

(b) Foreign currency (cont'd)

(i) Foreign currency transactions (cont'd)

Non-monetary assets and liabilities denominated in foreign currencies are not retranslated at the end of the reporting period, except for those that are measured at fair value which are retranslated to the functional currency at the exchange rate at the date that the fair value was determined.

Foreign currency differences arising on retranslation are recognised in profit or loss, except for differences arising on the retranslation of equity instruments where they are measured at fair value through other comprehensive income or a financial instrument designated as a cash flow hedge, which are recognised in other comprehensive income.

In the consolidated financial statements, when settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognised in other comprehensive income, and are presented in the foreign currency translation reserve (“FCTR”) in equity.

(ii) Operations denominated in functional currencies other than Ringgit Malaysia

The assets and liabilities of operations denominated in functional currencies other than RM, including goodwill and fair value adjustments arising on acquisition, are translated to RM at exchange rates at the end of the reporting period, except for goodwill and fair value adjustments arising from business combinations before 1 January 2006 which are treated as assets and liabilities of the Company. The income and expenses of foreign operations, are translated to RM at exchange rates at the dates of the transactions.

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

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

(c) Financial instruments

(i) Recognition and initial measurement

A financial asset or a financial liability is recognised in the statements of financial position when, and only when, the Group or the Company becomes a party to the contractual provisions of the instrument.

NOTES TO THE FINANCIAL STATEMENTS

2. Significant accounting policies (cont'd)

(c) Financial instruments (cont'd)

(i) Recognition and initial measurement (cont'd)

A financial asset (unless it is a trade receivable without significant financing component) or a financial liability is initially measured at fair value plus or minus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issuance. A trade receivable without a significant financing component is initially measured at the transaction price.

An embedded derivative is recognised separately from the host contract where the host contract is not a financial asset, and accounted for separately if, and only if, the derivative is not closely related to the economic characteristics and risks of the host contract and the host contract is not measured at fair value through profit or loss. The host contract, in the event an embedded derivative is recognised separately, is accounted for in accordance with policy applicable to the nature of the host contract.

(ii) Financial instrument categories and subsequent measurement

Financial assets

Categories of financial assets are determined on initial recognition and are not reclassified subsequent to their initial recognition unless the Group or the Company changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change of the business model.

(a) Amortised cost

Amortised cost category comprises financial assets that are held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The financial assets are not designated as fair value through profit or loss. Subsequent to initial recognition, these financial assets are measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Interest income is recognised by applying effective interest rate to the gross carrying amount except for credit impaired financial assets (see Note 2(r)(i)) where the effective interest rate is applied to the amortised cost.

(b) Fair value through other comprehensive income

(i) Debt investments

Fair value through other comprehensive income category comprises debt investment where it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the debt investment, and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The debt investment is not designated as at fair value through profit or loss. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

2. Significant accounting policies (cont'd)

(c) Financial instruments (cont'd)

(ii) Financial instrument categories and subsequent measurement (cont'd)

Financial assets **(cont'd)**

(b) Fair value through other comprehensive income **(cont'd)**

(i) Debt investments **(cont'd)**

Interest income is recognised by applying effective interest rate to the gross carrying amount except for credit impaired financial assets (see Note 2(r)(i)) where the effective interest rate is applied to the amortised cost.

(ii) Equity investments

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 other comprehensive income. This election is made on an investment-by-investment basis. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of investment. Other net gains and losses are recognised in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are not reclassified to profit or loss.

(c) Fair value through profit or loss

All financial assets not measured at amortised cost or fair value through other comprehensive income as described above are measured at fair value through profit or loss. On initial recognition, the Group or the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at fair value through other comprehensive income as at fair value through profit or loss if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets categorised as fair value through profit or loss are subsequently measured at their fair value. Net gains or losses, including any interest or dividend income, are recognised in the profit or loss.

All financial assets, except for those measured at fair value through profit or loss and equity investments measured at fair value through other comprehensive income, are subject to impairment assessment (see Note 2(r)(i)).

2. Significant accounting policies (cont'd)

(c) Financial instruments (cont'd)

(ii) Financial instrument categories and subsequent measurement (cont'd)

Financial liabilities

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

(a) Fair value through profit or loss

Fair value through profit or loss category comprises financial liabilities that are derivatives (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument), contingent consideration in a business combination and financial liabilities that are specifically designated into this category upon initial recognition.

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

(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 key management personnel; or
(c) if a contract contains one or more embedded derivatives and the host is not a financial asset in the scope of MFRS 9, where the embedded derivative significantly modifies the cash flows and separation is not prohibited.

Financial liabilities categorised as fair value through profit or loss are subsequently measured at their 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 fair value through profit or loss 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 other comprehensive income and remaining amount of the change in fair value in the profit or loss, unless the treatment of the effects of changes in the liability's credit risk would create or enlarge an accounting mismatch.

(b) Amortised cost

Other financial liabilities not categorised as fair value through profit or loss are subsequently measured at amortised cost using the effective interest method.

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.

NOTES TO THE FINANCIAL STATEMENTS

2. Significant accounting policies (cont'd)

(c) Financial instruments (cont'd)

(iii) Financial guarantee contracts

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

Financial guarantees issued are initially measured at fair value. Subsequently, they are measured at higher of:

- the amount of the loss allowance; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance to the principles of MFRS 15, *Revenue from Contracts with Customers*.

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

(iv) Regular way purchase or sale of financial assets

A regular way purchase or sale of financial assets is recognised and derecognised, as applicable, using trade date or settlement date accounting in the current year.

Trade date accounting refers to:

(a) the recognition of an asset to be received and the liability to pay for it on the trade date, and
(b) derecognition of an asset that is sold, recognition of any gain or loss on disposal and the recognition of a receivable from the buyer for payment on the trade date.

Settlement date accounting refers to:

(a) the recognition of an asset on the day it is received by the Group or the Company, and
(b) derecognition of an asset and recognition of any gain or loss on disposal on the day that is delivered by the Group or the Company.

Any change in the fair value of the asset to be received during the period between the trade date and the settlement date is accounted in the same way as it accounts for the acquired asset.

Generally, the Group or the Company applies settlement date accounting unless otherwise stated for the specific class of asset.

(v) Derecognition

A financial asset or part of it is derecognised when, and only when the contractual rights to the cash flows from the financial asset expire or transferred, or control of the asset is not retained or substantially all of the risks and rewards of ownership of the financial asset are transferred to another party. 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.

2. Significant accounting policies (cont'd)

(c) Financial instruments (cont'd)

(v) Derecognition (cont'd)

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged, cancelled or expires. 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.

(vi) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statements 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.

(d) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less any accumulated depreciation and any accumulated impairment losses.

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

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

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

The gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and is recognised net within "other operating income" and "other operating expenses" respectively in profit or loss.

(ii) Subsequent costs

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

NOTES TO THE FINANCIAL STATEMENTS

2. Significant accounting policies (cont'd)

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

(iii) Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed, and if a component has a useful life that is different from the remainder of that asset, then that component is depreciated separately.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment from the date that they are available for use. Freehold land is not depreciated. Capital-work-in-progress are not depreciated until the assets are ready for their intended use.

The depreciation rates for the current and comparative periods based on their estimated useful lives are as follows :

	%
• Buildings	2 - 10
• Plant and machinery	7 - 33 1/3
• Furniture, fixtures, fittings and equipment	5 - 50
• Vehicles	20

The initial cost of hotel operating equipment (included under furniture, fixtures, fittings and equipment) such as linen, crockery, glassware, cutlery and kitchen utensils has been capitalised and is not depreciated. Subsequent acquisition to replace these operating assets are written off in the year in which they are incurred.

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

(e) Leases

(i) Definition of a lease

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

- the contract involves the use of an identified asset - this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;

- the customer has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and

- the customer has the right to direct the use of the asset. The customer has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the customer has the right to direct the use of the asset if either the customer has the right to operate the asset; or the customer designed the asset in a way that predetermines how and for what purpose it will be used.

NOTES TO THE FINANCIAL STATEMENTS

2. Significant accounting policies (cont'd)

(e) Leases (cont'd)

(i) Definition of a lease (cont'd)

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease and non-lease component on the basis of their relative stand-alone prices. However, for leases of properties in which the Group is a lessee, it has elected not to separate non-lease components and will instead account for the lease and non-lease components as a single lease component.

(ii) Recognition and initial measurement

(a) As a lessee

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

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the respective Group entities’ incremental borrowing rate. Generally, the Group entities use their incremental borrowing rate as the discount rate.

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

- fixed payments, including in-substance fixed payments less any incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee;
- the exercise price under a purchase option that the Group is reasonably certain to exercise; and
- penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The Group excludes variable lease payments that linked to future performance or usage of the underlying asset from the lease liability. Instead, these payments are recognised in profit or loss in the period in which the performance or use occurs.

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

NOTES TO THE FINANCIAL STATEMENTS

2. Significant accounting policies (cont'd)

(e) Leases (cont'd)

(ii) Recognition and initial measurement (cont'd)

(b) As a lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease.

If an arrangement contains lease and non-lease components, the Group applies MFRS 15 to allocate the consideration in the contract based on the stand-alone selling prices.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. It assesses the lease classification of a sublease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sublease as an operating lease.

(iii) Subsequent measurement

(a) As a lessee

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a revision of in-substance fixed lease payments, or if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

NOTES TO THE FINANCIAL STATEMENTS

2. Significant accounting policies (cont'd)

(e) Leases (cont'd)

(iii) Subsequent measurement (cont'd)

(b) As a lessor

The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of "revenue".

The Group recognises finance income over the lease term, based on a pattern reflecting a constant periodic rate of return on the Group's net investment in the lease. The Group aims to allocate finance income over the lease term on a systematic and rational basis. The Group applies the lease payments relating to the period against the gross investment in the lease to reduce both the principal and the unearned finance income. The net investment in the lease is subject to impairment requirements in MFRS 9, *Financial Instruments* (see Note 2(r)(i)).

(f) Intangible assets

(i) Goodwill

Goodwill arises on business combinations is measured at cost less any accumulated impairment losses. In respect of equity-accounted associates, the carrying amount of goodwill is included in the carrying amount of the investment and an impairment loss on such an investment is not allocated to any asset, including goodwill, that forms part of the carrying amount of the equity-accounted associates.

(ii) Research and development

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised in profit or loss as incurred.

Expenditure on development activities, whereby the application of research findings are applied to a plan or design for the production of new or substantially improved products and processes, is capitalised only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Group intends to and has sufficient resources to complete development and to use or sell the asset.

The expenditure capitalised includes the cost of materials, direct labour and overheads costs that are directly attributable to preparing the asset for its intended use. For qualifying assets, borrowing costs are capitalised in accordance with the accounting policy on borrowing costs. Other development expenditure is recognised in profit or loss as incurred.

Capitalised development expenditure is measured at cost less any accumulated amortisation and any accumulated impairment losses.

(iii) Other intangible assets

Intangible assets, other than goodwill, that are acquired by the Group, which have finite useful lives, are measured at cost less any accumulated amortisation and any accumulated impairment losses.

NOTES TO THE FINANCIAL STATEMENTS

2. Significant accounting policies (cont'd)

(f) Intangible assets (cont'd)

(iv) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

(v) Amortisation

Goodwill and intangible assets with indefinite useful lives are not amortised but are tested for impairment annually and whenever there is an indication that they may be impaired.

Other intangible assets are amortised from the date that they are available for use. Amortisation is based on the cost of an asset less its residual value. Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets of 3 years from the date that they are available for use.

Amortisation method, useful lives and residual values are reviewed at the end of each reporting period and adjusted, if appropriate.

(g) Biological assets

(i) Bearer plants

Bearer plants are living plants used in the production or supply of agricultural produce; are expected to bear produce for more than one period; and have a remote likelihood of being sold as agricultural produce, except for incidental scrap sales.

Bearer plants are included in Property, Plant and Equipment in the statement of financial position.

Immature bearer plants are recognised at cost, which consist mainly of the accumulated cost of land clearing, planting, fertilizing and upkeeping/maintaining the plantations and allocations of indirect overhead costs up to the time the trees become commercially productive and available for harvest. Costs also include capitalised borrowing costs and other charges incurred in connection with the financing of the development of immature bearer plants. Such capitalisation of borrowing costs ceases when the trees become commercially productive and available for harvest. Immature bearer plants are not amortised.

Immature bearer plants are reclassified to mature bearer plants when they are commercially productive and available for harvest. In general, an oil palm bearer plant takes about 3 to 4 years to reach maturity.

Mature bearer plants are stated at cost, and are amortised using the straight-line method over their estimated useful lives of the primary bearer plants of 20 years.

The carrying amounts of bearer plants are reviewed for impairment when events or changes in circumstances indicate that their carrying values may not be fully recoverable.

NOTES TO THE FINANCIAL STATEMENTS

2. Significant accounting policies (cont'd)

(g) Biological assets (cont'd)

(i) Bearer plants (cont'd)

The carrying amount of an item of bearer plants is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising from the derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset), is directly included in the profit or loss for the period/year the item is derecognised.

The asset useful lives and amortisation method are reviewed at the end of each reporting period and adjusted prospectively if necessary.

Upkeep and maintenance costs of bearer plants are taken to the profit or loss when they are incurred. The cost of major renovation and restoration is included in the carrying amount of the related asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Group and is depreciated over the remaining useful life of the related asset.

(ii) Produce growing on bearer plants

The produce growing on bearer plants ("growing crops") of the Group comprises agricultural products from productive plants, which is fresh fruit bunches, which are presented in the account "Current Assets - Biological Assets" in the statement of financial position.

Growing crops are stated at fair value less costs to sell. Gains or losses arising from the initial recognition of growing crops at fair value less costs to sell and from changes in fair value less costs to sell growing crops at each reporting date are included in profit or loss in the period in which such gains or losses occur.

Fair values are determined using a market approach by applying estimates of production volume with estimated market prices that apply at the reporting date. Costs to sell are incremental costs that are directly attributable to the disposal of assets, excluding financing costs and income taxes.

(h) Investment properties

Investment properties carried at cost

Investment properties are properties which are owned or right-of-use asset held under a lease contract to earn rental income or for capital appreciation or for 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. These include freehold land and right-of-use asset held for a currently undetermined future use. Properties that are occupied by the companies in the Group are accounted for as owner-occupied rather than as investment properties. Investment properties initially and subsequently measured at cost are accounted for, similar to property, plant and equipment.

Investment properties are stated at cost less any accumulated depreciation and any accumulated impairment losses, consistent with the accounting policy for property, plant and equipment as stated in accounting policy Note 2(d).

NOTES TO THE FINANCIAL STATEMENTS

2. Significant accounting policies (cont'd)

(h) Investment properties (cont'd)

Investment properties which are owned are measured initially and subsequently at cost. Cost includes expenditure that is attributable to the acquisition of the investment property. The cost of self-constructed investment property includes materials and direct labour, any other costs directly attributable to bringing the investment property to a working condition for their intended use and capitalised borrowing costs. Right-of-use asset held under a lease contract that meets the definition of investment property is initially measured similar to other right-of-use assets.

Transfers between investment property, property, plant and equipment, right-of-use assets and inventories do not change the carrying amount and the cost of the property transferred.

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of 50 years for buildings. Right-of-use assets are depreciated over the lease terms and freehold land is not depreciated. Capital work-in-progress are not depreciated until the assets are ready for their intended use.

An investment property is derecognised on its disposal, or when it is permanently withdrawn from use and no future economic benefits are expected from its disposal. The difference between the net disposal proceeds and the carrying amount is recognised in profit or loss in the period in which the item is derecognised.

(i) Inventories

(i) Land held for property development

Land held for property development consist of land where no development activities have been carried out or where development activities are not expected to be completed within the normal operating cycle of 2 to 3 years. Such land is classified within non-current assets.

Land held for property development is reclassified as property development costs at the point when development activities have commenced and where it can be demonstrated that the development activities can be completed within the normal operating cycle.

Cost associated with the acquisition of land includes the purchase price of the land, professional fees, stamp duties, commissions, conversion fees and other relevant levies.

(ii) Property development costs

Property development costs comprise costs associated with the acquisition of land and all costs that are directly attributable to development activities or that can be allocated on a reasonable basis to such activities.

Any expected loss on a development project, including costs to be incurred over the defects liability period, is recognised as an expense immediately.

(iii) Completed development properties

Cost of completed development properties is determined on a specific identification basis and includes land, all direct building costs and appropriate proportions of common costs attributable to developing the properties to completion.

NOTES TO THE FINANCIAL STATEMENTS

2. Significant accounting policies (cont'd)

(i) Inventories (cont'd)

(iv) Other inventories

The cost of inventories is calculated using the first-in, first-out method, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. In the case of work-in-progress and manufactured inventories, cost includes an appropriate share of production overheads based on normal operating capacity.

Cost of assembled motor vehicles and knocked-down units is determined on specific identification basis and cost of other inventories is principally determined on a first-in, first-out basis.

All inventories are measured at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

The fair value of inventories acquired in a business combination is determined based on its estimated selling price in the ordinary course of business less the estimated costs of completion and sale, and a reasonable profit margin based on the effort required to complete and sell the inventories.

(j) Non-current asset held for sale

Non-current assets, or disposal group comprising assets and liabilities that are expected to be recovered primarily through sale rather than through continuing use, are classified as held for sale.

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 group, are measured at the lower of their carrying amount and fair value less costs of disposal.

Any impairment loss on a 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, contract assets, contract costs, financial assets, deferred tax assets, employee benefit assets and investment property, 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. Gains are not recognised in excess of any cumulative impairment loss.

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 ceases once classified as held for sale.

(k) Contract asset/Contract liability

A contract asset is recognised when the Group’s or the Company’s right to consideration is conditional on something other than the passage of time. A contract asset is subject to impairment in accordance to MFRS 9, *Financial Instruments* (see 2(r)(i)).

A contract liability is stated at cost and represents the obligation of the Group or the Company to transfer goods or services to a customer for which consideration has been received (or the amount is due) from the customers.

NOTES TO THE FINANCIAL STATEMENTS

2. Significant accounting policies (cont'd)

(l) Plasma receivable

Plasma plantation is an Indonesian Government policy to develop the plantations on mutual agreement. Companies could acquire land rights to develop plantations only if they develop plantations for smallholders (plasma farmers) in addition to their own plantations. The Company is required to assist and supervise smallholders in technical matters relating to the plantation and to purchase fresh fruit bunches ("FFB") produced by plasma plantations at prices determined by the Indonesian Government. Once plasma plantation is developed, they are transferred to the smallholders at conversion rate determined by the Government.

The difference between the accumulated development cost of plasma plantation and their conversion value is charged to profit or loss.

(m) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, balances and deposits with banks and highly liquid investments which have an insignificant risk of changes in fair value with original maturities of three months or less, and are used by the Group and the Company in the management of their short term commitments (including the accounts maintained pursuant to the Housing Development (Control and Licensing) Act, 1966). For the purpose of the statements of cash flows, cash and cash equivalents are presented net of bank overdrafts and pledged deposits, if any.

(n) Equity instruments

Instruments classified as equity are measured at cost on initial recognition and are not remeasured subsequently.

(i) Issue expenses

Costs directly attributable to the issue of instruments classified as equity are recognised as a deduction from equity.

(ii) Ordinary stocks

Ordinary stocks are classified as equity.

(iii) Repurchase, disposal and reissue of share capital (treasury stocks)

When share capital recognised as equity is repurchased, the amount of the consideration paid, including directly attributable costs, net of any tax effects, is recognised as a deduction from equity. Repurchased stocks that are not subsequently cancelled are classified as treasury stocks in the statements of changes in equity.

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

(o) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

NOTES TO THE FINANCIAL STATEMENTS

2. Significant accounting policies (cont'd)

(o) Provisions (cont'd)

(i) Warranties

A provision for warranties is recognised when the underlying products or services are sold. The provision is based on historical warranty data and a weighting of all possible outcomes against their associated probabilities.

(ii) Onerous contracts

A provision for onerous contracts is recognised when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with that contract.

(p) Contingencies

(i) Contingent liabilities

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.

(ii) Contingent assets

When an inflow of economic benefit of an asset is probable where it arises from past events and where existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity, the asset is not recognised in the statements of financial position but is being disclosed as a contingent asset. When the inflow of economic benefit is virtually certain, then the related asset is recognised.

(q) Employee benefits

(i) Short-term employee benefits

Short-term employee benefit obligations in respect of salaries, annual bonuses, paid annual leave and sick leave are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(ii) State plans

The Group's contributions to statutory pension funds are charged to profit or loss in the financial year to which they relate. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

2. Significant accounting policies (cont'd)

(q) Employee benefits (cont'd)

(iii) Defined benefits plans

The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in other comprehensive income. The Group determines the net interest expense or income on the net defined liability or asset for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then net defined benefit liability or asset, taking into account any changes in the net defined benefit liability or asset during the period as a result of contributions and benefit payments.

Net interest expense and other expenses relating to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

(iv) Termination benefits

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

(r) Impairment

(i) Financial assets

The Group and the Company recognise loss allowances for expected credit losses on financial assets measured at amortised cost, debt investments measured at fair value through other comprehensive income, contract assets and lease receivables. Expected credit losses are a probability-weighted estimate of credit losses.

The Group and the Company measure loss allowances 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 balance and other debt securities for which credit risk has not increased significantly since initial recognition, which are measured at 12-month expected credit loss. Loss allowances for trade receivables, contract assets and lease receivables are always measured at an amount equal to lifetime expected credit loss.

NOTES TO THE FINANCIAL STATEMENTS

2. Significant accounting policies (cont'd)

(r) Impairment (cont'd)

(i) Financial assets (cont'd)

When 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. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information, where available.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of the asset, while 12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within the 12 months after the reporting date. The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group and the Company are exposed to credit risk.

The Group and the Company estimate the expected credit losses on trade receivables using a provision matrix with reference to historical credit loss experience.

An impairment loss in respect of financial assets measured at amortised cost is recognised in profit or loss and the carrying amount of the asset is reduced through the use of an allowance account.

An impairment loss in respect of debt investments measured at fair value through other comprehensive income is recognised in profit or loss and the allowance account is recognised in other comprehensive income.

At each reporting date, the Group and the Company assess whether financial assets carried at amortised cost and debt securities at fair value through other comprehensive income 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 the financial asset have occurred.

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

(ii) Other assets

The carrying amounts of other assets (except for inventories, contract assets, lease receivables and deferred tax asset) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each period at the same time.

NOTES TO THE FINANCIAL STATEMENTS

2. Significant accounting policies (cont'd)

(r) Impairment (cont'd)

(ii) Other assets (cont'd)

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

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

An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit exceeds its estimated recoverable amount.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (group of cash-generating units) and then to reduce the carrying amounts of the other assets in the cash-generating unit (groups of cash-generating units) on a *pro rata* basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Reversals of impairment losses are credited to profit or loss in the financial year in which the reversals are recognised.

(s) Revenue and other income

(i) Revenue

Revenue is measured based on the consideration specified in a contract with a customer in exchange for transferring goods or services to a customer, excluding amounts collected on behalf of third parties. The Group or the Company recognises revenue when (or as) it transfers control over a product or service to customer. An asset is transferred when (or as) the customer obtains control of the asset.

NOTES TO THE FINANCIAL STATEMENTS

2. Significant accounting policies (cont'd)

(s) Revenue and other income (cont'd)

(i) Revenue (cont'd)

The Group or the Company transfers control of a good or service at a point in time unless one of the following over time criteria is met:

(a) the customer simultaneously receives and consumes the benefits provided as the Group or the Company performs;
(b) the Group's or the Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
(c) the Group's or the Company's performance does not create an asset with an alternative use and the Group or the Company has an enforceable right to payment for performance completed to date.

(ii) Rental income

Rental income is recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease.

(iii) Government grants

Government grants are recognised initially as deferred income at fair value when there is reasonable assurance that they will be received and that the Group will comply with the conditions associated with the grant; they are then recognised in profit or loss as other income on a systematic basis over the useful life of the asset.

Grants that compensate the Group for expenses incurred are recognised in profit or loss as other income on a systematic basis in the same period in which the expenses are recognised.

(iv) Dividend income

Dividend income is recognised in profit or loss on the date that the Group's or the Company's right to receive payment is established, which in the case of quoted securities is the ex-dividend date.

(v) Commission

When the Group acts in the capacity of an agent rather than as the principal in a transaction, the revenue recognised is the net amount of commission made by the Group.

(vi) Interest income

Interest income is recognised as it accrues, using the effective interest method in profit or loss except for interest income arising from temporary investment of borrowings taken specifically for the purpose of obtaining a qualifying asset which is accounted for in accordance with the accounting policy on borrowing costs.

NOTES TO THE FINANCIAL STATEMENTS

2. Significant accounting policies (cont'd)

(t) Contract cost

(i) Incremental cost of obtaining a contract

The Group or the Company recognises incremental costs of obtaining contracts when the Group or the Company expects to recover these costs.

(ii) Cost to fulfil a contract

The Group or the Company recognises a contract cost that relate directly to a contract or to an anticipated contract as an asset when the cost generates or enhances resources of the Group or the Company, will be used in satisfying performance obligations in the future and it is expected to be recovered.

These contract costs are initially measured at cost and amortised on a systematic basis that is consistent with the pattern of revenue recognition to which the asset relates. An impairment loss is recognised in the profit and loss when the carrying amount of the contract cost exceeds the expected revenue less expected cost that will be incurred. Where the impairment condition no longer exists or has improved, the impairment loss is reversed to the extent that the carrying amount of the contract cost does not exceed the amount that would have been recognised had there been no impairment loss recognised previously.

(u) Borrowing costs

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

2. Significant accounting policies (cont'd)

(v) Income tax

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

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

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

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the reporting date. Deferred tax assets and liabilities are not discounted.

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

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

Unutilised reinvestment allowance and investment tax allowance, being tax incentives that is not a tax base of an asset, is recognised as a deferred tax asset to the extent that it is probable that the future taxable profits will be available against which the unutilised tax incentive can be utilised.

NOTES TO THE FINANCIAL STATEMENTS

2. Significant accounting policies (cont'd)

(w) Earnings per ordinary stock

The Group presents basic earnings per stock data for its ordinary stocks (“EPS”).

Basic EPS is calculated by dividing the profit or loss attributable to ordinary stockholders of the Company by the weighted average number of ordinary stocks outstanding during the period, adjusted for own stock held.

(x) Operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group’s other components. An operating segment’s operating results are reviewed regularly by the chief operating decision maker, which in this case are the Chairman and Executive Directors of the Group, to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

(y) Discontinued operations

A discontinued operation is a component of the Group’s business that represents a separate major line of business or geographical area of operations that has been disposed of or is held for sale or distribution, or 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, if earlier. When an operation is classified as a discontinued operation, the comparative statement of profit or loss and other comprehensive income is re-presented as if the operation had been discontinued from the start of the comparative period.

(z) Fair value measurement

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

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

When measuring the fair value of an asset or a liability, the Group uses 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 can access at the measurement date.

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

Level 3: unobservable inputs for the asset or liability.

The Group recognises transfers between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfers.

3. Property, plant and equipment

	Freehold land RM'000	Buildings RM'000	Bearer plants RM'000	Plant and machinery RM'000	Furniture, fixtures, fittings, equipment and vehicles RM'000	Capital work-in-progress RM'000	Total RM'000
Group							
Cost							
At 1 January 2020	237,641	1,434,679	879,979	581,531	366,391	80,654	3,580,875
Additions	-	6,524	60,883	22,646	19,009	30,263	139,325
Disposals	-	(11)	-	(41,625)	(10,722)	-	(52,358)
Write-off	-	(1,305)	(3,025)	(415)	(4,327)	-	(9,072)
Reclassifications	45,018	(27,665)	-	28,033	907	(46,293)	-
Transfer to investment properties (Note 6)	-	(565)	-	-	-	(5,053)	(5,618)
Derecognition through disposal of a subsidiary	-	(13,358)	-	-	-	-	(13,358)
Exchange differences	2,054	23,425	(24,278)	6,122	3,581	(1,473)	9,431
At 31 December 2020/1 January 2021	**284,713**	**1,421,724**	**913,559**	**596,292**	**374,839**	**58,098**	**3,649,225**
Additions	**-**	**4,677**	**51,015**	**29,995**	**10,530**	**19,567**	**115,784**
Disposals	**-**	**(596)**	**-**	**(1,662)**	**(10,506)**	**-**	**(12,764)**
Write-off	**-**	**(208)**	**(4,682)**	**(510)**	**(4,671)**	**(27)**	**(10,098)**
Reclassifications	**-**	**5,992**	**-**	**32,004**	**2,688**	**(40,684)**	**-**
Transfer (to)/from investment properties (Note 6)	**(6,586)**	**-**	**-**	**-**	**1,888**	**-**	**(4,698)**
Transfer to assets classified as held for sale (Note 15)	**(11,443)**	**(35,831)**	**-**	**(3,949)**	**(6,909)**	**-**	**(58,132)**
Exchange differences	**(3,913)**	**(3,448)**	**18,136**	**(72)**	**1,392**	**564**	**12,659**
At 31 December 2021	**262,771**	**1,392,310**	**978,028**	**652,098**	**369,251**	**37,518**	**3,691,976**

3. Property, plant and equipment (cont'd)

	Freehold land RM'000	Buildings RM'000	Bearer plants RM'000	Plant and machinery RM'000	Furniture, fixtures, fittings, equipment and vehicles RM'000	Capital work-in-progress RM'000	Total RM'000
Group							
Accumulated depreciation and impairment loss							
At 1 January 2020							
Accumulated depreciation	-	562,869	238,681	463,360	278,772	-	1,543,682
Accumulated impairment loss	-	2,070	67,221	2,657	503	-	72,451
	-	564,939	305,902	466,017	279,275	-	1,616,133
Depreciation for the year	-	32,287	29,376	31,932	26,418	-	120,013
Impairment loss	-	48	19,685	810	68	4,924	25,535
Disposals	-	(3)	-	(37,608)	(9,702)	-	(47,313)
Write-off	-	(1,058)	(3,025)	(339)	(4,236)	-	(8,658)
Reclassifications	-	-	-	(54)	54	-	-
Transfer to investment properties (Note 6)	-	(468)	-	-	-	-	(468)
Derecognition through disposal of a subsidiary	-	(2,230)	-	-	-	-	(2,230)
Exchange differences	-	14,003	(8,351)	6,267	2,436	-	14,355
At 31 December 2020							
Accumulated depreciation	-	605,400	256,681	463,558	293,742	-	1,619,381
Accumulated impairment loss	-	2,118	86,906	3,467	571	4,924	97,986
	-	607,518	343,587	467,025	294,313	4,924	1,717,367

3. Property, plant and equipment (cont'd)

Group	Freehold land RM'000	Buildings RM'000	Bearer plants RM'000	Plant and machinery RM'000	Furniture, fixtures, fittings, equipment and vehicles RM'000	Capital work-in-progress RM'000	Total RM'000
Accumulated depreciation and impairment loss							
At 1 January 2021							
Accumulated depreciation	-	605,400	256,681	463,558	293,742	-	1,619,381
Accumulated impairment loss	-	2,118	86,906	3,467	571	4,924	97,986
	-	607,518	343,587	467,025	294,313	4,924	1,717,367
Depreciation for the year	-	36,376	34,551	32,817	24,046	-	127,790
(Reversal of)/Impairment loss	-	-	(12,918)	99	(566)	-	(13,385)
Disposals	-	(119)	-	(1,633)	(9,320)	-	(11,072)
Write-off	-	(118)	(4,682)	(496)	(4,460)	-	(9,756)
Transfer to assets classified as held for sale (Note 15)	-	(32,760)	-	(3,533)	(5,821)	-	(42,114)
Exchange differences	-	(3,523)	7,260	(1,020)	1,130	(111)	3,736
At 31 December 2021							
Accumulated depreciation	-	605,256	293,810	489,693	299,317	-	1,688,076
Accumulated impairment loss	-	2,118	73,988	3,566	5	4,813	84,490
	-	607,374	367,798	493,259	299,322	4,813	1,772,566

3. Property, plant and equipment (cont'd)

	Freehold land RM'000	Buildings RM'000	Bearer plants RM'000	Plant and machinery RM'000	Furniture, fixtures, fittings, equipment and vehicles RM'000	Capital work-in-progress RM'000	Total RM'000
Group							
Carrying amounts							
At 1 January 2020	237,641	869,740	574,077	115,514	87,116	80,654	1,964,742
At 31 December 2020/1 January 2021	284,713	814,206	569,972	129,267	80,526	53,174	1,931,858
At 31 December 2021	**262,771**	**784,936**	**610,230**	**158,839**	**69,929**	**32,705**	**1,919,410**

Buildings of the Group with carrying amount of **RM25,629,000** (2020 : RM26,253,000) are erected on freehold land belonging to a related party.

NOTES TO THE FINANCIAL STATEMENTS

3. Property, plant and equipment (cont'd)

	Freehold land RM'000	Furniture, fixtures, fittings, equipment and vehicles RM'000	Capital work-in-progress RM'000	Total RM'000
Company				
Cost				
At 1 January 2020	289	2,235	-	2,524
Additions	-	67	42	109
Disposal	-	(113)	-	(113)
At 31 December 2020/ 1 January 2021	**289**	**2,189**	**42**	**2,520**
Additions	**-**	**59**	**-**	**59**
Write-off	**-**	**(9)**	**-**	**(9)**
Transfer to investment property (Note 6)	**-**	**-**	**(42)**	**(42)**
At 31 December 2021	**289**	**2,239**	**-**	**2,528**
Accumulated depreciation				
At 1 January 2020	-	1,702	-	1,702
Depreciation for the year	-	228	-	228
Disposal	-	(113)	-	(113)
At 31 December 2020/ 1 January 2021	**-**	**1,817**	**-**	**1,817**
Depreciation for the year	**-**	**185**	**-**	**185**
Write-off	**-**	**(9)**	**-**	**(9)**
At 31 December 2021	**-**	**1,993**	**-**	**1,993**
Carrying amounts				
At 1 January 2020	289	533	-	822
At 31 December 2020/ 1 January 2021	289	372	42	703
At 31 December 2021	**289**	**246**	**-**	**535**

NOTES TO THE FINANCIAL STATEMENTS

3. Property, plant and equipment (cont'd)

3.1 Borrowing costs capitalised

Additions to bearer plants of the Group during the year include :

	2021 RM'000	2020 RM'000
- Interest expense (Note 23)	**2,367**	2,936

Interest is capitalised under bearer plants at an average rate of **0.94% to 3.30%** (2020 : 0.12% to 2.66%) per annum.

3.2 Key sources of estimation uncertainties

The Group determines whether there is impairment on property, plant and equipment when indicators of impairment were identified. The recoverable amount is estimated based on the higher of fair value less cost to sell and the value in use. Estimating the recoverable amount requires the Group to make an estimate of the expected future cash flows from its property, plant and equipment and also to apply a suitable discount rate in order to calculate the present value of those cash flows.

3.3 Impairment loss

3.3.1 Bearer plants

For the purposes of impairment testing, plantation assets of each subsidiary in the plantation segment are regarded as separate cash-generating units by the Group. The carrying amounts of certain cash-generating units amounting to **RM76,056,000** (2020 : RM343,186,000) were determined to be higher than their recoverable amounts of **RM76,019,000** (2020 : RM320,573,000). Slow development on these plantations has resulted in bearer plants being impaired by **RM37,000** (2020 : RM22,613,000) during the financial year.

The other cash-generating units with carrying amount of **RM469,952,000** (2020 : RM207,133,000) was determined to be lower than their recoverable amounts of **RM482,907,000** (2020 : RM210,061,000), resulting in an impairment loss reversal of **RM12,955,000** (2020 : RM2,928,000). The reversal of impairment loss was driven by the positive development of those cash-generating units noted during the financial year.

The net impairment loss reversal (2020 : impairment loss) on bearer plants of **RM12,918,000** (2020 : RM19,685,000) was charged to the income statement and is included in other operating income (2020 : other operating expenses) of the Group.

The recoverable amount of the total cash generating units of **RM558,926,000** (2020 : RM530,634,000) was assessed using the fair value less costs to sell method, based on a valuation carried out by an independent firm of valuers. The pre-tax discount rate applied by the valuers in the valuation is at **10.39%** (2020 : 10.98%).

3.3.2 Buildings, plant and equipment

During the financial year, the Group assessed the recoverable amount of property, plant and equipment in the automotive segment used for the cable product line that was loss making. The cable product line is regarded as one cash-generating unit by the Group. Arising from the assessment carried out, the Group recognised an impairment loss reversal (2020 : impairment loss) of **RM467,000** (2020 : RM926,000). The impairment loss reversal (2020 : impairment loss) of **RM467,000** (2020 : RM926,000) was recognised in other operating income (2020 : other operating expenses) of the Group.

3. Property, plant and equipment (cont'd)

3.3 Impairment loss (cont'd)

3.3.2 Buildings, plant and equipment (cont'd)

The recoverable amount of the cash generating unit of **RM467,000** (2020 : RM Nil) was assessed using the value in use method. The estimate of the value in use was determined based on the projected cash flows of the remaining useful lives of the property, plant and equipment using a pre-tax discount rate of **10%** (2020 : 10%).

3.3.3 Capital work-in-progress

In previous financial year, capital work-in-progress of the Group of RM4,924,000 which represents the carrying amount of a hotel building project was impaired in full following the abandonment of the project. The impairment loss was recognised in other operating expenses of the Group.

3.4 Fair value information

For the purpose of impairment of bearer plants, the fair value of each cash generating units is categorised as **Level 3** (2020: Level 3). The following table shows the valuation techniques used in the determination of fair values within Level 3, as well as the key unobservable inputs used in the valuation models.

Description of valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Discounted cash flows:		
The valuation method considers the present value of net cash flows to be generated from the cash generating units.	Oil palm fruits ("FFB") selling price ranging from **RM681 - RM871** (2020 : RM491 - RM528) per metric tonne. Pre-tax discount rate is **10.39%** (2020 : 10.98%)	The estimated fair value would increase /(decrease) if expected FFB selling price were higher /(lower); or pre-tax discount rate were lower/ (higher).

NOTES TO THE FINANCIAL STATEMENTS

4. Right-of-use assets - Group

	Land RM'000	Buildings RM'000	Plant and machinery RM'000	Furniture fitting, equipment and vehicles RM'000	Total RM'000
At 1 January 2020	313,824	24,441	9,192	1,238	348,695
Additions	1,695	6,706	496	118	9,015
Depreciation for the year	(6,616)	(4,970)	(3,458)	(688)	(15,732)
Disposals	-	-	25	(51)	(26)
Write-off	(21)	-	(5)	-	(26)
Transfer from investment properties	24	-	-	-	24
Derecognition through disposal of a subsidiary	(1,109)	-	-	-	(1,109)
Exchange differences	(5,483)	(2)	-	1	(5,484)
At 31 December 2020/ 1 January 2021	**302,314**	**26,175**	**6,250**	**618**	**335,357**
Additions	**1,466**	**202**	**278**	**15**	**1,961**
Depreciation for the year	**(6,475)**	**(4,406)**	**(2,753)**	**(242)**	**(13,876)**
Disposal	**-**	**-**	**-**	**(109)**	**(109)**
Write-off	**-**	**-**	**(1)**	**-**	**(1)**
Exchange differences	**4,793**	**49**	**-**	**(4)**	**4,838**
At 31 December 2021	**302,098**	**22,020**	**3,774**	**278**	**328,170**

The Group leases a number of office and factory facilities that run between 2 years and 12 years, with an option to renew the lease after that date. Lease payments are increased every 2-10 years to reflect current market rentals.

NOTES TO THE FINANCIAL STATEMENTS

4. Right-of-use assets - Group (cont'd)

4.1 Extension options

Some lease of land and buildings contain extension options exercisable by the Group prior to the end of the non-cancellable contract period. Where applicable, the Group seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Group and not by the lessors. The Group assesses at lease commencement whether it is reasonably certain to exercise the options if there is a significant eventor significant change in circumstances within its control.

	Lease liabilities recognised (discounted) RM'000	Potential future lease payments not included in lease liabilities (discounted) RM'000	Historical rate of exercise of extension options %
2021			
Land	**958**	**621**	**50**
Buildings	**12,994**	**-**	**100**
2020			
Land	1,312	681	50
Buildings	13,073	-	100

4.2 Significant judgements and assumptions in relation to leases

The Group applied judgement and assumptions in determining the incremental borrowing rate of the respective leases. Group entities first determine the closest available borrowing rates before using significant judgement to determine the adjustments required to reflect the term, security, value or economic environment of the respective leases.

4.3 Security

Leasehold land of the Group with carrying amount of **RM9,520,000** (2020 : RM9,631,000) is pledged to the bank as securities for the secured term loans of the Group (see Note 18).

5. Intangible assets - Group

	Goodwill RM'000	Development cost RM'000	Total RM'000
Cost			
At 1 January 2020	21,356	4,292	25,648
Additions	-	1,346	1,346
Exchange differences	(426)	-	(426)
At 31 December 2020/1 January 2021	**20,930**	**5,638**	**26,568**
Additions	**-**	**506**	**506**
Exchange differences	**285**	**-**	**285**
At 31 December 2021	**21,215**	**6,144**	**27,359**

NOTES TO THE FINANCIAL STATEMENTS

5. Intangible assets - Group (cont'd)

	Note	Goodwill RM'000	Development cost RM'000	Total RM'000
Amortisation				
At 1 January 2020		-	3,746	3,746
Amortisation for the year	**5.1**	-	283	283
At 31 December 2020/1 January 2021		**-**	**4,029**	**4,029**
Amortisation for the year	**5.1**	**-**	**271**	**271**
At 31 December 2021		**-**	**4,300**	**4,300**
Carrying amounts				
At 1 January 2020		21,356	546	21,902
At 31 December 2020/1 January 2021		20,930	1,609	22,539
At 31 December 2021		**21,215**	**1,844**	**23,059**

Goodwill acquired in a business combination is allocated, at acquisition, to the cash-generating unit ("CGU") that is expected to benefit from that business combination. The carrying amount of goodwill has been allocated to the following business segments as independent CGUs :

	2021 RM'000	2020 RM'000
Automotive and related products	**1,172**	1,172
Plastic products	**2,117**	2,117
Plantation	**14,795**	14,510
Hotels and resorts	**1,004**	1,004
Multiple units without significant goodwill	**2,127**	2,127
	21,215	20,930

5.1 Amortisation

The amortisation of development costs is allocated to the cost of inventory and is recognised in cost of sales as inventory is sold.

NOTES TO THE FINANCIAL STATEMENTS

6. Investment properties

	Note	2021 RM'000	2020 RM'000
Group			
Cost			
At 1 January		**1,291,013**	1,228,927
Additions		**1,588**	19,750
Write off		**(1,581)**	-
Transfer from property, plant and equipment	**3**	**4,698**	5,618
Transfer to right-of-use assets	**4**	**-**	(72)
Exchange differences		**(11,102)**	36,790
At 31 December		**1,284,616**	1,291,013
Accumulated depreciation and impairment loss			
At 1 January		**181,091**	120,594
Write off		**(1,577)**	-
Depreciation for the year		**11,883**	11,780
(Reversal of)/Impairment loss	**24**	**(93)**	43,803
Transfer from property, plant and equipment	**3**	**-**	468
Transfer to right-of-use assets	**4**	**-**	(48)
Exchange differences		**(2,216)**	4,494
At 31 December		**189,088**	181,091
Carrying amount		**1,095,528**	1,109,922

Included in the above are :

	2021 RM'000	2020 RM'000
Freehold land	**305,463**	302,944
Right-of-use assets	**83,131**	65,757
Buildings	**243,823**	279,294
Land under reclamation	**462,494**	461,212
Electrical fittings	**617**	715
	1,095,528	1,109,922

The title deed of land under reclamation of the Group with a carrying amount of **RM462,494,000** (2020 : RM461,212,000) is still being processed by the relevant authorities.

NOTES TO THE FINANCIAL STATEMENTS

6. Investment properties (cont'd)

	Note	2021 RM'000	2020 RM'000
Company			
Cost			
At 1 January		**15,137**	15,137
Addition		**3,659**	-
Transfer from property, plant and equipment	**3**	**42**	-
At 31 December		**18,838**	15,137
Accumulated depreciation			
At 1 January		**90**	87
Depreciation for the year		**3**	3
At 31 December 2021		**93**	90
Carrying amount		**18,745**	15,047
Included in the above are :			
Freehold land		**14,963**	14,963
Buildings		**81**	84
Others		**3,701**	-
		18,745	15,047

Investment properties of the Group and the Company comprise a number of commercial properties and vacant land that are leased out or held for capital appreciation.

6.1 Security - Group

Carrying amounts of investment properties pledged to the bank as securities for the secured term loans and revolving credit of the Group (see Note 18) are as follows :

	2021 RM'000	2020 RM'000
Freehold land	**145,349**	148,710
Buildings	**148,073**	157,631
	293,422	306,341

NOTES TO THE FINANCIAL STATEMENTS

6. Investment properties (cont'd)

6.2 Lease income and direct operating expenses

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

	Group		Company	
	2021	**2020**	**2021**	**2020**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Lease income	**75,658**	74,150	**2,203**	2,314
Direct operating expenses of investment properties :				
- non-income generating	**1,067**	953	**286**	272
- income generating	**22,824**	22,839	**157**	150

6.3 Operating lease payment receivables

The operating lease payments to be received are as follows :

	Group		Company	
	2021	**2020**	**2021**	**2020**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Less than one year	**60,502**	64,980	**2,449**	2,236
One to two years	**44,640**	47,932	**346**	384
Two to three years	**27,902**	34,926	**-**	320
Three to four years	**20,802**	23,977	**-**	-
Four to five years	**13,853**	19,328	**-**	-
More than five years	**20,526**	34,288	**-**	-
Total undiscounted lease payments	**188,225**	225,431	**2,795**	2,940

6.4 Impairment loss

In previous financial year, the carrying amount of an investment property of the Group of RM155,277,000 was assessed to be higher than its fair value less cost to sell of RM111,474,000 arising from changes in the economic environment. The impairment loss of RM43,803,000 was recognised in other operating expenses of the Group.

NOTES TO THE FINANCIAL STATEMENTS

6. Investment properties (cont'd)

6.5 Fair value information

Fair value of investment properties are categorised as follows:

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
2021				
Group				
Freehold land	**-**	**-**	**1,295,367**	**1,295,367**
Right-of-use assets	**-**	**-**	**920,106**	**920,106**
Buildings	**-**	**-**	**478,805**	**478,805**
	-	**-**	**2,694,278**	**2,694,278**
Company				
Freehold land	**-**	**-**	**303,800**	**303,800**
Buildings	**-**	**-**	**400**	**400**
	-	**-**	**304,200**	**304,200**
2020				
Group				
Freehold land	-	-	1,369,107	1,369,107
Right-of-use assets	-	-	915,782	915,782
Buildings	-	-	435,070	435,070
	-	-	2,719,959	2,719,959
Company				
Freehold land	-	-	303,800	303,800
Buildings	-	-	400	400
	-	-	304,200	304,200

6. Investment properties (cont'd)

6.5 Fair value information (cont'd)

Level 3 fair value

Level 3 fair value is estimated using unobservable inputs for the investment property. The valuation techniques used in the determination of fair values within Level 3 are as follows:

Description of valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
i) Comparison method of valuation		
This approach entails comparing the property with similar properties that were sold. The characteristics, merits and demerits of these properties are noted and appropriate adjustments thereof are then made to arrive at the value of the investment properties.	Price per square meter **(RM151 – RM121,970)** (2020 : RM96 – RM139,692)	The estimated fair value would increase/(decrease) if the price per square meter is higher/(lower).
ii) Discounted cash flows:		
The valuation method considers the present value of net cash flows to be generated from the property, taking into account expected rental growth rate, void periods, occupancy rate, lease incentive costs such as rent-free periods and other costs not paid by tenants. The expected net cash flows are discounted using risk-adjusted discount rates. Among other factors, the discount rate estimation considers the quality of a building and its location (prime vs secondary), tenant credit quality and lease terms.	Expected market rental growth is **0% - 3.42%** (2020 : 0% - 3.42%) Risk adjusted discount rate is **5.75% - 9.96%** (2020 : 5.75% - 7.82%)	The estimated fair value would increase/(decrease) if expected market rental growth were higher/(lower); or risk-adjusted discount rate were lower/(higher).

Valuation processes applied by the Group for Level 3 fair value

The fair value of investment properties is based on the estimates of market value by Directors using either discounted cash flows or recent transaction prices around the vicinity.

Highest and best use

Investment properties comprise a number of commercial properties and vacant land. The Directors had determined the current uses of these investment properties as their highest and best use.

NOTES TO THE FINANCIAL STATEMENTS

7. Interests in subsidiaries - Company

	Note	2021 RM'000	2020 RM'000
Unquoted shares, at cost		**883,587**	875,938
Amount due from subsidiaries	**7.1**	**204,548**	205,596
Less :			
Impairment losses		**(92,968)**	(120,936)
		995,167	960,598

Details of the subsidiaries are listed under Note 35.

7.1 Amount due from subsidiaries

The amount due from subsidiaries is regarded as net interests in subsidiaries. This amount is unsecured, with no fixed terms of repayment and is subject to interest at the rates ranging from **2.13% to 3.53%** (2020 : 2.07% to 3.34%) per annum.

7.2 Key sources of estimation uncertainties

The Company determines whether there is impairment on interests in subsidiaries when indicators of impairment were identified. The recoverable amount is estimated based on the higher of fair value less cost to sell and the value in use. Estimating the recoverable amount requires the Company to make an estimate of the expected future cash flows from its subsidiaries and also to apply a suitable discount rate in order to calculate the present value of those cash flows.

7.3 Impairment loss

During the financial year, the Company assessed the recoverable amount of its investment in a subsidiary under automotive segment that was loss making. Arising from the assessment carried out, the Company recognised an impairment loss of **RM23,135,000** (2020 : RM17,827,000) in other operating expenses of the Company. The recoverable amount of **RM Nil** (2020 : RM23,135,000) was assessed using the value in use method. The estimate of the value in use was determined based on the projected cash flows of the subsidiary using a pre-tax discount rate of **10%** (2020 : 10%). Other key assumptions used to derive the recoverable amount include revenue growth and gross profit margin.

The Company also assessed the recoverable amount of its investment in a subsidiary under healthcare segment that was loss making. Arising from the assessment carried out, the Company reversed an impairment loss of **RM51,103,000** (2020 : impairment loss of RM45,931,000) in other operating income (2020 : other operating expenses) of the Company. The recoverable amount of **RM127,206,000** (2020 : RM57,018,000) was assessed using the value in use method. The estimate of the value in use was determined based on the projected cash flows of the subsidiary using a pre-tax discount rate of **9%** (2020 : 11%). Other key assumptions used to derive the recoverable amount include revenue growth and gross profit margin.

7. Interests in subsidiaries (cont'd)

Non-controlling interests in subsidiaries

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

	2021						
	PT Gunung Maras Lestari RM'000	PT Gunung sawit Binalestari RM'000	Selasih Permata Sdn. Bhd. RM'000	Melaka Straits Medical Centre Sdn. Bhd. RM'000	Oriental Boon Siew (M) Sdn. Bhd. RM'000	Teck See Plastic Sdn. Bhd. RM'000	PT Surya Agro Persada RM'000
NCI percentage of ownership interest and voting interest	53.29%	53.29%	49.50%	48.32%	49.00%	40.00%	54.55%
Carrying amount of NCI	418,649	309,730	96,495	66,764	162,035	157,226	(94,871)
Profit/(Loss) allocated to NCI	67,490	38,346	29,257	5	(493)	3,336	7,473
Summarized financial information before intra-group elimination							
As at 31 December							
Non-current assets	41,341	44,426	67,697	231,867	395,738	91,380	93,963
Current assets	904,699	580,832	127,286	28,248	5,528	142,961	22,480
Non-current liabilities	(13,524)	(7,925)	-	(5,184)	-	(143)	(850)
Current liabilities	(125,586)	(18,448)	(45)	(117,591)	(583)	(12,275)	(290,444)
Net assets/(liabilities)	806,930	598,885	194,938	137,340	400,683	221,923	(174,851)

7. Interests in subsidiaries (cont'd)

Non-controlling interests in subsidiaries (cont'd)

	2021						
	PT Gunung Maras Lestari RM'000	PT Gunung sawit Binalestari RM'000	Selasih Permata Sdn. Bhd. RM'000	Melaka Straits Medical Centre Sdn. Bhd. RM'000	Oriental Boon Siew (M) Sdn. Bhd. RM'000	Teck See Plastic Sdn. Bhd. RM'000	PT Surya Agro Persada RM'000
Year ended 31 December							
Revenue	273,082	156,768	56,767	73,941	116	56,646	11,908
Profit/(Loss) for the year	130,856	74,370	59,104	(267)	(1,007)	8,341	14,106
Total comprehensive income/ (expense) for the year	146,936	86,194	59,104	(267)	(1,007)	8,341	10,347
Cash flows from operating activities	139,316	88,335	607	9,518	(441)	(1,526)	(9,265)
Cash flows from investing activities	9,060	3,753	56,767	(14,365)	34	5,384	(4,274)
Cash flows from financing activities	(45,169)	(24,717)	(6,000)	7,040	-	(10,050)	11,397
Net increase/(decrease) in cash and cash equivalents	103,207	67,371	51,374	2,193	(407)	(6,192)	(2,142)
Dividend paid to NCI	3,233	1,854	2,970	-	-	4,001	-

7. **Interests in subsidiaries (cont'd)**

Non-controlling interests in subsidiaries (cont'd)

	2020						
	PT Gunung Maras Lestari RM'000	**PT Gunung sawit Binalestari RM'000**	**Selasih Permata Sdn. Bhd. RM'000**	**Melaka Straits Medical Centre Sdn. Bhd. RM'000**	**Oriental Boon Siew (M) Sdn. Bhd. RM'000**	**Teck See Plastic Sdn. Bhd. RM'000**	**PT Surya Agro Persada RM'000**
NCI percentage of ownership interest and voting interest	53.29%	53.29%	49.50%	49.00%	49.00%	40.00%	54.55%
Carrying amount of NCI	364,843	277,864	70,208	62,479	162,528	159,301	(100,435)
Profit/(Loss) allocated to NCI	30,199	27,372	1,004	(874)	(472)	3,319	(17,046)
Summarized financial information before intra-group elimination							
As at 31 December							
Non-current assets	38,733	37,862	67,698	224,604	396,516	92,518	89,772
Current assets	787,459	513,499	74,193	24,467	5,942	146,066	24,084
Non-current liabilities	(16,857)	(8,458)	-	(6,939)	-	(154)	(874)
Current liabilities	(107,582)	(6,227)	(57)	(116,524)	(768)	(14,848)	(298,441)
Net assets/(liabilities)	701,753	536,676	141,834	125,608	401,690	223,582	(185,459)

7. **Interests in subsidiaries (cont'd)**

Non-controlling interests in subsidiaries (cont'd)

	2020						
	PT Gunung Maras Lestari RM'000	PT Gunung sawit Binalestari RM'000	Selasih Permata Sdn. Bhd. RM'000	Melaka Straits Medical Centre Sdn. Bhd. RM'000	Oriental Boon Siew (M) Sdn. Bhd. RM'000	Teck See Plastic Sdn. Bhd. RM'000	PT Surya Agro Persada RM'000
Year ended 31 December							
Revenue	175,671	108,234	3,172	65,501	152	75,064	6,750
Profit/(Loss) for the year	56,670	41,367	2,028	(1,560)	(964)	8,298	(37,813)
Total comprehensive income/ (expense) for the year	37,565	27,427	2,028	(1,560)	(964)	8,298	(39,260)
Cash flows from operating activities	72,936	42,699	(339)	5,099	(75)	12,160	(12,022)
Cash flows from investing activities	19,877	8,028	3,172	(5,851)	(148)	3,433	(4,230)
Cash flows from financing activities	(2,754)	(1,044)	(6,000)	6,111	-	(10,039)	14,499
Net increase/(decrease) in cash and cash equivalents	90,059	49,683	(3,167)	5,359	(223)	5,554	(1,753)
Dividend paid to NCI	113	78	2,970	-	-	4,001	-

NOTES TO THE FINANCIAL STATEMENTS

8. Investments in associates

	2021 RM'000	2020 RM'000
Group		
Unquoted shares, at cost	**90,347**	90,271
Share of post-acquisition reserves	**534,155**	510,424
	624,502	600,695
Company		
Unquoted shares, at cost	**28,935**	28,935

Details of associates :

	Group's effective interest 2021 %	Group's effective interest 2020 %	Principal place of business/ Country of incorporation	Principal activities/ Nature of the relationship
Incorporated in Malaysia :				
Honda Autoparts Manufacturing (M) Sdn. Bhd.	**49.0**	49.0	Malaysia	Manufacture and sale of motor vehicle parts (ceased its business operations during the financial year and under members' voluntary liquidation on 2 August 2021)
Southern Perak Plantations Sdn. Berhad	**39.5**	39.5	Malaysia	Production and sale of oil palm fruits, palm oil and kernel
Hitachi Construction Machinery (Malaysia) Sdn. Bhd.	**30.0**	30.0	Malaysia	Sale of construction machinery, attachments and spare parts and renting of machinery
Boon Siew Honda Sdn. Bhd.	**49.0**	49.0	Malaysia	Manufacture, assembly and sale of motorcycles
Chainferry Development Sdn. Berhad	**33.4**	33.4	Malaysia	Property development
Penang Wellesley Realty Sdn. Berhad	**39.8**	39.8	Malaysia	Property development
Penang Amusements Company Sdn. Berhad	**25.0**	25.0	Malaysia	Operation of a bowling alley

NOTES TO THE FINANCIAL STATEMENTS

8. Investments in associates (cont'd)

Details of associates (cont'd) :

	Group's effective interest 2021 %	Group's effective interest 2020 %	Principal place of business/ Country of incorporation	Principal activities/ Nature of the relationship
Held through a subsidiary of the Company, Teck See Plastic Sdn. Bhd.				
Hicom-Teck See Manufacturing Malaysia Sdn. Bhd.	**29.4**	29.4	Malaysia	Manufacture of thermo plastic and thermo setting products
Incorporated in Singapore :				
Held through a subsidiary of the Company, Kah Motor Company Sdn Berhad				
Singapore Safety Driving Centre Ltd	**27.5**	27.5	Singapore	Operation of a driving school
B.S. Kah Pte. Ltd	**40.0**	40.0	Singapore	Property management
Bukit Batok Driving Centre Ltd	**21.9**	21.9	Singapore	Operation of a driving school
Incorporated in Thailand :				
Held through a subsidiary of the Company, Teck See Plastic Sdn. Bhd.				
Kasai Teck See Co., Ltd.	**15.0**	15.0	Thailand	Manufacture and sale of parts, mould and automotive equipment including automotive interior parts

NOTES TO THE FINANCIAL STATEMENTS

8. Investments in associates (cont'd)

Details of associates (cont'd) :

	Group's effective interest 2021 %	Group's effective interest 2020 %	Principal place of business/ Country of incorporation	Principal activities/ Nature of the relationship
Incorporated in the Republic of Indonesia :				
Held through subsidiaries of the Company, Teck See Plastic Sdn. Bhd. and Oriental International (Mauritius) Pte. Ltd.				
P.T. Kasai Teck See Indonesia	**30.9**	30.9	Indonesia	Manufacture and distribution of plastic articles and products in automotive and electrical sectors

The accounting year end of all the associates is 31 December except for Honda Autoparts Manufacturing (M) Sdn. Bhd., Hitachi Construction Machinery (Malaysia) Sdn. Bhd. and Boon Siew Honda Sdn. Bhd. which have accounting year end of 31 March.

8. Investments in associates (cont'd)

The following table summarises the information of the Group’s material associates, adjusted for any differences in accounting policies and reconciles the information to the carrying amount of the Group’s interests in the associates.

	Hicom-Teck See Manufacturing Malaysia Sdn. Bhd.	Bukit Batok Driving Centre Ltd	Southern Perak Plantations Sdn. Berhad	Hitachi Construction Machinery (Malaysia) Sdn. Bhd.	Boon Siew Honda Sdn. Bhd.	Singapore Safety Driving Centre Ltd
	RM’000	RM’000	RM’000	RM’000	RM’000	RM’000
Group						
Summarised financial information						
As at 31 December 2021						
Non-current assets	276,864	42,629	120,216	66,120	143,710	172,572
Current assets	205,233	324,748	63,108	222,467	550,805	144,683
Non-current liabilities	(63,569)	(2,060)	(7,538)	-	-	-
Current liabilities	(274,101)	(69,203)	(3,438)	(115,676)	(265,592)	(32,390)
Net assets	144,427	296,114	172,348	172,911	428,923	284,865
Year ended 31 December 2021						
(Loss)/Profit from continuing operations	(11,180)	20,759	24,820	6,753	63,896	14,200
Other comprehensive income/(expense)	7,211	(79)	-	-	-	4,014
Total comprehensive (expense)/income	(3,969)	20,680	24,820	6,753	63,896	18,214
Included in the total comprehensive income is :						
Revenue	571,471	117,438	61,144	311,954	1,291,897	88,539

8. Investments in associates (cont'd)

	Hicom-Teck See Manufacturing Malaysia Sdn. Bhd. RM'000	Bukit Batok Driving Centre Ltd RM'000	Southern Perak Plantations Sdn. Berhad RM'000	Hitachi Construction Machinery (Malaysia) Sdn. Bhd. RM'000	Boon Siew Honda Sdn. Bhd. RM'000	Singapore Safety Driving Centre Ltd RM'000	Other individually immaterial associates RM'000	Total RM'000
Group								
Reconciliation of net assets to carrying amount								
As at 31 December 2021								
Group's share of net assets	42,462	64,790	68,077	51,873	210,172	78,338	104,411	620,123
Goodwill	-	-	3,255	-	-	-	1,124	4,379
Carrying amount in the statement of financial position	42,462	64,790	71,332	51,873	210,172	78,338	105,535	624,502
Group's share of results								
Year ended 31 December 2021								
Group's share of (loss)/profit from continuing operations	(3,287)	4,542	9,804	2,026	31,309	3,905	5,182	53,481
Group's share of other comprehensive income/ (expense)	2,120	(17)	-	-	-	1,104	-	3,207
Group's share of total comprehensive (expense)/ income	(1,167)	4,525	9,804	2,026	31,309	5,009	5,182	56,688
Other information								
Dividend received by the Group for the year ended 31 December 2021	-	1,347	198	-	-	592		

8. **Investments in associates (cont'd)**

	Hicom-Teck See Manufacturing Malaysia Sdn. Bhd.	Bukit Batok Driving Centre Ltd	Southern Perak Plantations Sdn. Berhad	Hitachi Construction Machinery (Malaysia) Sdn. Bhd.	Boon Siew Honda Sdn. Bhd.	Singapore Safety Driving Centre Ltd
	RM'000	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Group						
Summarised financial information						
As at 31 December 2020						
Non-current assets	252,981	51,089	119,979	61,965	139,383	167,032
Current assets	147,179	291,695	37,862	171,713	476,408	125,394
Non-current liabilities	(49,041)	(2,030)	(6,950)	-	-	-
Current liabilities	(202,759)	(63,561)	(2,861)	(68,240)	(250,766)	(27,694)
Net assets	148,360	277,193	148,030	165,438	365,025	264,732
Year ended 31 December 2020						
Profit/(Loss) from continuing operations	6,789	19,689	2,051	663	18,584	11,629
Other comprehensive (expense)/income	(7,135)	425	-	-	-	-
Total comprehensive (expense)/income	(346)	20,114	2,051	663	18,584	11,629
Included in the total comprehensive income is :						
Revenue	476,303	109,639	36,936	230,711	1,035,070	76,832

NOTES TO THE FINANCIAL STATEMENTS

8. **Investments in associates (cont'd)**

Group	Hicom-Teck See Manufacturing Malaysia Sdn. Bhd. RM'000	Bukit Batok Driving Centre Ltd RM'000	Southern Perak Plantations Sdn. Berhad RM'000	Hitachi Construction Machinery (Malaysia) Sdn. Bhd. RM'000	Boon Siew Honda Sdn. Bhd. RM'000	Singapore Safety Driving Centre Ltd RM'000	Other individually immaterial associates RM'000	Total RM'000
Reconciliation of net assets to carrying amount								
As at 31 December 2020								
Group's share of net assets	43,618	60,650	58,472	49,631	178,862	72,801	132,282	596,316
Goodwill	-	-	3,255	-	-	-	1,124	4,379
Carrying amount in the statement of financial position	43,618	60,650	61,727	49,631	178,862	72,801	133,406	600,695
Group's share of results								
Year ended 31 December 2020								
Group's share of profit/ (loss) from continuing operations	1,996	4,308	810	199	9,106	3,198	(27,246)	(7,629)
Group's share of other comprehensive (expense)/income	(2,098)	93	-	-	-	-	-	(2,005)
Group's share of total comprehensive (expense)/income	(102)	4,401	810	199	9,106	3,198	(27,246)	(9,634)
Other information								
Dividend received by the Group for the year ended 31 December 2020	-	1,330	1,027	-	-	585		

9. Other investments

	Unquoted shares RM'000	Quoted shares RM'000	Quoted bonds RM'000	Quoted unit trusts and REITS RM'000	Unit trust money market funds RM'000	Fixed deposits RM'000	Structured deposits RM'000	Others RM'000	Total RM'000
Group									
2021									
Non-current									
Fair value through other comprehensive income	284,865	184,498	-	67,851	-	-	-	-	537,214
Amortised cost	-	-	51,736	-	-	89,899	-	1,085	142,720
	284,865	184,498	51,736	67,851	-	89,899	-	1,085	679,934
Current									
Amortised cost	-	-	20,892	-	24,443	1,380,296	-	-	1,425,631
Fair value through profit or loss	-	-	-	-	-	-	1,298	-	1,298
	-	-	20,892	-	24,443	1,380,296	1,298	-	1,426,929
	284,865	184,498	72,628	67,851	24,443	1,470,195	1,298	1,085	2,106,863
						Note 9.1			
Company									
2021									
Non-current									
Fair value through other comprehensive income	258,235	-	-	-	-	-	-	-	258,235

9. **Other investments (cont'd)**

	Unquoted shares RM'000	Quoted shares RM'000	Quoted bonds RM'000	Quoted unit trusts and REITS RM'000	Unit trust money market funds RM'000	Fixed deposits RM'000	Structured deposits RM'000	Others RM'000	Total RM'000
Group									
2020									
Non-current									
Fair value through other comprehensive income	262,276	181,562	-	68,387	-	-	-	-	512,225
Amortised cost	-	-	80,624	-	-	25,862	-	1,078	107,564
	262,276	181,562	80,624	68,387	-	25,862	-	1,078	619,789
Current									
Amortised cost	-	-	14,152	-	9,813	1,342,476	49,811	-	1,416,252
	262,276	181,562	94,776	68,387	9,813	1,368,338	49,811	1,078	2,036,041
						Note 9.1			
Company									
Non-current									
Fair value through other comprehensive income	244,110	-	-	-	-	-	-	-	244,110
Current									
Amortised cost	-	-	-	-	-	-	49,811	-	49,811
	244,110	-	-	-	-	-	49,811	-	293,921

NOTES TO THE FINANCIAL STATEMENTS

9. Other investments (cont'd)

9.1 Fixed deposits placed with licensed banks

Included in the fixed deposits placed with licensed banks of the Group is an amount of **RM282,901,000** (2020 : RM255,543,000) which is pledged for banking/financing facilities granted to certain subsidiaries (see Note 18).

9.2 Key sources of estimation uncertainties

The unquoted shares of the Group are measured at fair value. The fair value is estimated using valuation model based on market multiples derived from quoted prices of companies comparable to the investee, adjusted for the effect of the non-marketability of the unquoted shares.

9.3 Equity investments designated at fair value through other comprehensive income

The Group designated all equity securities, categorised by business sectors as shown below, as at fair value through other comprehensive income because the Group intends to hold its equity securities for long-term strategic purposes.

	Fair value at 31 December 2021 RM'000	Dividend income recognised during 2021 RM'000	Fair value at 31 December 2020 RM'000	Dividend income recognised during 2020 RM'000
Group				
Consumer products	**284,207**	**20,049**	262,046	1,397
Financial services	**82,583**	**2,943**	76,702	2,964
Property	**76,059**	**1,610**	81,485	1,846
Others	**94,365**	**828**	91,992	1,040
	537,214	**25,430**	512,225	7,247
Company				
Consumer products	**257,988**	**16,875**	243,857	-
Others	**247**	**38**	253	23
	258,235	**16,913**	244,110	23

During the financial year, the Group disposed of the following investments which are carried at fair value through other comprehensive income because it is no longer in line with the Group's strategy.

	Fair value at derecognition RM'000	Cumulative gain on disposal RM'000	Dividend income recognised RM'000
2021			
Others	**3,343**	**873**	**-**
2020			
Others	36,510	-	25

10. Deferred tax assets/(liabilities) - Group

Recognised deferred tax assets/(liabilities)

Deferred tax assets/(liabilities) are attributable to the following :

	Assets		Liabilities		Net	
	2021 RM'000	**2020 RM'000**	**2021 RM'000**	**2020 RM'000**	**2021 RM'000**	**2020 RM'000**
Property, plant and equipment						
- capital allowances	**22,576**	22,847	**(50,550)**	(45,959)	**(27,974)**	(23,112)
Right-of-use of assets	**-**	-	**(5,411)**	(5,531)	**(5,411)**	(5,531)
Fair value of biological assets	**-**	-	**(11,372)**	(9,777)	**(11,372)**	(9,777)
Provisions	**8,602**	8,149	**(1,845)**	(1,920)	**6,757**	6,229
Capital allowances carry-forwards	**27,194**	27,957	**-**	-	**27,194**	27,957
Tax losses carry-forwards	**11,149**	14,751	**-**	-	**11,149**	14,751
Unutilised reinvestment allowances	**2,668**	2,853	**-**	-	**2,668**	2,853
Lease liabilities	**4,884**	5,575	**-**	-	**4,884**	5,575
Others	**8,040**	7,196	**-**	-	**8,040**	7,196
Assets classified as held for sale	**58,655**	-	**-**	-	**58,655**	-
	143,768	89,328	**(69,178)**	(63,187)	**74,590**	26,141
Set off of tax	**(27,662)**	(30,139)	**27,662**	30,139	**-**	-
Net tax assets/(liabilities)	**116,106**	59,189	**(41,516)**	(33,048)	**74,590**	26,141
Non - current	**57,451**	59,189	**(41,516)**	(33,048)		
Current	**58,655**	-	**-**	-		
Net tax assets/(liabilities)	**116,106**	59,189	**(41,516)**	(33,048)		

10. Deferred tax assets/(liabilities) - Group (cont'd)

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

	At 1 January 2020 RM'000	Exchange differences RM'000	Recognised in profit or loss RM'000	Recognised in other comprehensive income RM'000	At 31 December 2020/ 1 January 2021 RM'000	Exchange differences RM'000	Recognised in profit or loss RM'000	Recognised in other comprehensive income RM'000	At 31 December 2021 RM'000
Property, plant and equipment	(40,062)	173	16,777	-	**(23,112)**	**(608)**	**(4,254)**	**-**	**(27,974)**
Right-of-use assets	(5,651)	-	120	-	**(5,531)**	**-**	**120**	**-**	**(5,411)**
Fair value of biological assets	(8,899)	-	(878)	-	**(9,777)**	**-**	**(1,595)**	**-**	**(11,372)**
Provisions	5,444	(184)	917	52	**6,229**	**156**	**1,381**	**(1,009)**	**6,757**
Capital allowances carry-forwards	23,249	-	4,708	-	**27,957**	**-**	**(763)**	**-**	**27,194**
Tax losses carry-forwards	11,261	368	3,122	-	**14,751**	**(128)**	**(3,474)**	**-**	**11,149**
Unutilised reinvestment allowances	2,664	-	189	-	**2,853**	**-**	**(185)**	**-**	**2,668**
Lease liabilities	6,161	-	(586)	-	**5,575**	**-**	**(691)**	**-**	**4,884**
Others	6,059	315	822	-	**7,196**	**(112)**	**956**	**-**	**8,040**
Assets classified as held for sale	-	-	-	-	**-**	**-**	**58,655**	**-**	**58,655**
	226	672	25,191	52	**26,141**	**(692)**	**50,150**	**(1,009)**	**74,590**
			Note 25	Note 26			**Note 25**	**Note 26**	

NOTES TO THE FINANCIAL STATEMENTS

10. Deferred tax assets/(liabilities) - Group (cont'd)

Unrecognised deferred tax assets

Deferred tax have not been recognised in respect of the following items (stated at gross):

	2021 RM'000	2020 RM'000
Tax losses carry-forwards		
- Expiring not more than five years (see Note (a) below)	**367,443**	440,860
- Expiring not more than ten years (2020 : seven years) (see Note (b) below)	**128,212**	117,563
	495,655	558,423
Unutilised reinvestment allowances (see Note (b) below)	**11,326**	11,309
Capital allowances carry-forwards (see Note (c) below)	**6,130**	5,321
Unutilised investment tax allowances (see Note (c) below)	**1,211**	2,024
Taxable temporary differences	**(1,317)**	(1,183)
Provisions	**524**	539
Others	**7**	(19)
	513,536	576,414

(a) Tax losses carry-forwards of the Indonesian subsidiaries are subjected to a 5-year time limit under the tax legislations of Indonesia.

The tax losses carry-forwards will expire in the following years of assessment under the tax legislations of Indonesia :

	2021 RM'000	2020 RM'000
Expire in YA2021	**-**	43,426
Expire in YA2022	**51,811**	81,907
Expire in YA2023	**133,525**	133,525
Expire in YA2024	**48,971**	48,971
Expire in YA2025	**133,031**	133,031
Expire in YA2026	**105**	-
	367,443	440,860

NOTES TO THE FINANCIAL STATEMENTS

10. Deferred tax assets/(liabilities) - Group (cont'd)

Unrecognised deferred tax assets (cont'd)

(b) These tax losses carry-forwards relate to Malaysian subsidiaries and are subjected to a **10-year** (2020 : 7-year) time limit under the tax legislations of Malaysia. Unutilised reinvestment allowances can only be carried forward up to 7 consecutive years of assessment after the expiry/end of the qualifying period.

The tax losses carry-forwards and reinvestment allowances will expire in the following years of assessment under the tax legislations of Malaysia.

	2021 RM'000	2020 RM'000
Tax losses carry-forwards		
Expire in YA2025	-	81,343
Expire in YA2026	-	521
Expire in YA2027	-	7,345
Expire in YA2028	**117,279**	28,354
Expire in YA2030	**5,938**	-
Expire in YA2031	**4,995**	-
	128,212	117,563
Reinvestment allowances		
Expire in YA2025	**11,326**	11,309

(c) Capital allowances carry-forwards and unutilised investment tax allowances do not expire under the respective countries' tax legislations.

Deferred tax assets have not been recognised in respect of these items as it is not probable that future taxable profit will be available against which the Group can utilise the benefits therefrom.

10.1 Key sources of estimation uncertainties

Assumptions on generation of future taxable profits depend on management's estimates of future profits. These assumptions are subject to risks and uncertainty, hence there is a possibility that changes in circumstances will alter expectations, which may impact the amount of deferred tax assets recognised in the statements of financial position.

NOTES TO THE FINANCIAL STATEMENTS

11. Inventories - Group

	Note	2021 RM'000	2020 RM'000
Non-current			
Land held for property development	11.1	**35,941**	35,936
Current			
Manufactured inventories		**78,310**	65,888
Trading inventories		**46,873**	51,489
Work-in-progress		**6,242**	4,871
Raw materials		**56,468**	51,541
Consumable stores and spares		**40,767**	35,828
Completed development properties		**6,270**	6,270
Property development costs		**2,311**	2,298
Hotel stocks		**1,787**	2,175
		239,028	220,360
Recognised in profit or loss:			
Inventories recognised as cost of sales		**2,432,634**	2,718,137
Write-down to net realisable value		**1,120**	3,032

11.1 Land held for property development

	2021 RM'000	2020 RM'000
At 1 January	**35,936**	35,935
Additions during the year	**5**	1
At 31 December	**35,941**	35,936
Represented by :		
Freehold land	**34,026**	34,026
Other outgoings	**1,915**	1,910
	35,941	35,936

NOTES TO THE FINANCIAL STATEMENTS

12. Biological assets - Group

	2021	2020
	RM'000	RM'000
Oil palm fruits ("FFB")	**15,615**	11,793

During the financial year, the Group has harvested approximately **682,437 tonnes** (2020 : 623,508 tonnes) of FFB. The quantities of unharvested FFB of the Group as at the reporting date are approximately **19,001 tonnes** (2020 : 24,033 tonnes).

12.1 Fair value information

Fair value of biological assets are categorised as follows:

	Level 1	**Level 2**	**Level 3**	**Total**
	RM'000	**RM'000**	**RM'000**	**RM'000**
2021				
Oil palm fruits	**-**	**-**	**15,615**	**15,615**
2020				
Oil palm fruits	-	-	11,793	11,793

Level 3 fair value

The following table shows a reconciliation of Level 3 fair values:

	2021	**2020**
	RM'000	**RM'000**
At 1 January	**11,793**	8,166
Fair value change recognised in profit or loss	**3,594**	3,858
Exchange differences	**228**	(231)
At 31 December	**15,615**	11,793

NOTES TO THE FINANCIAL STATEMENTS

12. Biological assets - Group (cont'd)

12.1 Fair value information (cont'd)

Level 3 fair value is estimated using unobservable inputs for the biological assets. The valuation techniques used in the determination of fair values within Level 3 are as follows:

Description of valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Income approach		
This approach takes into consideration the market prices of fresh fruit bunches ("FFB"), adjusted for estimated oil content of unharvested FFB, less harvesting, transportation and other costs to sell.	Estimated oil content of unripe fruits **14% - 78%** (2020 : 14% - 78%)	The estimated fair value would increase/ (decrease) if the estimated oil content of the unripe fruits is higher/(lower).

Valuation processes applied by the Group for Level 3 fair value

The fair value of biological assets is based on the Directors' estimates using the income approach.

NOTES TO THE FINANCIAL STATEMENTS

13. Trade and other receivables

	Note	2021 RM'000	2020 RM'000
Group			
Non-current			
Advances for plasma plantations	**13.1**	**31,141**	30,771
Current			
Trade			
Trade receivables from contract with customers		**244,422**	256,552
Amount due from associates		**6,963**	8,097
		251,385	264,649
Non-trade			
Other receivables	**13.2**	**46,319**	61,844
Deposits		**8,636**	6,984
Prepayments		**15,799**	11,937
Indirect tax refundable		**35,631**	36,373
		106,385	117,138
		357,770	381,787
Company			
Current			
Non-trade			
Amount due from subsidiaries	**13.3**	**1,724**	12,485
Deposits		**23**	23
Prepayments		**152**	125
		1,899	12,633

13.1 Advances for plasma plantations

This represents the development cost of plasma plantations, such as cost of nursery, land clearing, fertilizing, maintenance and other overhead costs.

NOTES TO THE FINANCIAL STATEMENTS

13. Trade and other receivables (cont'd)

13.2 Other receivables

Included in other receivables of the Group are as follows :

a) an amount of **RM4,905,000** (2020: RM3,131,000) representing advance payments made for the acquisition of land.

b) an amount of **RM3,887,000** (2020 : RM4,073,000) representing deposits for Certificates of Entitlement for purchase of vehicles in a foreign jurisdiction.

13.3 Amount due from subsidiaries

The amount due from subsidiaries is unsecured, interest-free and repayable on demand.

14. Cash and cash equivalents

	Note	2021 RM'000	2020 RM'000
Group			
Fixed deposits with licensed banks	**14.1**	**1,653,384**	1,430,772
Cash and bank balances	**14.2**	**1,691,740**	1,631,373
Unit trust money market funds		**180,942**	149,168
		3,526,066	3,211,313
Company			
Fixed deposits with licensed banks		**227,652**	100
Cash and bank balances		**4,852**	3,298
Unit trust money market funds		**172,306**	127,546
		404,810	130,944

14.1 Fixed deposits with licensed banks

Included in fixed deposits with licensed banks of the Group is an amount of **RM745,954,000** (2020 : RM712,453,000) which is pledged for banking/financing facilities granted to certain subsidiaries (see Note 18).

NOTES TO THE FINANCIAL STATEMENTS

14. Cash and cash equivalents (cont'd)

14.2 Cash and bank balances

Included in cash and bank balances of the Group are as follows :

i) an amount of **RM1,056,845,000** (2020 : RM1,162,656,000) which bears interest at a rate of **0.17%** (2020 : 0.31%) per annum.

ii) an amount of **RM674,000** (2020 : RM672,000) held pursuant to Section 7A of the Housing Development (Control and Licensing) Act, 1966 and are restricted from use in other operations.

15. Assets classified as held for sale - Group

	Note	2021 RM'000	2020 RM'000
Assets classified as held for sale			
Property, plant and equipment	3	**16,018**	-

On 16 September 2021, the Group exchanged on a contract for the sale of a hotel property within the hotels and resorts segment for a total considerations of RM220 million with the settlement in March 2022. Accordingly, the hotel property was classified as assets classified as held for sale.

The carrying value of property, plant and equipment of the disposal group is the same as its carrying value before it was being reclassified to current asset.

16. Share capital - Group/Company

	2021		2020	
	Amount RM'000	Number of shares '000	Amount RM'000	Number of shares '000
Ordinary stocks, issued and fully paid with no par value classified as equity instruments				
At 1 January/31 December	**620,462**	**620,394**	620,462	620,394

16.1 Ordinary stocks

The holders of ordinary stocks are entitled to receive dividends as declared from time to time, and are entitled to one vote per stock at meetings of the Company.

NOTES TO THE FINANCIAL STATEMENTS

17. Reserves - Group/Company

17.1 Foreign currency translation reserve

The foreign currency translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

17.2 Fair value reserve

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

17.3 Capital reserve

The capital reserve comprises surplus on sale of land and building and long term investments.

17.4 Treasury stocks

Treasury stocks comprise cost of acquisition of the Company's own shares. As at 31 December 2021, the Group held **31,808** (2020 : 31,808) of the Company's own shares. Treasury stocks have no rights to voting, dividends and participation in distribution.

NOTES TO THE FINANCIAL STATEMENTS

18. Borrowings - Group

	2021 RM'000	2020 RM'000
Non-current		
Secured :		
Term loans	**147,513**	225,919
Hire purchase financing	**316**	338
	147,829	226,257
Current		
Secured :		
Revolving credit	**1,435,496**	1,398,174
Term loans	**79,342**	9,209
Unsecured :		
Revolving credit	**320,070**	398,502
Bankers' acceptances	**31,748**	22,132
	351,818	420,634
Hire purchase financing	**294**	189
	1,866,950	1,828,206
	2,014,779	2,054,463

18.1 Security

The secured bank borrowings are secured by way of the Group's fixed deposits (see Note 9 and Note 14), right-of-use assets (see Note 4) with a carrying amount of **RM9,520,000** (2020 : RM9,631,000), and investment properties (see Note 6) of **RM293,422,000** (2020 : RM306,341,000).

NOTES TO THE FINANCIAL STATEMENTS

19. Retirement benefits - Group

The Group provides defined post-employment benefits for its qualifying employees in plantation companies in accordance with Indonesian Labor Law No.13/2003.

Movements in the net defined benefit liability

	2021 RM'000	2020 RM'000
Balance at 1 January	**31,266**	27,482
Included in profit or loss		
Current service cost	**3,192**	3,081
Interest cost	**1,797**	1,920
Past service (credit)/cost	**(5,463)**	339
	(474)	5,340
Included in other comprehensive income		
Remeasurement (gain)/loss		
- Actuarial (gain)/loss arising from change in financial assumptions	**(4,475)**	259
Benefits paid	**(738)**	(930)
Exchange differences	**656**	(885)
Balance at 31 December	**26,235**	31,266

Actuarial assumptions

The cost of providing post-employment benefits is calculated by an independent actuary. The actuarial valuation was carried out using the following key assumptions :

	2021	2020
Discount rate	**7.25% - 7.50% per annum**	7.00% per annum
Future salary incremental rate	**8.00% - 10.00% per annum**	10.00% per annum

NOTES TO THE FINANCIAL STATEMENTS

19. Retirement benefits - Group (cont'd)

Sensitivity analysis

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 :

	2021		2020	
	Increase RM'000	**Decrease RM'000**	**Increase RM'000**	**Decrease RM'000**
Discount rate (1% movement)	**(2,293)**	**2,640**	(2,922)	3,384
Future salary incremental rate (1% movement)	**2,783**	**(2,451)**	3,481	(3,057)

20. Contract liabilities - Group

	2021 RM'000	**2020 RM'000**
Non-current	**47,816**	76,990
Current	**27,271**	29,958
	75,087	106,948

The contract liabilities primarily relate to the advance consideration received from customers, which revenue is recognised over time. The contract liabilities are expected to be recognised as revenue over a period of 5 years.

	Free servicing RM'000	**Extended warranty RM'000**	**Total RM'000**
At 1 January 2020	83,522	47,831	131,353
Revenue deferred during the year	23,869	4,394	28,263
Amounts recognised as revenue during the year	(46,547)	(6,053)	(52,600)
Exchange differences	(44)	(24)	(68)
At 31 December 2020/1 January 2021	**60,800**	**46,148**	**106,948**
Revenue deferred during the year	**24,587**	**2,117**	**26,704**
Amounts recognised as revenue during the year	**(46,209)**	**(13,964)**	**(60,173)**
Exchange differences	**914**	**694**	**1,608**
At 31 December 2021	**40,092**	**34,995**	**75,087**

Contract liabilities represent deferred income relating to extended warranty and free servicing for motor vehicles sold.

NOTES TO THE FINANCIAL STATEMENTS

21. Trade and other payables

	Note	2021 RM'000	2020 RM'000
Group			
Trade			
Trade payables		**126,083**	133,327
Deposits received from customers		**8,858**	17,721
		134,941	151,048
Non-trade			
Amount due to associates	**21.1**	**2,818**	2,699
Other payables		**141,180**	106,403
Accrued expenses		**48,633**	42,727
Deferred income		**-**	1,146
		192,631	152,975
		327,572	304,023
Company			
Non-trade			
Amount due to a subsidiary		**1**	-
Other payables		**478**	582
Accrued expenses		**301**	346
		780	928

21.1 Amount due to associates

The amount due to associates is unsecured, interest-free and repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS

22. Revenue

	Group		Company	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Revenue from contracts with customers	**3,094,051**	3,188,283	**-**	-
Other revenue				
- Interest income from financial assets at amortised cost	**49,799**	74,614	**6,126**	7,480
- Dividend income	**28,378**	10,294	**348,285**	179,219
- Lease income from properties	**75,658**	74,150	**2,203**	2,314
- Others	**18,177**	17,105	**1,401**	1,605
	172,012	176,163	**358,015**	190,618
Total revenue	**3,266,063**	3,364,446	**358,015**	190,618

22. Revenue (cont'd)

22.1 Disaggregation of revenue

Group	Reportable segments							
	Automotive and related products	Plastic products	Hotels and resorts	Plantation	Investment holding	Investment properties and trading of building material products	Healthcare	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
2021								
Primary geographical markets								
- Malaysia	835,834	155,634	3,334	62,599	-	318,985	80,450	1,456,836
- Singapore	705,891	2,293	10,127	-	-	-	-	718,311
- Indonesia	-	-	-	728,652	-	-	-	728,652
- Australia	-	3,682	58,261	-	-	-	-	61,943
- Others	28,688	15,897	82,596	-	-	1,128	-	128,309
	1,570,413	177,506	154,318	791,251	-	320,113	80,450	3,094,051
Major products and service lines								
Sale of cars and accessories	1,222,262	-	-	-	-	-	-	1,222,262
Car services	144,340	-	-	-	-	-	-	144,340
Commission income	22,064	-	-	-	-	234	-	22,298
Sale of automotive manufacturing products	181,747	-	-	-	-	-	-	181,747
Sale of plastic products	-	177,506	-	-	-	-	-	177,506
Hotel services	-	-	154,318	-	-	-	-	154,318
FFB, crude palm oil and palm kernel	-	-	-	791,251	-	-	-	791,251
Sale of building material products	-	-	-	-	-	319,879	-	319,879
Healthcare services	-	-	-	-	-	-	80,450	80,450
	1,570,413	177,506	154,318	791,251	-	320,113	80,450	3,094,051

NOTES TO THE FINANCIAL STATEMENTS

22. Revenue (cont'd)

22.1 Disaggregation of revenue (cont'd)

Group	Reportable segments							
	Automotive and related products	Plastic products	Hotels and resorts	Plantation	Investment holding	Investment properties and trading of building material products	Healthcare	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
2021								
Timing and recognition								
- At a point in time	1,476,604	170,349	-	791,251	-	320,113	4,407	2,762,724
- Over time	93,809	7,157	154,318	-	-	-	76,043	331,327
	1,570,413	177,506	154,318	791,251	-	320,113	80,450	3,094,051
Revenue from contracts with customers	1,570,413	177,506	154,318	791,251	-	320,113	80,450	3,094,051
Other revenue								
- Dividend income	3,486	-	-	3,174	21,603	46	69	28,378
- Lease income	13,603	5,129	36,617	885	829	17,477	1,118	75,658
- Interest income	9,536	3,190	677	33,652	1,000	1,593	151	49,799
- Others	15,779	-	997	-	1,401	-	-	18,177
Total Revenue	1,612,817	185,825	192,609	828,962	24,833	339,229	81,788	3,266,063

22. Revenue (cont'd)

22.1 Disaggregation of revenue (cont'd)

Group	Reportable segments							
	Automotive and related products	Plastic products	Hotels and resorts	Plantation	Investment holding	Investment properties and trading of building material products	Healthcare	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
2020								
Primary geographical markets								
- Malaysia	881,745	170,269	3,432	37,938	-	291,673	69,653	1,454,710
- Singapore	1,095,176	2,070	15,408	-	-	-	-	1,112,654
- Indonesia	-	-	-	456,860	-	-	-	456,860
- Australia	-	3,771	33,164	-	-	-	-	36,935
- Others	28,375	20,782	76,637	-	-	1,330	-	127,124
	2,005,296	196,892	128,641	494,798	-	293,003	69,653	3,188,283
Major products and service lines								
Sale of cars and accessories	1,661,660	-	-	-	-	-	-	1,661,660
Car services	151,599	-	-	-	-	-	-	151,599
Commission income	31,447	-	-	-	-	219	-	31,666
Sale of automotive manufacturing products	160,590	-	-	-	-	-	-	160,590
Sale of plastic products	-	196,892	-	-	-	-	-	196,892
Hotel services	-	-	128,641	-	-	-	-	128,641
FFB, crude palm oil and palm kernel	-	-	-	494,798	-	-	-	494,798
Sale of building material products	-	-	-	-	-	292,784	-	292,784
Healthcare services	-	-	-	-	-	-	69,653	69,653
	2,005,296	196,892	128,641	494,798	-	293,003	69,653	3,188,283

22. Revenue (cont'd)

22.1 Disaggregation of revenue (cont'd)

Group	Reportable segments							
	Automotive and related products RM'000	Plastic products RM'000	Hotels and resorts RM'000	Plantation RM'000	Investment holding RM'000	Investment properties and trading of building material products RM'000	Healthcare RM'000	Total RM'000
2020								
Timing and recognition								
- At a point in time	1,865,813	185,928	-	494,798	-	293,003	1,573	2,841,115
- Over time	139,483	10,964	128,641	-	-	-	68,080	347,168
	2,005,296	196,892	128,641	494,798	-	293,003	69,653	3,188,283
Revenue from contracts with customers	2,005,296	196,892	128,641	494,798	-	293,003	69,653	3,188,283
Other revenue								
- Dividend income	3,975	-	-	1,398	4,862	59	-	10,294
- Lease income	13,074	4,795	35,431	1,212	774	17,663	1,201	74,150
- Interest income	19,402	5,080	1,985	42,358	2,901	2,655	233	74,614
- Others	14,933	-	567	-	1,605	-	-	17,105
Total revenue	2,056,680	206,767	166,624	539,766	10,142	313,380	71,087	3,364,446

22. Revenue (cont'd)

22.2 Nature of goods and services

Nature of goods or services	Timing of recognition or method used to recognise revenue	Significant payment terms	Variable element in consideration	Obligation for returns or refunds	Warranty
Automotive and related products					
- Car and accessories	Revenue is recognised when goods are delivered to the customer and all criteria for acceptance have been satisfied. Certain sale of new cars come with standard warranty of three years and extended warranty of two years. The extended warranty is accounted for as a separate performance obligation (PO). Certain sale of new cars are given free service package which is also accounted for as a separate PO. A portion of the transaction price is allocated to these POs based on the relative stand-alone selling prices. The amount allocated to the POs is deferred in the statement of financial position as "contract liabilities" and is recognised as "service revenue" over the extended warranty period for extended warranty and free service period for free service package.	Advance payment is required before the delivery for the sale of new cars and used cars that do not have hire-purchase financing. For the sale of parts and accessories, payment is due when goods are delivered to the customers.	Not applicable.	Not applicable.	Certain sale of new cars come with warranty of 3 years.

22. Revenue (cont'd)

22.2 Nature of goods and services (cont'd)

Nature of goods or services	Timing of recognition or method used to recognise revenue	Significant payment terms	Variable element in consideration	Obligation for returns or refunds	Warranty
Automotive and related products (cont'd)					
- Car services	Revenue is recognised when service is performed. For sale of extended warranty and servicing package, consideration received is deferred in the statement of financial position as "contract liabilities" and is recognised as revenue over the free service period.	Payment is due upon sale of extended warranty and servicing package or when services are performed to the customers.	Not applicable.	Not applicable.	Not applicable.
- Commission income	Revenue is recognised when commission becomes receivable.	Payment is due when commission becomes receivable.	Not applicable.	Not applicable.	Not applicable.
- Automotive manufacturing products	Revenue is recognised when goods are delivered and accepted by the customers at their premises.	Credit period of 60 days from invoice month.	Not applicable.	The Group allows returns of defect goods only for exchange with new goods (i.e. no cash refunds are offered).	Assurance warranties of 3 years are given to customers.

22. **Revenue (cont'd)**

22.2 Nature of goods and services (cont'd)

Nature of goods or services	Timing of recognition or method used to recognise revenue	Significant payment terms	Variable element in consideration	Obligation for returns or refunds	Warranty
Plastic products					
- Plastic products	Revenue is recognised when the goods are delivered and accepted by the customers at their premises.	Credit period of 60 days from invoice date.	Not applicable.	Not applicable.	Not applicable.
Hotels and resorts					
- Hotel revenue	Revenue is recognised when services are rendered over time.	Payment on departure or within 30 - 45 days if on account.	Not applicable.	Not applicable.	Not applicable.
Plantation					
- FFB, crude palm oil and palm kernel	Revenue is recognised when the goods are delivered and accepted by the customers at their premises.	Cash term.	Not applicable.	Not applicable.	Not applicable.

22. **Revenue (cont'd)**

22.2 Nature of goods and services (cont'd)

Nature of goods or services	Timing of recognition or method used to recognise revenue	Significant payment terms	Variable element in consideration	Obligation for returns or refunds	Warranty
Investment properties and trading of building material products					
- Manufacturing and trading of building material products	Revenue is recognised upon satisfaction of performance obligations and is recognised at a point in time.	Credit period of 60 - 90 days based on invoice date.	Not applicable.	Not applicable.	Not applicable.
- Ready-mixed concrete and quarry products	Revenue is recognised at a point in time when the goods are delivered and accepted by the customer at their premises.	Credit period of 60 - 90 days based on invoice date.	For sale of ready-mixed concrete, the expected value method is used to predict the payment discounts based on historical trends.	Not applicable.	Not applicable.

22. Revenue (cont'd)

22.2 Nature of goods and services (cont'd)

Nature of goods or services	Timing of recognition or method used to recognise revenue	Significant payment terms	Variable element in consideration	Obligation for returns or refunds	Warranty
Healthcare					
- Healthcare services	Revenue is recognised during the period the obligations to provide healthcare services are satisfied. The performance obligations for inpatient services are generally satisfied over a period that average 3 days, and revenues are recognised as and when a healthcare service is being performed. The performance obligations for outpatient and daycare services are generally satisfied over a period of less than one day.	Cash or credit terms typically within 30 - 60 days, in line with market practice without any financing component.	Not applicable.	Not applicable.	Not applicable.

NOTES TO THE FINANCIAL STATEMENTS

22. Revenue (cont'd)

22.3 Transaction price allocated to the remaining performance obligations

The following table shows revenue from performance obligations that are unsatisfied (or partially unsatisfied) at the reporting date. The disclosure is only providing information of contracts that have a duration of more than one year.

2021

	2022	**2023**	**2024 and onwards**	**Total**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Car service	**27,271**	**23,362**	**24,454**	**75,087**

2020

	2021	**2022**	**2023 and onwards**	**Total**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Car service	29,958	38,191	38,798	106,947

The Group applies the following practical expedients:

- exemption on disclosure of information on remaining performance obligations that have original expected duration of one year or less.

- exemption not to adjust the promised amount of consideration for the effects of a significant financing component when the period between the transfer of a promised goods or service to a customer and when the customer pays for that goods or service is one year or less.

22.4 Significant judgements and estimation uncertainty

Judgements were used to estimate the allocation of "stand-alone" selling price of providing these warranty and servicing. The "stand-alone" selling price of extended warranty is estimated based on the Group's estimates from past experience and future expectation, and an assessment of the probability of an outflow for the extended warranty performance obligations. Meanwhile, "stand-alone" selling price of free servicing is estimated based on the market value of such services according to the Group's price list.

NOTES TO THE FINANCIAL STATEMENTS

23. Finance costs

	Group 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
Interest expense of financial liabilities that are not at fair value through profit or loss	**29,054**	30,964	**-**	1,109
Interest expense on lease liabilities	**1,342**	2,007	**-**	-
	30,396	32,971	**-**	1,109
Recognised in profit or loss	**28,029**	30,035	**-**	1,109
Capitalised on qualifying assets:				
- property, plant and equipment (Note 3.1)	**2,367**	2,936	**-**	-
	30,396	32,971	**-**	1,109

24. Profit before tax

Profit before tax is arrived at after charging/(crediting) :

	Group 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
Auditors' remuneration				
Audit fees				
- KPMG PLT Malaysia				
- current year	**756**	790	**200**	220
- prior year	**50**	4	**(10)**	-
- Overseas affiliates of KPMG PLT Malaysia				
- current year	**727**	683	**-**	-
- prior year	**(11)**	-	**-**	-
- Other auditors				
- current year	**1,639**	1,393	**-**	-
- prior year	**-**	48	**-**	-

NOTES TO THE FINANCIAL STATEMENTS

24. Profit before tax (cont'd)

Profit before tax is arrived at after charging/(crediting) (cont'd) :

	Group		Company	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Auditors' remuneration (cont'd)				
Non-audit fees				
- KPMG PLT Malaysia	**6**	6	**6**	6
- Local affiliates of KPMG PLT Malaysia				
- current year	**309**	366	**113**	136
- prior year	**3**	11	**-**	-
- Overseas affiliates of KPMG PLT Malaysia				
- current year	**220**	261	**-**	-
- prior year	**2**	-	**-**	-
- Other auditors				
- current year	**205**	252	**130**	157
- prior year	**6**	20	**-**	20
Material expenses/(income)				
Directors' remunerations				
Directors of the Company :				
- fees				
- current year	**1,427**	1,477	**947**	1,020
- prior year	**-**	2	**-**	-
- remuneration and other expenses				
- current year	**22,234**	15,913	**520**	554
- prior year	**(8)**	1,368	**-**	-
- benefits-in-kind	**42**	27	**-**	-
Past Directors of the Company :				
- fees	**74**	30	**74**	30
- other expenses	**35**	2	**35**	2
Assets written off				
- property, plant and equipment	**342**	414	**-**	-
- right-of-use assets	**1**	26	**-**	-
- investment properties	**4**	-	**-**	-
(Reversal of)/Impairment loss on :				
- property, plant and equipment	**(13,385)**	25,535	**-**	-
- investment properties	**(93)**	43,803	**-**	-
- investments in subsidiaries	**-**	-	**(27,968)**	59,487

NOTES TO THE FINANCIAL STATEMENTS

24. Profit before tax (cont'd)

Profit before tax is arrived at after charging/(crediting) (cont'd) :

	Group		Company	
	2021	**2020**	**2021**	**2020**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Material expenses/(income) (cont'd)				
(Gain)/Loss on disposal of :				
- property, plant and equipment	**(3,076)**	(2,940)	**-**	(2)
- right-of-use assets	**(93)**	(117)	**-**	-
- a subsidiary	**-**	(25,799)	**-**	(20,933)
- debt instruments at amortised cost	**136**	(1)	**-**	-
Fair value change from financial assets designated at FVTPL	**14**	-	**-**	-
(Gain)/Loss on foreign exchange (net)				
- Unrealised	**(166,244)**	65,722	**(721)**	806
- Realised	**(6,122)**	1,514	**98**	3,655
Bad debts written off (net)	**3,128**	4	**-**	-
Staff costs	**415,581**	401,304	**2,998**	3,109
Government grants (Note a)	**(17,413)**	(39,494)	**-**	-
Net loss on impairment of financial instruments				
Financial assets at amortised cost	**264**	920	**-**	-
Expenses arising from leases				
Expenses relating to short-term leases	**2,804**	2,706	**67**	67
Expenses relating to leases of low value assets	**368**	322	**4**	4
Right-of-use assets written off	**1**	26	**-**	-

Included in staff costs of the Group and of the Company is an amount of **RM25,963,000** (2020 : RM26,314,000) and **RM412,000** (2020 : RM427,000) respectively representing contributions made to the Employees' Provident Fund.

Note a

The government grants represent the total grants received by the Group, as wage subsidies to retain local employees during the approved period of economic uncertanties brought about by Coronavirus (COVID-19) outbreak.

NOTES TO THE FINANCIAL STATEMENTS

25. Tax expense

Recognised in profit or loss

	Group		Company	
	2021	2020	**2021**	2020
	RM'000	RM'000	**RM'000**	RM'000
Income tax expense on continuing operations	**106,343**	34,299	**2,154**	1,905
Share of tax of equity accounted associates	**15,092**	9,299	**-**	-
Total income tax expense	**121,435**	43,598	**2,154**	1,905

Major components of tax expense include :

	Group		Company	
	2021	2020	**2021**	2020
	RM'000	RM'000	**RM'000**	RM'000
Current tax expense				
Malaysian - current year	**9,900**	10,186	**2,058**	2,156
- prior years	**229**	(655)	**96**	(251)
	10,129	9,531	**2,154**	1,905
Overseas - current year	**146,912**	47,848	**-**	-
- prior years	**(548)**	2,111	**-**	-
	146,364	49,959	**-**	-
Total current tax	**156,493**	59,490	**2,154**	1,905
Deferred tax expense				
Origination and reversal of temporary differences	**(51,629)**	(20,745)	**-**	-
Prior year	**1,479**	(4,446)	**-**	-
Total deferred tax	**(50,150)**	(25,191)	**-**	-
	106,343	34,299	**2,154**	1,905
Share of tax of equity accounted associates	**15,092**	9,299	**-**	-
Total tax expense	**121,435**	43,598	**2,154**	1,905

NOTES TO THE FINANCIAL STATEMENTS

25. Tax expense (cont'd)

Reconciliation of tax expense

	Group		Company	
	2021	**2020**	**2021**	**2020**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Profit for the year	**500,426**	73,595	**375,607**	137,614
Total tax expense	**121,435**	43,598	**2,154**	1,905
Profit excluding tax	**621,861**	117,193	**377,761**	139,519
Income tax at Malaysian tax rate of 24% (2020 : 24%)	**149,247**	28,126	**90,663**	33,485
Effect of tax rates in foreign jurisdictions **	**(14,171)**	(7,240)	**-**	-
Non-deductible expenses	**14,896**	21,616	**1,991**	16,921
Income not subject to tax	**(14,647)**	(26,768)	**(90,596)**	(48,247)
(Decrease)/Increase in deferred tax assets not recognised	**(15,091)**	33,791	**-**	-
Others	**41**	(2,937)	**-**	(3)
Under/(Over) provision in prior years	**1,160**	(2,990)	**96**	(251)
	121,435	43,598	**2,154**	1,905

** The tax rates in several foreign jurisdictions are different from that of the Malaysian tax rate as the subsidiaries operate in foreign tax jurisdictions with lower or higher tax rates as the case may be.

25.1 Significant judgements and estimation uncertainty

The Group is subject to income taxes in numerous jurisdictions in which the Group operates. Significant judgement is required in determining the provision for income taxes. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for tax based on estimates of assessment of the tax liability due. The Group also recognised certain tax recoverable for which the Group believes that there is reasonable basis for recognition. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions and tax recoverable balance in the financial year in which such determination is made.

26. Other comprehensive income/(expense) - Group

	2021			2020		
	Before tax RM'000	Tax (expense) /benefit RM'000	Net of tax RM'000	Before tax RM'000	Tax (expense) /benefit RM'000	Net of tax RM'000
Items that will not be reclassified subsequently to profit or loss						
Remeasurement of defined benefit liability	**4,475**	**(1,009)**	**3,466**	(259)	52	(207)
Net change in fair value of equity instruments designated at fair value through other comprehensive income	**23,254**	**-**	**23,254**	(112,696)	-	(112,696)
	27,729	**(1,009)**	**26,720**	(112,955)	52	(112,903)
Items that are or may be reclassified subsequently to profit or loss						
Foreign currency translation differences for foreign operations						
- Gain arising during the year	**27,352**	**-**	**27,352**	31,721	-	31,721
- Reclassification to profit or loss on disposal of a subsidiary	**-**	**-**	**-**	(13,564)	-	(13,564)
	55,081	**(1,009)**	**54,072**	(94,798)	52	(94,746)
Share of other comprehensive income/ (expense) of equity accounted associates			**3,207**			(2,005)
			57,279			(96,751)

27. Basic earnings per ordinary stock

The basic earnings per ordinary stock have been calculated based on the profit attributable to the stockholders of the Company and the number of stocks in issue of 620,361,830 (2020: 620,361,830), after deducting the treasury stocks of 31,808 (2020: 31,808).

28. Dividends

Dividends recognised by the Group and the Company are :

	Sen per share	Total amount RM'000	Date of payment
2021			
In respect of financial year 2021			
- First interim single tier dividend	**10**	**62,036**	**20 January 2022**
In respect of financial year 2020			
- Single tier second interim dividend	**8**	**49,629**	**15 July 2021**
- Single tier special interim dividend	**6**	**37,222**	**15 July 2021**
		148,887	
2020			
In respect of financial year 2020			
- Single tier first interim dividend	6	37,222	21 January 2021
In respect of financial year 2019			
- Single tier final and special dividend	18	111,665	7 August 2020
		148,887	

A second interim single tier dividend of 20 sen per ordinary stock totalling RM124,072,366 was declared on 25 February 2022 paid on 29 March 2022.

A final single tier dividend of 10 sen per ordinary stock have been recommended by the Directors in respect of the year ended 31 December 2021, subject to approval of the stockholders at the forthcoming Annual General Meeting.

The financial statements do not reflect these second interim and final single tier dividends in relation to the financial year ended 31 December 2021, which will be accounted for as an appropriation of retained earnings in the year ending 31 December 2022.

NOTES TO THE FINANCIAL STATEMENTS

29. Operating segments

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

Automotive and related products	Retailer and distributor of motor vehicles; manufacture of engines, seats and other related parts as well as traders of spare parts, accessories and related component parts
Plastic products	Manufacture, assembly and distribution of plastic component parts; manufacture of plastic technical and industrial goods and equipment
Hotels and resorts	Hotelier
Plantation	Cultivation of oil palm
Investment holding	Investment in shares and bonds, letting of properties and leasing companies
Investment properties and trading of building material products	a) Property development; b) manufacture of wire netting, wire mesh, barbed wire, weld mesh, nails and building materials; c) distributor of cement and manufacturer and dealer of concrete products; and
Healthcare	Medical centre, nursing college and integrated lifestyle retail pharmacy

Except as indicated above, no operating segment has been aggregated to form the above reportable operating segments.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which, in certain respects as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements. Group financing (including finance costs) and income taxes are managed on a group basis and are not allocated to operating segments.

29. Operating segments (cont'd)

2021	Automotive and related products RM'000	Plastic products RM'000	Hotels and resorts RM'000	Plantation RM'000	Investment holding RM'000	Investment properties and trading of building material products RM'000	Healthcare RM'000	Total segments RM'000	Reconciliation/ Elimination RM'000	Note	Total per consolidated financial statements RM'000
Revenue from external customers	1,612,817	185,825	192,609	828,962	24,833	339,229	81,788	3,266,063	-		3,266,063
Inter-segment revenue	923	436	359	-	11,481	129	99	13,427	(13,427)	A	-
Total revenue	1,613,740	186,261	192,968	828,962	36,314	339,358	81,887	3,279,490	(13,427)		3,266,063
Results											
Interest income	9,536	3,190	677	33,652	1,000	1,593	151	49,799	-		49,799
Dividend income	3,486	-	-	3,174	21,603	46	69	28,378	-		28,378
Depreciation and amortisation	33,895	8,181	36,130	56,920	690	10,711	7,293	153,820	-		153,820
Share of results of associates	8,538	(2,529)	-	2,776	41,326	3,370	-	53,481	-		53,481
Impairment loss on non-financial assets	-	-	-	444	-	-	-	444	-		444
Reversal of impairment loss on non-financial assets	(467)	-	-	(13,362)	-	(93)	-	(13,922)	-		(13,922)
Other non-cash expenses	11,314	46	3,049	1,443	211	414	13	16,490	-	B	16,490
Segment profit	72,888	13,953	15,625	440,778	31,542	2,638	3,893	581,317	25,452	C	606,769
Assets											
Investments in associates	144,000	118,125	-	21,915	320,299	20,163	-	624,502	-		624,502
Additions to non-current assets	22,226	14,215	8,589	64,754	3,806	3,178	3,076	119,844	-	D	119,844
Segment assets	3,174,373	328,296	1,090,094	2,868,132	893,774	1,112,019	227,921	9,694,609	754,590	E	10,449,199

29. Operating segments (cont'd)

	Automotive and related products RM'000	Plastic products RM'000	Hotels and resorts RM'000	Plantation RM'000	Investment holding RM'000	Investment properties and trading of building material products RM'000	Healthcare RM'000	Total segments RM'000	Reconciliation/ Elimination RM'000	Note	Total per consolidated financial statements RM'000
2020											
Revenue from external customers	2,056,680	206,767	166,624	539,766	10,142	313,380	71,087	3,364,446	-		3,364,446
Inter-segment revenue	572	591	272	-	11,108	119	43	12,705	(12,705)	A	-
Total revenue	2,057,252	207,358	166,896	539,766	21,250	313,499	71,130	3,377,151	(12,705)		3,364,446
Results											
Interest income	19,402	5,080	1,985	42,358	2,901	2,655	233	74,614	-		74,614
Dividend income	3,975	-	-	1,398	4,862	59	-	10,294	-		10,294
Depreciation and amortisation	34,993	9,475	34,038	48,988	687	11,280	8,347	147,808	-		147,808
Share of results of associates	7,691	(3,579)	-	32	(12,051)	278	-	(7,629)	-		(7,629)
Impairment loss on non-financial assets	926	-	4,924	22,613	-	43,803	-	72,266	-		72,266
Reversal of impairment loss on non-financial assets	-	-	-	(2,928)	-	-	-	(2,928)	-		(2,928)
Other non-cash expenses	3,831	15	1,103	67,157	15,985	273	89	88,453	-	B	88,453
Segment profit/ (loss)	150,143	12,821	(6,545)	33,366	836	(43,171)	(1,892)	145,558	(37,664)	C	107,894
Assets											
Investments in associates	134,219	123,908	-	19,424	305,416	17,728	-	600,695	-		600,695
Additions to non-current assets	37,126	18,637	8,661	78,065	1,863	18,752	6,333	169,437	-	D	169,437
Segment assets	3,431,149	322,001	1,076,541	2,542,632	605,184	1,133,471	216,699	9,327,677	682,766	E	10,010,443

NOTES TO THE FINANCIAL STATEMENTS

29. Operating segments (cont'd)

Notes *Nature of adjustments and eliminations to arrive at amounts reported in the consolidated financial statements*

A Inter-segment revenue are eliminated on consolidation.

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

	Note	2021 RM'000	2020 RM'000
Assets written off :			
- Property, plant and equipment	**24**	**342**	414
- Right-of-use assets	**24**	**1**	26
- Investment properties	**24**	**4**	-
Write-down of inventories, gross		**1,484**	3,035
Bad and doubtful debts, gross		**3,392**	924
Unrealised loss on foreign exchange, gross		**11,023**	78,705
Loss on disposal of :			
- Property, plant and equipment, gross		**94**	9
- Debt instruments at amortised cost	**24**	**136**	-
- Fair value change from financial asset designated at FVTPL	**24**	**14**	-
Provision for retirement benefits	**19**	**-**	5,340
		16,490	88,453

C The following items are added to/(deducted from) segment profit to arrive at "Profit before tax from continuing operations" presented in the consolidated statement of comprehensive income :

	2021 RM'000	2020 RM'000
Share of results of associates	**53,481**	(7,629)
Interest expense	**(28,029)**	(30,035)
	25,452	(37,664)

NOTES TO THE FINANCIAL STATEMENTS

29. Operating segments (cont'd)

D Additions to non-current asset other than financial instruments and deferred tax assets consist of :

	Note	2021 RM'000	2020 RM'000
Property, plant and equipment	**3**	**115,784**	139,325
Right-of-use assets	**4**	**1,961**	9,015
Intangible assets	**5**	**506**	1,346
Investment properties	**6**	**1,588**	19,750
Land held for property development	**11.1**	**5**	1
		119,844	169,437

E The following items are added to segment assets to arrive at total assets reported in the consolidated statement of financial position :

	2021 RM'000	2020 RM'000
Investment in associates	**624,502**	600,695
Current tax assets	**13,982**	22,882
Deferred tax assets	**116,106**	59,189
	754,590	682,766

29. Operating segments (cont'd)

Geographical information

Revenue and non-current assets information are based on the geographical location of customers and assets respectively. The amounts of non-current assets do not include investments in associates, other investments and deferred tax assets. Geographical information for revenue is as disclosed in Note 22.1.

	Malaysia RM'000	Singapore RM'000	Indonesia RM'000	Australia RM'000	Others RM'000	Consolidated RM'000
2021						
Non-current assets by location of assets	**1,336,947**	**217,773**	**954,977**	**502,362**	**421,190**	**3,433,249**
2020						
Non-current assets by location of assets	1,323,984	235,485	926,058	545,382	435,474	3,466,383

Major customers

There are no customers with revenue equal to or more than 10% of the Group's total revenue.

NOTES TO THE FINANCIAL STATEMENTS

30. Commitments

	Group		Company	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Property, plant and equipment				
- contracted but not provided for	**100,410**	85,811	**3,369**	5,208

31. Related parties

Identity of related parties

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

a) The Company has a controlling related party relationship with its direct and indirect subsidiaries and the associates of the Group as disclosed in the financial statements;

b) The Company also has a related party relationship with :

  i) the substantial shareholder, Boon Siew Sdn Berhad which holds a 43% interest in the Company and presumed to exercise significant influence over the Company;

  ii) the subsidiaries, direct and indirect associates of Boon Siew Sdn Berhad (hereinafter referred as "Boon Siew Group of companies");

  iii) company in which certain Directors have substantial financial interests; and

  iv) The key Directors and key management personnel of the Group

  - Datuk Loh Kian Chong, DMSM
  - Dato' Wong Lum Kong, DSSA, JP, CMJA (UK)
  - Dato' Seri Lim Su Tong @ Lim Chee Tong, DGPN, DSPN
  - Tan Kheng Hwee
  - Dato' Sri Datuk Wira Tan Hui Jing, SSAP, DCSM, PKT, PJK

  Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. Key management personnel include all the Executive Directors of the Group.

NOTES TO THE FINANCIAL STATEMENTS

31. Related parties (cont'd)

Significant related party transactions

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

a) With subsidiaries

	Company 2021 RM'000	Company 2020 RM'000
i) Lease income	**2,134**	2,240
ii) Interest income	**5,693**	5,578
iii) Guarantee fee income	**1,212**	1,301
iv) Dividend income	**301,650**	175,489

b) With associates of the Group

	Group 2021 RM'000	Group 2020 RM'000
i) Sale of goods	**36,408**	35,378
ii) Purchase of goods	**8,886**	7,190
iii) Lease payments	**14**	1,092
iv) Dividend income	**26,626**	159

c) With Boon Siew Group of companies

	Group 2021 RM'000	Group 2020 RM'000
i) Commission receivable in respect of advertising, marketing and hotel reservation services	**997**	567
ii) Sale of goods and services	**1,419**	1,782
iii) Purchase of goods	**1,438**	848
iv) Lease income	**3,561**	3,458
v) Lease payments	**787**	842

NOTES TO THE FINANCIAL STATEMENTS

31. Related parties (cont'd)

Significant related party transactions (cont'd)

d) With a company in which a Director has a substantial financial interest

	Group	
	2021	**2020**
	RM'000	**RM'000**
i) Sale of goods	**901**	2,814

e) There were no transactions with the Directors and key management personnel other than the remuneration package paid to them in accordance with the terms and conditions of their appointment as disclosed in Note 24.

The Directors of the Company are of the opinion that the above transactions were based on terms which have been established on a negotiated basis.

The significant non-trade balances with related parties at end of reporting period are as disclosed in Note 13 and Note 21 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

32. Financial instruments

32.1 Categories of financial instruments

The table below provides an analysis of financial instruments categorised as follows:

(a) Amortised cost ("AC");
(b) Fair value through other comprehensive income ("FVOCI") - equity instruments designated upon initial recognition; and
(c) Fair value though profit or loss ("FVTPL")

	Carrying amount RM'000	AC RM'000	FVOCI RM'000	FVTPL RM'000
2021				
Financial assets				
Group				
Other investments	**2,106,863**	**1,568,351**	**537,214**	**1,298**
Trade and other receivables (excluding advances for plasma plantations, deposits, prepayments and indirect tax refundable)	**297,704**	**297,704**	**-**	**-**
Cash and cash equivalents	**3,526,066**	**3,526,066**	**-**	**-**
	5,930,633	**5,392,121**	**537,214**	**1,298**
Company				
Other investments	**258,235**	**-**	**258,235**	**-**
Trade and other receivables (excluding deposits and prepayments)	**1,724**	**1,724**	**-**	**-**
Cash and cash equivalents	**404,810**	**404,810**	**-**	**-**
	664,769	**406,534**	**258,235**	**-**

NOTES TO THE FINANCIAL STATEMENTS

32. Financial instruments (cont'd)

32.1 Categories of financial instruments (cont'd)

	Carrying amount RM'000	AC RM'000
2021		
Financial Liabilities		
Group		
Borrowings	**2,014,779**	**2,014,779**
Trade and other payables (excluding deferred income)	**327,572**	**327,572**
	2,342,351	**2,342,351**
Company		
Trade and other payables	**780**	**780**
	780	**780**

	Carrying amount RM'000	AC RM'000	FVOCI RM'000
2020			
Financial assets			
Group			
Other investments	2,036,041	1,523,816	512,225
Trade and other receivables (excluding advances for plasma plantations, deposits, prepayments and indirect tax refundable)	326,493	326,493	-
Cash and cash equivalents	3,211,313	3,211,313	-
	5,573,847	5,061,622	512,225
Company			
Other investments	293,921	49,811	244,110
Trade and other receivables (excluding deposits and prepayments)	12,485	12,485	-
Cash and cash equivalents	130,944	130,944	-
	437,350	193,240	244,110

NOTES TO THE FINANCIAL STATEMENTS

32. Financial instruments (cont'd)

32.1 Categories of financial instruments (cont'd)

	Carrying amount RM'000	AC RM'000
2020		
Financial Liabilities		
Group		
Borrowings	2,054,463	2,054,463
Trade and other payables (excluding deferred income)	302,877	302,877
	2,357,340	2,357,340
Company		
Trade and other payables	928	928
	928	928

32.2 Net gains and losses arising from financial instruments

	Group		Company	
	2021 RM'000	**2020 RM'000**	**2021 RM'000**	**2020 RM'000**
Recognised in profit or loss:				
Financial assets measured at amortised cost	**35,317**	86,927	**6,748**	6,674
Equity instruments designated at fair value through other comprehensive income	**28,364**	10,294	**19,750**	3,571
Financial liabilities measured at amortised cost	**155,291**	(110,507)	**-**	(4,764)
	218,972	(13,286)	**26,498**	5,481

NOTES TO THE FINANCIAL STATEMENTS

32. Financial instruments (cont'd)

32.2 Net gains and losses arising from financial instruments (cont'd)

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Recognised in other comprehensive income:				
Equity instruments designated at fair value through other comprehensive income	**23,254**	(112,696)	**14,125**	(76,758)
	23,254	(112,696)	**14,125**	(76,758)
	242,226	(125,982)	**40,623**	(71,277)

32.3 Financial risk management

The Group has exposures to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

32.4 Credit risk

Credit risk is the risk of a financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises principally from the individual characteristic of each customer and investment in debt securities. The Company's exposure to credit risk arises principally from loans and advances to subsidiaries and financial guarantees given to banks for credit facilities granted to subsidiaries.

Trade receivables

Risk management objectives, policies and processes for managing the risk

The Group controls its credit risk by the application of credit approvals, limits and monitoring procedures. Credit evaluations are performed on all customers requiring credit over a certain amount and strictly limiting the Group's associations to business partners with high credit worthiness. Trade receivables are monitored on an ongoing basis.

32. Financial instruments (cont'd)

32.4 Credit risk (cont'd)

Trade receivables (cont'd)

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk arising from receivables is represented by the carrying amounts in the statements of financial position.

Management has taken reasonable steps to ascertain that receivables that are neither past due nor impaired are measured at their realisable values. A significant portion of these receivables are regular customers that have been transacting with the Group. The Group uses ageing analysis to monitor the credit quality of the receivables.

Concentration of credit risk

The exposure of credit risk for trade receivables as at the end of the reporting period by geographic region was:

	Group	
	2021	**2020**
	RM'000	**RM'000**
Domestic	**213,965**	225,474
Singapore	**10,505**	12,390
Indonesia	**20,025**	19,888
Australia	**2,867**	4,192
Others	**4,023**	2,705
	251,385	264,649

Recognition and measurement of impairment losses

In managing credit risk of trade receivables, the Group manages its debtors and takes appropriate actions (including but not limited to legal actions) to recover long overdue balances. Generally, trade receivables will pay within 90 days.

The Group uses an allowance matrix to measure ECLs of trade receivables for all segments. Consistent with the debt recovery process, invoices which are past due 90 days will be considered as credit impaired.

32. Financial instruments (cont'd)

32.4 Credit risk (cont'd)

Trade receivables (cont'd)

Recognition and measurement of impairment losses (cont'd)

Loss rates are based on actual credit loss experience over the past three years. The Group also considers differences between (a) economic conditions during the period over which the historic data has been collected, (b) current conditions and (c) the Group's view of economic conditions over the expected lives of the receivables. Nevertheless, the Group believes that these factors are immaterial for the purpose of impairment calculation for the year.

The following table provides information about the exposure to credit risk and ECLs for trade receivables:

	Gross carrying amount RM'000	Loss allowances RM'000	Net balance RM'000
Group			
2021			
Not past due	**224,316**	**-**	**224,316**
Past due < 3 months	**23,895**	**-**	**23,895**
	248,211	**-**	**248,211**
Credit impaired			
Past due 3-6 months	**1,370**	**74**	**1,296**
Past due 6-12 months	**2,177**	**915**	**1,262**
Past due more than 1 year	**6,807**	**6,191**	**616**
	258,565	**7,180**	**251,385**
2020			
Not past due	226,583	-	226,583
Past due < 3 months	33,730	119	33,611
	260,313	119	260,194
Credit impaired			
Past due 3-6 months	2,419	706	1,713
Past due 6-12 months	2,241	827	1,414
Past due more than 1 year	7,264	5,936	1,328
	272,237	7,588	264,649

32. Financial instruments (cont'd)

32.4 Credit risk (cont'd)

Trade receivables (cont'd)

Recognition and measurement of impairment losses (cont'd)

The movements in the allowance for impairment losses of receivables during the financial year were :

	Group	
	2021	**2020**
	RM'000	**RM'000**
At 1 January	**7,588**	6,634
Impairment loss allowance	**480**	937
Impairment loss reversed	**(216)**	(17)
Amounts written off	**(649)**	(13)
Exchange differences	**(23)**	47
At 31 December	**7,180**	7,588

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

Cash and cash equivalents

The cash and cash equivalents are held with banks and financial institutions. As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position.

These banks and financial institutions have low credit risks. In addition, some of the bank balances are insured by government agencies. Consequently, the Group and the Company are of the view that the loss allowance is not material and hence, it is not provided for.

Other receivables

Credit risks on other receivables are mainly arising from deposits for Certificate of Entitlement for purchase of vehicles in a foreign jurisdiction. These deposits are short term and will be received upon sale of motor vehicles. The Group regarded these deposits to have low credit risks.

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

As at the end of the reporting period, the Group is of the view that the loss allowance is not material and hence, it is not provided for.

Investment in debt securities

At the end of the reporting period, the Group only invested in high quality infrastructure bonds which are guaranteed by governments. The maximum exposure to credit risk is represented by the carrying amounts in the statement of financial position.

32. Financial instruments (cont'd)

32.4 Credit risk (cont'd)

Investment in debt securities (cont'd)

There is no history of default on these bonds and there are no indicators that these bonds may default. The Group is of the view that the loss allowance is not material and hence, it is not provided for.

Financial guarantees

Risk management objectives, policies and processes for managing the risk

The Company provides unsecured financial guarantees to banks in respect of banking facilities granted to certain subsidiaries. The Company monitors the ability of the subsidiaries to service their loans on an individual basis.

Exposure to credit risk, credit quality and collateral

The maximum exposure to credit risk amounts to **RM203.0 million** (2020 : RM272.7 million) representing the outstanding banking facilities and **RM9.1 million** (2020 : RM7.6 million) representing outstanding balance for the supply of goods and services of the subsidiaries as at the end of the reporting period.

The financial guarantees are provided as credit enhancements of borrowings and trade facilities provided to the subsidiaries.

Recognition and measurement of impairment loss

The Company assumes that there is a significant increase in credit risk when a subsidiary’s financial position deteriorates significantly. The Company considers a financial guarantee to be credit impaired when:
- The subsidiary is unlikely to repay its credit obligation to the bank in full; or
- The subsidiary is continuously loss making and is having a deficit shareholders’ funds.

The Company determines the probability of default of the guaranteed loans individually using internal information available.

As at the end of the reporting period, the Group is of the view that the loss allowance is not material and hence, it is not provided for.

Inter-company loans and advances

Risk management objectives, policies and processes for managing the risk

The Company provides unsecured loans and advances to subsidiaries. The Company monitors the ability of the subsidiaries to repay the loans and advances on an individual basis.

Exposure to credit risk, credit quality and collateral

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

Loans and advances provided are not secured by any collateral or supported by any other credit enhancements.

NOTES TO THE FINANCIAL STATEMENTS

32. Financial instruments (cont'd)

32.4 Credit risk (cont'd)

Inter-company loans and advances (cont'd)

Recognition and measurement of impairment loss

Generally, the Company considers loans and advances to subsidiaries as those with low credit risk. The Company assumes that there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly. As the Company is able to determine the timing of payments of the subsidiaries' loans and advances when they are payable, the Company considers the loans and advances to be in default when the subsidiaries are not able to pay when demanded. The Company considers a subsidiary's loan or advance to be credit impaired when:

- The subsidiary is unlikely to repay its loan or advance to the Company in full; or
- The subsidiary is continuously loss making and is having a deficit shareholders' funds.

The Company determines the probability of default for these loans and advances individually using internal information available.

The following table provides information about the exposure to credit risk and ECLs for subsidiaries' loans and advances as at 31 December.

	Gross carrying amount RM'000	Impairment loss allowances RM'000	Net balance RM'000
Company			
2021			
Low credit risk	**1,724**	**-**	**1,724**
Credit impaired	**9,650**	**(9,650)**	**-**
	11,374	**(9,650)**	**1,724**

NOTES TO THE FINANCIAL STATEMENTS

32. Financial instruments (cont'd)

32.4 Credit risk (cont'd)

Inter-company loans and advances (cont'd)

Recognition and measurement of impairment loss (cont'd)

	Gross carrying amount RM'000	Impairment loss allowances RM'000	Net balance RM'000
Company			
2020			
Low credit risk	12,485	-	12,485
Credit impaired	9,650	(9,650)	-
	22,135	(9,650)	12,485

There are no movement in the allowance for impairment losses during the financial year.

32.5 Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's exposure to liquidity risk arises principally from its various payables, loans and borrowings.

The Group actively manages its debt maturity profile, operating cash flows and the availability of funding to ascertain that all funding needs are met. As part of its overall prudent liquidity management, the Group endeavours to maintain sufficient level of cash or cash convertible investments to meet its working capital requirements.

32. Financial instruments (cont'd)

32.5 Liquidity risk (cont'd)

Maturity analysis

The table below summarises the maturity profile of the Group's and Company's financial liabilities as at the end of the reporting period based on undiscounted contractual payments :

	Carrying amount RM'000	Contractual interest rate/ coupon/ Discount rate %	Contractual cash flows RM'000	Under 1 year RM'000	1-2 years RM'000	2-5 years RM'000	More than 5 years RM'000
2021							
Group							
Non-derivative financial liabilities							
Secured term loans	226,855	1.93 - 3.97	229,966	80,408	146,737	2,044	777
Secured revolving credit	1,435,496	0.77 - 1.35	1,448,968	1,448,968	-	-	-
Unsecured revolving credit	320,070	1.45 - 2.89	324,870	324,870	-	-	-
Unsecured bankers' acceptances	31,748	2.41 - 2.66	31,748	31,748	-	-	-
Hire purchase financing	610	5.31	647	319	328	-	-
Lease liabilities	28,281	2.50 - 6.65	34,320	7,320	5,022	9,490	12,488
Trade and other payables	327,572	-	327,572	327,572	-	-	-
	2,370,632		2,398,091	2,221,205	152,087	11,534	13,265
Company							
Non-derivative financial liabilities							
Trade and other payables	780	-	780	780	-	-	-
Corporate guarantees	-	-	212,024	212,024	-	-	-
	780		212,804	212,804	-	-	-

32. Financial instruments (cont'd)

32.5 Liquidity risk (cont'd)

Maturity analysis (cont'd)

	Carrying amount RM'000	Contractual interest rate/ coupon/ Discount rate %	Contractual cash flows RM'000	Under 1 year RM'000	1-2 years RM'000	2-5 years RM'000	More than 5 years RM'000
2020							
Group							
Non-derivative financial liabilities							
Secured term loans	235,128	1.76 - 5.45	310,783	12,348	106,534	189,408	2,493
Secured revolving credit	1,398,174	0.77 - 1.35	1,413,078	1,413,078	-	-	-
Unsecured revolving credit	398,502	1.00 - 2.69	404,084	404,084	-	-	-
Unsecured bankers' acceptances	22,132	2.45 - 2.60	22,132	22,132	-	-	-
Hire purchase financing	527	5.31	567	213	213	141	-
Lease liabilities	34,813	2.50 - 6.50	42,056	8,567	7,000	11,911	14,578
Trade and other payables	302,877	-	302,877	302,877	-	-	-
	2,392,153		2,495,577	2,163,299	113,747	201,460	17,071
Company							
Non-derivative financial liabilities							
Trade and other payables	928	-	928	928	-	-	-
Corporate guarantees	-	-	280,304	280,304	-	-	-
	928		281,232	281,232	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

32. Financial instruments (cont'd)

32.6 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and other prices will affect the Group's financial position or cash flows.

32.6.1 Currency risk

The Group is exposed to foreign currency risk on sales, purchases and borrowings that are denominated in a currency other than the respective functional currencies of Group entities. The currencies giving rise to this risk are primarily U.S. Dollar, Australian Dollar, New Zealand Dollar, Japanese Yen, Thai Baht and Great Britain Pound.

32. Financial instruments (cont'd)

32.6 Market risk (cont'd)

32.6.1 Currency risk (cont'd)

Exposure to foreign currency risk

The Group's exposure to foreign currency (a currency which is other than the currency of the Group entities) risk, based on carrying amounts as at the end of the reporting period was:

	US Dollar RM'000	Japanese Yen RM'000	Australian Dollar RM'000	Thai Baht RM'000	Great Britain Pound RM'000	New Zealand Dollar RM'000
2021						
Group						
Other financial assets	109,626	-	-	-	-	-
Trade and other receivables	1,099	509	-	-	-	67
Borrowings	(222,890)	(1,743,567)	-	-	-	-
Trade and other payables	(4,083)	(2,852)	-	(12,348)	-	-
Cash and bank balances	326,433	57,674	166,380	-	9,713	41,799
Exposure in the statement of financial position	210,185	(1,688,236)	166,380	(12,348)	9,713	41,866
Company						
Cash and bank balances	808	56	-	-	-	-
Trade and other receivables	6,248	-	-	-	-	-
Exposure in the statement of financial position	7,056	56	-	-	-	-

32. Financial instruments (cont'd)

32.6 Market risk (cont'd)

32.6.1 Currency risk (cont'd)

Exposure to foreign currency risk (cont'd)

	US Dollar RM'000	Japanese Yen RM'000	Australian Dollar RM'000	Thai Baht RM'000	Great Britain Pound RM'000	New Zealand Dollar RM'000
2020						
Group						
Other financial assets	169,537	-	-	-	-	-
Trade and other receivables	944	552	2	-	-	-
Borrowings	(211,914)	(1,789,696)	-	-	-	-
Trade and other payables	(6,880)	(2,278)	-	(15,804)	-	-
Cash and bank balances	237,036	55,256	173,889	-	4,332	40,659
Exposure in the statement of financial position	188,723	(1,736,166)	173,891	(15,804)	4,332	40,659
Company						
Other financial assets	49,811	-	-	-	-	-
Cash and bank balances	410	2	-	-	-	-
Trade and other receivables	6,026	-	-	-	-	-
Exposure in the statement of financial position	56,247	2	-	-	-	-

32. Financial instruments (cont'd)

32.6 Market risk (cont'd)

32.6.1 Currency risk (cont'd)

Currency risk sensitivity analysis

A **5%** (2020 : 5%) strengthening of the Ringgit Malaysia ("RM") against the following currencies at the end of the reporting period would have increased/(decreased) the pre-tax profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remained constant and ignores any impact of forecasted sales and purchases.

	Profit or loss 2021 RM'000	Profit or loss 2020 RM'000
Group		
US Dollar	**(10,509)**	(9,436)
Japanese Yen	**84,412**	86,808
Australian Dollar	**(8,319)**	(8,695)
Thai Baht	**617**	790
Great Britain Pound	**(486)**	(217)
New Zealand Dollar	**(2,093)**	(2,033)
Company		
US Dollar	**(353)**	(2,812)
Japanese Yen	**(3)**	-

A **5%** (2020 : 5%) weakening of RM against the above currencies at the end of the reporting period would have had equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remained constant.

32.6.2 Interest rate risk

The Group's investments in fixed rate borrowings are exposed to a risk of change in their fair values due to changes in interest rates. The Group's variable rate borrowings are exposed to a risk of change in cash flows due to changes in interest rates. Investments in equity securities and short term receivables and payables are not significantly exposed to interest rate risk.

Risk management objectives, policies and processes for managing the risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Interest rate risk is the risks that the value of a financial instrument will fluctuate due to changes in market interest rates. The Group's and the Company's income and operating cash flows are substantially independent of changes in market interest rates. The Group's and the Company's interest-earning financial assets are mainly short term in nature and are mostly placed in fixed deposits.

NOTES TO THE FINANCIAL STATEMENTS

32. Financial instruments (cont'd)

32.6 Market risk (cont'd)

32.6.2 Interest rate risk (cont'd)

Exposure to interest rate risk

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

	Group RM'000	Company RM'000
2021		
Fixed rate instruments		
Financial assets		
- Quoted bonds	**72,628**	**-**
- Fixed deposits	**3,123,579**	**227,652**
- Bank balances	**1,056,845**	**-**
	4,253,052	**227,652**
Financial liabilities		
- Bankers' acceptances	**31,748**	**-**
- Lease liabilities	**28,281**	**-**
- Hire purchase financing	**610**	**-**
	60,639	**-**
Floating rate instruments		
Financial assets		
- Unit trust money market funds	**205,385**	**172,306**
Financial liabilities		
- Other borrowings	**1,982,421**	**-**

NOTES TO THE FINANCIAL STATEMENTS

32. Financial instruments (cont'd)

32.6 Market risk (cont'd)

32.6.2 Interest rate risk (cont'd)

Exposure to interest rate risk (cont'd)

	Group RM'000	Company RM'000
2020		
Fixed rate instruments		
Financial assets		
- Quoted bonds	94,776	-
- Fixed deposits	2,799,110	100
- Bank balances	1,162,656	-
	4,056,542	100
Financial liabilities		
- Bankers' acceptances	22,132	-
- Lease liabilities	34,813	-
- Hire purchase financing	527	-
	57,472	-
Floating rate instruments		
Financial assets		
- Unit trust money market funds	158,981	127,546
Financial liabilities		
- Other borrowings	2,031,804	-

Interest rate risk sensitivity analysis

(a) *Fair value sensitivity analysis for fixed rate instruments*

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

(b) *Cash flow sensitivity analysis for variable rate instruments*

A change of 50 basis points (bp) in interest rates at the end of the reporting period would have increased/(decreased) pre-tax profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remained constant.

NOTES TO THE FINANCIAL STATEMENTS

32. Financial instruments (cont'd)

32.6 Market risk (cont'd)

32.6.2 Interest rate risk (cont'd)

Interest rate risk sensitivity analysis (cont'd)

(b) Cash flow sensitivity analysis for variable rate instruments (cont'd)

	Profit or loss	
	50bp increase	**50bp decrease**
	RM'000	**RM'000**
2021		
Group		
Floating rate instruments		
- Unit trust money market funds	**1,027**	**(1,027)**
- Other borrowings	**(9,912)**	**9,912**
Company		
Floating rate instruments		
- Unit trust money market funds	**862**	**(862)**
2020		
Group		
Floating rate instruments		
- Unit trust money market funds	795	(795)
- Other borrowings	(10,159)	10,159
Company		
Floating rate instruments		
- Unit trust money market funds	638	(638)

32. Financial instruments (cont'd)

32.6 Market risk (cont'd)

32.6.3 Other price risk

Equity price risk arises from the Group's investments in equity securities.

Risk management objectives, policies and processes for managing the risk

Management of the Group monitors the equity investments on a portfolio basis. Material investments within the portfolio are managed on an individual basis and all buy and sell decisions are approved by the Group Executive Directors, as appropriate.

Equity price risk sensitivity analysis

This analysis assumes that all other variables remain constant and the Group's equity investments moved in correlation with the respective stock exchange market index which the investments are listed in.

A **10%** (2020 : 10%) strengthening in all the stock exchange market index at the end of the reporting period would have increased equity of the Group and the Company by **RM53,721,000** (2020 : RM51,223,000) and **RM25,824,000** (2020 : RM24,411,000) respectively. A **10%** (2020 : 10%) weakening in the stock exchange index would have had equal but opposite effect on equity respectively.

32.7 Fair value information

The carrying amounts of cash and cash equivalents, short term receivables and payables and short term borrowings reasonably approximate their fair values due to the relatively short term nature of these financial instruments.

32. Financial instruments (cont'd)

32.7 Fair value information (cont'd)

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

	Fair value of financial instruments carried at fair value				Fair value of financial instruments not carried at fair value				Total fair value	Carrying amount
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	RM'000	RM'000
2021										
Group										
Financial assets										
Quoted shares	184,498	-	-	184,498	-	-	-	-	184,498	184,498
Unquoted shares	-	-	284,865	284,865	-	-	-	-	284,865	284,865
Quoted bonds	-	-	-	-	73,523	-	-	73,523	73,523	72,628
Quoted unit trusts & REITS	5,556	62,295	-	67,851	-	-	-	-	67,851	67,851
Structured deposits	1,298	-	-	1,298	-	-	-	-	1,298	1,298
	191,352	62,295	284,865	538,512	73,523	-	-	73,523	612,035	611,140
Financial liabilities										
Term loans	-	-	-	-	-	-	226,855	226,855	226,855	226,855
Hire purchase financing	-	-	-	-	-	-	562	562	562	610
	-	-	-	-	-	-	227,417	227,417	227,417	227,465
Company										
Financial assets										
Unquoted shares	-	-	258,235	258,235	-	-	-	-	258,235	258,235

32. Financial instruments (cont'd)

32.7 Fair value information (cont'd)

	Fair value of financial instruments carried at fair value				Fair value of financial instruments not carried at fair value				Total fair value	Carrying amount
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
2020										
Group										
Financial assets										
Quoted shares	181,562	-	-	181,562	-	-	-	-	181,562	181,562
Unquoted shares	-	-	262,276	262,276	-	-	-	-	262,276	262,276
Quoted bonds	-	-	-	-	97,050	-	-	97,050	97,050	94,776
Quoted unit trusts & REITS	8,606	59,781	-	68,387	-	-	-	-	68,387	68,387
	190,168	59,781	262,276	512,225	97,050	-	-	97,050	609,275	607,001
Financial liabilities										
Term loans	-	-	-	-	-	-	235,128	235,128	235,128	235,128
Hire purchase financing	-	-	-	-	-	-	486	486	486	527
	-	-	-	-	-	-	235,614	235,614	235,614	235,655
Company										
Financial assets										
Unquoted shares	-	-	244,110	244,110	-	-	-	-	244,110	244,110

NOTES TO THE FINANCIAL STATEMENTS

32. Financial instruments (cont'd)

32.7 Fair value information (cont'd)

Policy on transfer between levels

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

Level 1 fair value

Level 1 fair value is derived from quoted price (unadjusted) in active markets for identical financial assets or liabilities that the entity can access at the measurement date.

Level 2 fair value

Level 2 fair value is estimated using inputs other than quoted prices included within Level 1 that are observable for the financial assets or liabilities, either directly or indirectly.

Non-derivative financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the end of the reporting period. For other borrowings, the market rate of interest is determined by reference to similar borrowings arrangements.

Transfers between Level 1 and Level 2 fair values

There has been no transfer between Level 1 and Level 2 fair values during the financial year.

Level 3 fair value

Level 3 fair value is estimated using unobservable inputs for the financial assets and liabilities.

The following table shows the valuation techniques used in the determination of fair values within Level 3, as well as the key unobservable inputs used in the valuation models.

(a) Financial instruments carried at fair value

Type	Description of valuation technique and inputs used	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Unquoted shares	The fair value of unquoted shares is based on market comparison technique. The valuation model is based on market multiples derived from quoted prices of companies comparable to the investee, adjusted for the effect of the non-marketability of the unquoted shares.	Adjusted market multiple (2021 : 0.44 - 1.26 and 2020 : 0.42 - 1.00)	The estimated fair value would increase/ (decrease) if the adjusted market multiple were higher/ (lower).

NOTES TO THE FINANCIAL STATEMENTS

32. Financial instruments (cont'd)

32.7 Fair value information (cont'd)

Level 3 fair value (cont'd)

(a) Financial instruments carried at fair value (cont'd)

Sensitivity analysis

	Profit or loss		Other comprehensive income, net of tax	
	Increase	**Decrease**	**Increase**	**Decrease**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Group				
2021				
Adjusted market multiple (5% movement)	**-**	**-**	**14,243**	**(14,243)**
2020				
Adjusted market multiple (5% movement)	-	-	13,114	(13,114)
Company				
2021				
Adjusted market multiple (5% movement)	**-**	**-**	**12,912**	**(12,912)**
2020				
Adjusted market multiple (5% movement)	-	-	12,206	(12,206)

NOTES TO THE FINANCIAL STATEMENTS

32. Financial instruments (cont'd)

32.7 Fair value information (cont'd)

Level 3 fair value (cont'd)

(b) Financial instruments not carried at fair value

Type	Description of valuation technique and inputs used
Term loans and hire purchase financing	Discounted cash flows using a rate based on the current market rate of borrowing of the respective Group entities at the reporting date.

Valuation processes applied by the Group for Level 3 fair value

Management regularly reviews significant unobservable inputs and valuation adjustments used in estimating the fair value of unquoted shares.

33. Capital management

The Group's capital is represented by total equity attributable to the stockholders of the Group as shown in the consolidated statement of financial position.

The Group's objectives when managing capital is to maintain a strong capital base and safeguard the Group's ability to continue as a going concern, so as to maintain investor, creditor and market confidence and to sustain future development of the business.

The Group actively and regularly reviews and manages its capital structure to ensure optimal capital structure and shareholders returns, taking into consideration the future capital requirements of the Group and capital efficiency, prevailing and projected strategic investment opportunities.

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

34. Significant events during the financial year

(i) The Company, through its direct 51% owned subsidiary, Melaka Straits Medical Centre Sdn. Bhd. ("MSMC") had on 25 March 2021 incorporated a wholly-owned subsidiary named Oriental Medical (Segamat) Sdn. Bhd. The initial issued share capital is one ordinary share at an issue price of RM1.00 only. The intended principal activities of Oriental Medical (Segamat) Sdn. Bhd. are operating a medical centre and provision of related healthcare services.

(ii) The Company subscribed for the rights issue of 6,119,592 ordinary shares and renounceable rights issue of 1,529,898 ordinary shares at an issue price of RM1.00 each in MSMC, its direct 51% owned subsidiary. The Company holds 51.68% in MSMC upon completion of the application on 1 October 2021.

(iii) Unique Pave Sdn. Bhd. ("UP"), is a 76% owned subsidiary of Simen Utara Sdn. Bhd. ("SU") and an associates of Unique Mix (Penang) Sdn. Bhd. which in turn is a 70% owned subsidiary of SU. SU is a 91% owned sub-subsidiary of the Company. UP had on 31 December 2021 been placed under member's voluntary winding up proceeding.

NOTES TO THE FINANCIAL STATEMENTS

35. Details of subsidiaries

Name of subsidiaries and principal activities	**Group's effective interest**	
	2021	**2020**
	%	**%**
Oriental Realty Sdn. Bhd. *Property development and investment holding*	**100.0**	100.0
Subsidiary of Oriental Realty Sdn. Bhd.		
- Kenanga Mekar Sdn. Bhd. *Property development*	**100.0**	100.0
Syarikat Oriental Credit Berhad *Money lending and leasing*	**100.0**	100.0
Dragon Frontier Sdn. Bhd. *Manufacture of plastic moulded parts for electrical, electronics and automotive industries*	**100.0**	100.0
Bayview International Sdn. Bhd. *Provision of advertising, marketing and central reservation services*	**100.0**	100.0
Oriental Rubber & Palm Oil Sdn. Berhad *Cultivation of oil palm, investment holding and letting of parking lots*	**100.0**	100.0
Subsidiary of Oriental Rubber & Palm Oil Sdn. Berhad		
- Oriental Boon Siew (M) Sdn. Bhd. *Land reclamation and investment holding*	**51.0**	51.0
Compounding & Colouring Sdn. Bhd. *Manufacture and sale of polypropylene compounds*	**70.0**	70.0
Armstrong Cycle Parts (Sdn.) Berhad * *Property investment holding company*	**100.0**	100.0
Kah Bintang Auto Sdn. Bhd. *Investment holding company, retailer of motor vehicles and trader of spare parts, accessories and related component parts, provision of after sales services and trading of used motor vehicles*	**100.0**	100.0
Subsidiary of Kah Bintang Auto Sdn. Bhd.		
- Kah Classic Auto Sdn. Bhd. *Retailer of motor vehicles and trader of spare parts, accessories and related component parts, and provision of after sales services*	**100.0**	100.0

NOTES TO THE FINANCIAL STATEMENTS

35. Details of subsidiaries (cont'd)

Name of subsidiaries and principal activities (cont'd)	Group's effective interest 2021 %	2020 %
Star Life Pharma Sdn. Bhd. *Operates as an integrated lifestyle retail pharmacy*	**100.0**	100.0
Oriental Boon Siew (Mauritius) Pte. Ltd.* *Investment holding and granting of loans*	**50.5**	50.5
Subsidiaries of Oriental Boon Siew (Mauritius) Pte. Ltd.		
- **OAM Asia (Singapore) Pte. Ltd. #** *Investment holding*	**50.5**	50.5
Subsidiaries of OAM Asia (Singapore) Pte. Ltd.		
- **OAM (Aust) Pty. Ltd. #** *Property investment holding*	**50.5**	50.5
- **PT Surya Agro Persada *** *Oil palm plantation*	**45.5**	45.5
- **OBS (Singapore) Pte. Ltd. #** *Investment holding and granting of loans*	**50.5**	50.5
Subsidiaries of OBS (Singapore) Pte. Ltd.		
- **PT Bumi Sawit Sukses Pratama *** *Oil palm plantation*	**45.5**	45.5
- **PT Gunung Sawit Selatan Lestari *** *Oil palm plantation*	**45.5**	45.5
- **PT Pratama Palm Abadi *** *Oil palm plantation*	**45.5**	45.5
- **PT Dapo Agro Makmur *** *Oil palm plantation*	**45.5**	45.5
- **PT Sumatera Sawit Lestari *** *Cultivation of oil palm plantation*	**45.5**	45.5
Teck See Plastic Sdn. Bhd. *Investment holding, letting of property, plant and equipment and manufacture and distribution of plastic articles and products*	**60.0**	60.0

NOTES TO THE FINANCIAL STATEMENTS

35. Details of subsidiaries (cont'd)

Name of subsidiaries and principal activities (cont'd)	Group's effective interest 2021 %	2020 %
Subsidiaries of Teck See Plastic Sdn. Bhd.		
- **Lipro Mold Engineering Sdn. Bhd.**	**48.0**	48.0
Manufacture and repair of moulds, jigs and fixtures		
- **Armstrong Industries Sdn. Bhd.**	**60.0**	60.0
Investment holding company and in the designing, research and development, manufacturing, sales of plastic and automotive interior parts		
- **Kasai Teck See (Malaysia) Sdn. Bhd.**	**37.5**	37.5
Designing, research and development, manufacturing and sale of plastic and automotive interior parts		
Oriental Nichinan Design Engineering Sdn. Bhd.	**88.0**	88.0
Design, manufacture and sale of prototype plastic models		
Oriental San Industries Sdn. Bhd.	**100.0**	100.0
Letting of properties and manufacturing and trading of plastic articles and products		
Oriental International (Mauritius) Pte. Ltd. *	**100.0**	100.0
Investment holding		
Subsidiary of Oriental International (Mauritius) Pte. Ltd.		
- **OIM (Aust) Pty. Ltd. #**	**100.0**	100.0
Property investment holding		
Kah Motor Company Sdn. Berhad	**100.0**	100.0
Distribution and retailing of motor vehicles and spare parts, servicing, rental and leasing of motor vehicles, investment holding as well as hotelier		
Subsidiaries of Kah Motor Company Sdn. Berhad		
- **Boon Siew (Borneo) Sendirian Berhad ***	**99.0**	99.0
Distribution of Honda motor cars and related spare parts		
- **Ultra Green Sdn. Bhd.**	**100.0**	100.0
Land reclamation and investment holding		
- **Happy Motoring Co. Sdn. Bhd. ***	**51.0**	51.0
Motor car dealer and the general repair and servicing of motor cars		

NOTES TO THE FINANCIAL STATEMENTS

35. Details of subsidiaries (cont'd)

Name of subsidiaries and principal activities (cont'd)	**Group's effective interest 2021 %**	**2020 %**
- **Kah New Zealand Limited #** *Provision of hotel accommodation*	**100.0**	100.0
- **Kah Australia Pty Limited *** *Property investment and hotel operation*	**100.0**	100.0
- **Kah Power Products Pte. Ltd. #** *Distribution of motor power products*	**100.0**	100.0
- **KM Agency Sdn. Bhd.** *Insurance agent*	**100.0**	100.0
- **Kah Agency Sdn. Bhd.** *Insurance agent*	**100.0**	100.0
- **Kingdom Properties Co. Limited** *Investment holding*	**100.0**	100.0
Subsidiaries of Kingdom Properties Co. Limited		
- **Park Suanplu Holdings Co., Ltd. *** *Hotelier*	**89.5**	89.5
- **Suanplu Bhiman Limited *** *Investment holding*	**79.4**	79.4
- **Silver Beech Operations UK Limited *** *Managing and operating of hotel*	**100.0**	100.0
- **Silver Beech Holdings Limited *** *Investment holding*	**100.0**	100.0
Subsidiary of Silver Beech Holdings Limited		
- **Silver Beech (IOM) Limited *** *Property holding*	**100.0**	100.0
- **30 Bencoolen Pte. Ltd. #** *Management of hotel operations*	**100.0**	100.0

NOTES TO THE FINANCIAL STATEMENTS

35. Details of subsidiaries (cont'd)

Name of subsidiaries and principal activities (cont'd)	Group's effective interest 2021 %	2020 %
Armstrong Auto Parts Sdn. Berhad	**94.8**	94.8
Investment holding company and a manufacturer of automotive parts		
Subsidiaries of Armstrong Auto Parts Sdn. Berhad		
- **Armstrong Trading & Supplies Sdn. Bhd.**	**94.8**	94.8
General trading of related automotive parts		
- **Armstrong Component Parts (Vietnam) Co., Ltd ***	**94.8**	94.8
Under liquidation		
Jutajati Sdn. Bhd.*	**100.0**	100.0
Investment holding		
Subsidiary of Jutajati Sdn. Bhd.		
- **Kwong Wah Enterprise Sdn. Bhd.***	**100.0**	100.0
Investment holding		
Subsidiaries of Kwong Wah Enterprise Sdn. Bhd.		
- **North Malaya Engineers Trading Company Sdn. Bhd.***	**100.0**	100.0
Manufacture of steel wire, galvanised wire, wire mesh, barbed wire, weld mesh, nails and building materials		
- **Lipro Trading Sdn. Bhd.***	**100.0**	100.0
Commission agent in trading of cement		
- **Simen Utara Sdn. Bhd. ***	**91.0**	91.0
Distributor of cement, concrete products and building materials		
Subsidiaries of Simen Utara Sdn. Bhd.		
- **Unique Pave Sdn. Bhd. ***	**74.9**	74.9
Manufacturer and dealer of concrete products. Ceased business during the year and commenced member's voluntary winding up on 31 December 2021		
- **Unique Mix (Penang) Sdn. Bhd. ***	**63.7**	63.7
Manufacturer and dealer of concrete products		

NOTES TO THE FINANCIAL STATEMENTS

35. Details of subsidiaries (cont'd)

Name of subsidiaries and principal activities (cont'd)	Group's effective interest 2021 %	2020 %
Subsidiary of Unique Mix (Penang) Sdn. Bhd.		
- Unique Mix Sdn. Bhd. *	**63.7**	63.7
Sale and distribution of ready-mixed concrete. Ceased business operation during the year		
North Malaya Engineers Overseas Sdn. Bhd. *	**100.0**	100.0
Investment holding		
Subsidiary of North Malaya Engineers Overseas Sdn. Bhd.		
- North Malaya (Xiamen) Steel Co., Ltd. *	**100.0**	100.0
Production of steel wire and its related products, and automobile spare parts		
Selasih Permata Sdn. Bhd.	**50.5**	50.5
Investment holding		
Subsidiaries of Selasih Permata Sdn. Bhd.		
- PT Gunung Maras Lestari *	**46.7**	46.7
Oil palm plantation		
- PT Gunungsawit Binalestari *	**46.7**	46.7
Oil palm plantation		
- PT Oriental Kyowa Industries *	**72.8**	72.8
Dormant		
- Oriental Asia (Mauritius) Pte. Ltd. *	**50.5**	50.5
Investment holding, provision of consultancy and employment services and granting of loans		
Subsidiaries of Oriental Asia (Mauritius) Pte. Ltd.		
- Oriental Asia (Aust.) Pty. Ltd. #	**50.5**	50.5
Investment property		
- Selasih OAM Sdn. Bhd.	**50.5**	50.5
Investment holding		

NOTES TO THE FINANCIAL STATEMENTS

35. Details of subsidiaries (cont'd)

Name of subsidiaries and principal activities (cont'd)	Group's effective interest 2021 %	2020 %
Melaka Straits Medical Centre Sdn. Bhd. *Operate a medical centre and provision of related healthcare services*	**51.7**	51.0
Subsidiaries of Melaka Straits Medical Centre Sdn. Bhd.		
- Star Joy Sdn. Bhd. *Manage and operate transitional care centres*	**51.7**	51.0
- Oriental Medical (Segamat) Sdn. Bhd. *Operate a medical centre and provision of related healthcare services*	**51.7**	-
Loh Boon Siew Education Sdn. Bhd. *Investment holding*	**70.0**	70.0
Subsidiary of Loh Boon Siew Education Sdn. Bhd.		
- Nilam Healthcare Education Centre Sdn. Bhd. *Institution in providing nursing program*	**70.0**	70.0

** not audited by KPMG.*

 # audited by member firms of KPMG International.

NOTES TO THE FINANCIAL STATEMENTS

35. Details of subsidiaries (cont'd)

All the subsidiaries are incorporated and are having principal place of businesses in Malaysia except for :

	Country of incorporation/ Principal place of businesses
- Kah Australia Pty. Limited	Australia
- OAM (Aust) Pty. Ltd.	Australia
- Oriental Asia (Aust.) Pty. Ltd.	Australia
- OIM (Aust.) Pty. Ltd.	Australia
- Happy Motoring Co. Sdn. Bhd.	Brunei Darussalam
- North Malaya (Xiamen) Steel Co., Ltd.	China
- Oriental Asia (Mauritius) Pte. Ltd.	Mauritius
- Oriental Boon Siew (Mauritius) Pte. Ltd.	Mauritius
- Oriental International (Mauritius) Pte. Ltd.	Mauritius
- Kah New Zealand Limited	New Zealand
- PT Bumi Sawit Sukses Pratama	Republic of Indonesia
- PT Dapo Agro Makmur	Republic of Indonesia
- PT Gunungsawit Binalestari	Republic of Indonesia
- PT Gunung Maras Lestari	Republic of Indonesia
- PT Gunung Sawit Selatan Lestari	Republic of Indonesia
- PT Oriental Kyowa Industries	Republic of Indonesia
- PT Pratama Palm Abadi	Republic of Indonesia
- PT Surya Agro Persada	Republic of Indonesia
- PT Sumatera Sawit Lestari	Republic of Indonesia
- Kah Power Products Pte. Ltd.	Singapore

NOTES TO THE FINANCIAL STATEMENTS

35. Details of subsidiaries (cont'd)

All the subsidiaries are incorporated and are having principal place of businesses in Malaysia except for (cont'd) :

	Country of incorporation/ Principal place of businesses
- OAM Asia (Singapore) Pte. Ltd.	Singapore
- OBS (Singapore) Pte. Ltd.	Singapore
- 30 Bencoolen Pte. Ltd.	Singapore
- Park Suanplu Holdings Co., Ltd.	Thailand
- Suanplu Bhiman Limited	Thailand
- Silver Beech Holdings Limited	United Kingdom
- Silver Beech Operations UK Limited	United Kingdom
- Silver Beech (IOM) Limited	United Kingdom
- Armstrong Component Parts (Vietnam) Co., Ltd	Vietnam

APPENDIX

Directors of the Company's subsidiaries

The list of Directors (other than Directors of the Company) who served on the Boards of the subsidiaries of the Company during the financial year until the date of the Directors Report are set out below:

Atif Mohtram Khan (Appointed on 5.4.2022)
Alastair Worthy
Baey Cheng Song
Caroline Ip (Resigned on 17.11.2021)
Chawarat Ittipoonswat
Chan Kuang
Chew Kian Hong, Michael
Dato' Dr Abdul Latiff Bin Awang
Dato' Dr Tan Chong Siang
Dato' Lim Kean Seng, D. I. M. P.
Dato' Lim Tiong Boon
Dato' Loh Sum Min @ Loh Kean Min
Dato' Seri Haji Mohd Isahak Bin Mohd Yusuf (Deceased on 7.4.2022)
Dato' Seri Loh Cheng Yean
Dato' Syed Mohamad Bin Syed Murtaza
Dato' Yeoh Soo Keng
Dr Tan Hui Ling
Eda Syukriati Binti Usman
Effendi Suryono
Gan Ching Shien
Georges Valery Magon
Hideaki Matsuya
Jerome Dyer (Resigned on 5.4.2022)
Justin Kim Chuen Cheng
Kang Boon Seng @ Kang Siew Seng
Karli Boenjamin
Khaw Liang Tse
Khoo Kay Jee
Lim Ee Hean
Lim Ee Ling
Lim How Ghee
Lim Huck Seng
Lim Lay Hooi
Loh Kok Sin (Resigned on 6.4.2021)
Loh Nam Hooi
Loke Kim Hai
Ling Pak Kee
Lesley O'Neill (Appointed on 17.11.2021)
Kim Luce (Appointed on 14.4.2021)
Kenneth Le Claire (Appointed on 17.11.2021)
Nursyamimi Binti Abdullah @ Josephine Chin Swee Ling (Appointed on 20.4.2021)
Loke Poay Seng
Loo Chin Chee
Masanobu Ikegami
Muhammad Fateh Teh Bin Abdullah
Muhammad Hariz Bin Mohd Nadzmi
Ng Seng Kong
Ngeow Zoo Gin (Resigned on 1.1.2021)
Ong Chai Hong
Ooi Beng Sun
Ooi Soo Pheng
Oon Leong Lye @ Khoo Leong Lye
Robert William McNab
Ronnie Lee Lye Beng
Rose Ling Hie Ting
Ruddy Samuel
Satoru Iwasaki
Sharmil Shah
Simon Garton (Resigned on 14.4.2021)
Tae Biggs (Resigned on 26.5.2021)
Tan Hee Lan
Tan Hui Ming
Tan Liang Chye
Teo Mui Huee @ Alice
Timmy Ang Chiew Peng
Wong Chee Choong
Wong Tet Look
Yaep Chin Yee
Yap Keow Seng
Yeap Tze Tsing
Yusuf Bin Jamil

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

In the opinion of the Directors, the financial statements set out on pages 77 to 227 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 December 2021 and of their financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors :

....

Datuk Loh Kian Chong, DMSM

Director

....

Dato' Seri Lim Su Tong, DGPN, DSPN

Director

Penang

Date : 25 April 2022

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

I, Wong Tet Look, the officer primarily responsible for the financial management of Oriental Holdings Berhad, do solemnly and sincerely declare that the financial statements set out on pages 77 to 227 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the abovenamed Wong Tet Look, NRIC: 501015-07-5255, MIA CA1586, at George Town in the State of Penang on 25 April 2022.

....

Wong Tet Look
Group Chief Financial Officer

Before me :

Goh Suan Bee (No. P125)
Commissioner for Oaths
Penang

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

ORIENTAL HOLDINGS BERHAD (Registration No. 196301000446 (5286-U)) (Incorporated in Malaysia)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Oriental Holdings Berhad, which comprise the statements of financial position as at 31 December 2021 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 77 to 227.

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

Basis for Opinion

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

Independence and Other Ethical Responsibilities

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

Key Audit Matters

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

1. Impairment of plantation assets including bearer plants - Group

Refer to Note 1(d) (*basis of preparation - use of estimates and judgements*), Note 2(r)(ii) *(significant accounting policies – Impairment of other assets)* and Note 3.3.1 *(impairment loss – bearer plants)*.

The key audit matter

The Group's carrying amount of bearer plants as at 31 December 2021 of RM610 million relates mainly to the plantation of subsidiaries in Indonesia. The Group regards the plantation assets of each subsidiary, including bearer plants, as a separate cash generating unit. During the financial year, there was an indication of impairment arising from slow development of certain plantations. The recoverability of the carrying amount for each cash generating unit including bearer plants, is dependent on their recoverable amounts, determined using the discounted cash flows forecast.

This is one of the areas that our audit focuses on because determining the level of impairment loss involved significant degree of Directors' judgement in forecasting future cash flows and estimating the recoverable amounts of these cash generating units which are inherently uncertain.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

ORIENTAL HOLDINGS BERHAD (Registration No. 196301000446 (5286-U)) (Incorporated in Malaysia)

Key Audit Matters (cont'd)

1. Impairment of plantation assets including bearer plants - Group (cont'd)

How the matter was addressed in our audit

Our audit procedures include, among others:

- read the valuation report of the independent external valuer engaged by the Group in estimating the recoverable amounts for each cash generating units of the affected plantations to facilitate the review of work performed by the component auditors;
- reviewed the audit documentation prepared by the component auditors and evaluated the results of their work and conclusions in relation to the impairment of plantation assets in the affected subsidiaries, including procedures performed as follows:
  i) evaluated the impairment test model by comparing it against the requirements of the relevant accounting standards;
  ii) assessed the discount rate used, by comparing the inputs used by the valuer to derive at the discount rate against the relevant external sources;
  iii) assessed those significant and highly sensitive assumptions, such as the long term outlook of prices for oil palm fruits, by comparing them with internal and external sources; and
- considered the adequacy of the Group's disclosures about the key assumptions used in the estimation of the recoverable amount of the plantation assets.

2. Impairment of interests in subsidiaries - Company

Refer to Note 1(d) (*basis of preparation - use of estimates and judgements*), Note 2(r)(ii) *(significant accounting policies – Impairment of other assets)* and Note 7.3 *(impairment loss)*.

The key audit matter

As disclosed in Note 7 to the financial statements, the Company's carrying amount of interests in subsidiaries was approximately RM995 million as at 31 December 2021, including an amount of RM205 million due from certain subsidiaries. The Company regards net interests in each subsidiary as a separate cash generating unit. There is an indicator of impairment arising from some of the loss-making subsidiaries. The Company performed impairment assessment on these subsidiaries and recorded a reversal of impairment loss of approximately RM28 million.

This is one of the areas that our audit focuses on because determining the level of impairment loss involved significant degree of Directors' judgement in forecasting future cash flows and estimating the recoverable amounts of these cash generating units which are inherently uncertain.

How the matter was addressed in our audit

Our audit procedures include, among others:

- evaluated the impairment test model applied by the Company and compared it against the requirements of the relevant accounting standards;
- assessed the discount rates used by comparing these with our expectations based on our knowledge of the industry in which the subsidiaries operated;
- evaluated the Company's cash flow projections by performing retrospective assessment of the key assumptions driving the cash flow projections, in particular revenue growth and gross profit margin, to the latest internal board approved budget and plan, external market data, the historical accuracy of the Company's estimates in the previous years and our understanding of the future prospects of the subsidiaries' businesses.
- considered the adequacy of the disclosures about the key assumptions used in the estimation of the recoverable amount of the affected cash generating units.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
ORIENTAL HOLDINGS BERHAD (Registration No. 196301000446 (5286-U)) (Incorporated in Malaysia)

Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of the Company are responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the Annual Report 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 Annual Report and, in doing so, consider whether the Annual Report is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of the Annual Report, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of 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 ability of the Group and of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

ORIENTAL HOLDINGS BERHAD (Registration No. 196301000446 (5286-U)) (Incorporated in Malaysia)

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

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

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that gives a true and fair view.

- 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 auditors' report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors are disclosed in Note 35 to the financial statements.

Other Matter

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

KPMG PLT
(LLP0010081-LCA & AF 0758)
Chartered Accountants

Lim Su Ling
Approval Number : 03098/12/2023 J
Chartered Accountant

Penang

Date : 25 April 2022

TEN LARGEST PROPERTIES OF THE GROUP
AS AT 31 DECEMBER 2021

Location	Description	Land Area (sq.metres)	Tenure	Age of Building (Years)	Date of Acquisition	Net Book Value (RM million)
Phase 1A, 2A, 3A, 3B & 4 Pekan Klebang Sek. IV Melaka Tengah, Melaka	Reclaimed land	1,689,522	Leasehold (Pending issuance of title)	-	-	265.0
Thistle Holborn The Kingsley Hotel Bloomsbury Way London WC1A 2SD United Kingdom	Hotel	8,027	Freehold	98	13 Feb 2012	212.4
Phase 3 Pekan Klebang Sek. IV Melaka Tengah, Melaka	Reclaimed land	688,008	Leasehold (Pending issuance of title)	-	-	197.5
Kecamatan Karang Dapo Kecamatan Rawas Ilir Kecamatan Mura Lakitan Kecamatan Muara Kelingi Kabupaten Musi Rawas Propinsi Sumatera Selatan Republik of Indonesia	Oil palm plantation with residential quarters and administrative office	3,910 (hectares)	Pending Hak Guna Usaha	6	18 July 2011	196.8
Lot 2051, PN 50435 PHTM : 2361 Pekan Klebang Sek. IV Melaka Tengah Melaka	Land and hospital building	75,740	Leasehold (99 years expiring 2107)	8	16 July 2008	160.3
Kecamatan Jaya Loka Kecamatan Tiang Pumpung Kepungut Kecamatan Bulang Tenga Suku Ulu Kabupaten Musi Rawas Propinsi Sumatera Selatan Republik of Indonesia	Oil palm plantation with residential quarters and administrative office	2,889 (hectares)	Pending Hak Guna Usaha	10	31 Jan 2011	140.6
Kecamatan Simpang Rimba dan Payung, Kabupaten Bangka Selatan, Pulau Bangka Propinsi Kepulauan Bangka Belitung Republik of Indonesia	Oil palm plantation with residential quarters and administrative office	4,135 (hectares)	Pending Hak Guna Usaha	15	17 Nov 2006	137.3
Somerset Park Suanplu No 39 Soi Suanplu South Sathorn Road Bangkok 10120 Thailand	Land and service apartment	6,555	Freehold	25	15 Sept 2011	121.1

TEN LARGEST PROPERTIES OF THE GROUP
AS AT 31 DECEMBER 2021

Location	Description	Land Area (sq.metres)	Tenure	Age of Building (Years)	Date of Acquisition	Net Book Value (RM million)
247-249 Collins Street Melbourne Victoria 3000 Australia	Office building	481	Freehold	138	23 June 2017	108.7
315-319 Burwood Highway Burwood East VIC 3151 Australia	Land and service apartment	6,013	Freehold	3	20 Nov 2014	103.6

STOCKHOLDING STATISTICS

STOCKHOLDING STATISTICS AS AT 31 MARCH 2022

ISSUED SHARE CAPITAL	:	RM620,393,638/= comprising 620,393,638 stocks (including 31,808 treasury stocks)
CLASS OF STOCK	:	Ordinary Stocks
VOTING RIGHTS	:	On a poll - One vote for every ordinary stock held

ANALYSIS OF STOCKHOLDINGS

Size of Stockholding	No of Stockholders/ Depositors	No. of Stocks	% of Issued Capital
1 - 99	333	11,498	0.00
100 - 1,000	1,463	1,057,114	0.17
1,001 - 10,000	3,897	16,043,577	2.59
10,001 - 100,000	1,457	44,730,696	7.21
100,001 to less than 5% of issued stocks	265	203,447,890	32.79
5% and above of issued stocks	4	355,102,863	57.24
Total	7,419	620,393,638	100.00

SUBSTANTIAL STOCKHOLDERS

	Name	*No. of stocks Direct*	*% of Issued Capital*	*No. of stocks Indirect*	*% of Issued Capital*
1.	Boon Siew Sdn Bhd	266,729,662	43.00	78,604,757 [a]	12.67
2.	Employees Provident Fund Board	55,524,724	8.95	-	-
3.	Penang Yellow Bus Company Bhd	32,848,477	5.30	-	-
4.	Datuk Loh Kian Chong	909,300	0.15	360,302,450 [b]	58.08

(a) Deemed interested via Penang Yellow Bus Company Berhad, Bayview Hotel Sdn Bhd, Boon Siew Development Sdn Bhd, Boontong Estates Sdn Bhd and Southern Perak Plantations Sdn Berhad.

(b) Deemed interested via Boon Siew Sdn Bhd, Penang Yellow Bus Company Berhad, Bayview Hotel Sdn Bhd, Loh Boon Siew Holdings Sdn Bhd, Loh Kar Bee Holdings Sdn Bhd, Boon Siew Development Sdn Bhd, Boontong Estates Sdn Bhd, Southern Perak Plantations Sdn Berhad and Global Investment Limited.

STOCKHOLDING STATISTICS

THIRTY LARGEST STOCKHOLDERS AS AT 31 MARCH 2022

No.	Name	No. of Stocks	% of Issued Capital
1	MALAYSIA NOMINEES (TEMPATAN) SENDIRIAN BERHAD BOON SIEW SDN BERHAD (00-00198-000)	133,365,188	21.50
2	CITIGROUP NOMINEES (TEMPATAN) SDN BHD BOON SIEW SDN BHD	133,364,474	21.50
3	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD	55,524,724	8.95
4	CITIGROUP NOMINEES (TEMPATAN) SDN BHD PENANG YELLOW BUS COMPANY BHD	32,848,477	5.30
5	CITIGROUP NOMINEES (ASING) SDN BHD HONDA MOTOR COMPANY LTD	25,119,424	4.05
6	CITIGROUP NOMINEES (TEMPATAN) SDN BHD BAYVIEW HOTEL SDN BHD	21,848,407	3.52
7	HSBC NOMINEES (ASING) SDN BHD BPSS LDN FOR ABERDEEN STANDARD ASIA FOCUS PLC	10,154,700	1.64
8	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR SOUTHERN PERAK PLANTATIONS SENDIRIAN BERHAD (PB)	9,000,000	1.45
9	CITIGROUP NOMINEES (TEMPATAN) SDN BHD LOH BOON SIEW HOLDINGS SDN BHD	7,568,031	1.22
10	LOH KAR BEE HOLDINGS SDN BHD	7,200,000	1.16
11	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR BOONTONG ESTATES SDN BERHAD (PB)	7,000,000	1.13
12	ANG TEOW CHENG & SONS SDN BHD	6,055,000	0.98
13	MALAYSIA NOMINEES (TEMPATAN) SENDIRIAN BERHAD BOONTONG ESTATES SDN BERHAD (00-00200-000)	4,432,966	0.71
14	HSBC NOMINEES (ASING) SDN BHD BBH AND CO BOSTON FOR KOPERNIK GLOBAL ALL-CAP FUND	3,509,400	0.57
15	CHINCHOO INVESTMENT SDN.BERHAD	3,369,960	0.54
16	GOLDEN FRESH SDN BHD	3,300,000	0.53
17	MALAYSIA NOMINEES (TEMPATAN) SENDIRIAN BERHAD LIM SU TONG @ LIM CHEE TONG (77-73000-227)	2,966,906	0.48
18	KEY DEVELOPMENT SDN.BERHAD	2,736,000	0.44
19	CITIGROUP NOMINEES (ASING) SDN BHD CBNY FOR DIMENTIONAL EMERGING MARKETS VALUE FUND	2,554,379	0.41
20	UOB KAY HIAN NOMINEES (ASING) SDN BHD EXEMPT AN FOR UOB KAY HIAN PTE LTD (A/C CLIENTS)	2,207,544	0.36
21	HSBC NOMINEES (ASING) SDN BHD BBH AND CO BOSTON FOR KOPERNIK GLOBAL ALL-CAP EQUITY FUND (HEPTAGON F ICAV)	2,168,100	0.35
22	ANG SENG CHIN	2,040,000	0.33
23	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR BOON SIEW DEVELOPMENT SDN BERHAD (PB)	2,035,000	0.33

STOCKHOLDING STATISTICS

THIRTY LARGEST STOCKHOLDERS AS AT 31 MARCH 2022 (cont'd)

No.	Name	No. of Stocks	% of Issued Capital
24	SEAH MOK KHOON	1,720,000	0.28
25	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN HOCK CHENG (E-BMM)	1,718,000	0.28
26	MALAYSIA NOMINEES (TEMPATAN) SENDIRIAN BERHAD TONG YEN SDN BHD (00-00203-000)	1,708,278	0.28
27	SEAH HENG LYE	1,581,300	0.25
28	FOO LOKE WENG	1,470,024	0.24
29	CITIGROUP NOMINEES (TEMPATAN) SDN BHD BOON SIEW DEVELOPMENT SDN BHD	1,439,907	0.23
30	ONG AIK KHOON	1,282,500	0.21
	Total	491,288,689	79.22

STOCKHOLDING STATISTICS

DIRECTORS' STOCKHOLDINGS AS AT 31 MARCH 2022

	Name of Directors	Direct Interest	%	Indirect Interest	%
1.	Datuk Loh Kian Chong	909,300	0.15	360,302,450 [a]	58.08
2.	Dato' Robert Wong Lum Kong, DSSA, JP, CMJA (UK)	181,149	0.03	161,872 [b]	0.03
3.	Dato' Seri Lim Su Tong	2,966,906	0.48	4,073,196 [b]	0.66
4.	Tan Kheng Hwee	172,032	0.03	-	-
5.	Dato' Sri Datuk Wira Tan Hui Jing	-	-	794,800 [c]	0.13
6.	Mary Geraldine Phipps	-	-	5,161 [d]	0.00
7.	Lee Kean Teong	7,680	0.00	-	-
8.	Nazriah Binti Shaik Alawdin	-	-	-	-
9.	Sharifah Intan Binti S. M. Aidid *	18,000	0.00	-	-
10.	Mitsuharu Funase	-	-	-	-
11.	*Datin Loh Ean (alternate director to Dato' Robert Wong Lum Kong, DSSA, JP, CMJA (UK))*	161,872	0.03	181,149 [b]	0.03

(a) Deemed interested via Boon Siew Sdn Bhd, Penang Yellow Bus Company Berhad, Bayview Hotel Sdn Bhd, Loh Boon Siew Holdings Sdn Bhd, Loh Kar Bee Holdings Sdn Bhd, Boon Siew Development Sdn Bhd, Boontong Estates Sdn Bhd, Southern Perak Plantations Sdn Berhad and Global Investment Limited.

(b) These are stocks held in the name of the spouses and/or children and are regarded as interests of the Directors in accordance with Section 59(11)(c) of the Companies Act, 2016.

(c) Deemed interest via Loh Gim Ean Holdings Sdn. Bhd.

(d) Deemed interest via Phipps Holdings Sdn. Bhd.

* *She also holds 227,318 shares and 100,000 shares in Armstrong Auto Parts Sdn Bhd and Teck See Plastic Sdn Bhd respectively.*

ORIENTAL HOLDINGS BERHAD 196301000446 (5286-U)

FORM OF PROXY

CDS Account No.:	No. of Stocks held:

I/We ____
(Full name in Block Letters and NRIC No. / Passport No. / Company No.)

of ____ and ____________________
(Address) (Tel. No.)

being a *member/ members of Oriental Holdings Berhad hereby appoint

Full Name (in Block Letters)	NRIC/Passport No.	E-mail Address	No. of Stocks	% of Stockholding

*and/or

Full Name (in Block Letters)	NRIC/Passport No.	E-mail Address	No. of Stocks	% of Stockholding

or failing *him/her, the CHAIRMAN OF THE MEETING as *my/our proxy, to vote for *me/us and on *my/our behalf at the SIXTIETH ANNUAL GENERAL MEETING of the Company to be held as a virtual meeting through online streaming and Remote Participation and Voting ("RPV") Facilities on the online meeting platform of Vote2U at https://web.vote2u.my (Domain registration number with MYNIC D6A471702) on Wednesday, 15 June 2022 at 2.30 pm or at any adjournment thereof.

*My/our proxy is to vote on a poll as indicated below with an "X".

	ORDINARY										
Resolutions	1	2	3	4	5	6	7	8	9	10	11
FOR											
AGAINST											

* Strike out if not applicable

Signed this ____________ day of ____________ 2022

____
Signature of Stockholder(s)/Common Seal

Notes:
1. A proxy may but need not be a member of the Company.
2. For a proxy to be valid, the Form of Proxy duly completed must be deposited at the Registered Office of the Company at 170-09-01 Livingston Tower, Jalan Argyll, 10050 George Town, Penang, Malaysia not less than forty-eight (48) hours before the time for holding the meeting PROVIDED that in the event the member(s) duly executes the Form of Proxy but does not name any proxy, such member(s) shall be deemed to have appointed the Chairman of the meeting as his/their proxy, provided always that the rest of the Form of Proxy, other than the particulars of the proxy have been duly completed by the member(s). Alternatively, you may deposit your Form of Proxy via Vote2U Online at https://web.vote2u.my.
3. A member entitled to attend and vote is entitled to appoint not more than two (2) proxies to attend and vote in his stead. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy. A proxy appointed to attend and vote at a meeting of the Company shall have the same rights as the member to speak at the meeting.
4. Where a member of the Company is an authorised nominee as defined under the Securities Industries (Central Depositories) Act, 1991 ("SICDA"), it may appoint not more than two (2) proxies in respect of each securities account it may holds with ordinary stocks of the Company standing to the credit of the said securities account.
5. Where a member of the Company is an exempt authorised nominee which holds ordinary stocks in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there shall be no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the SICDA which is exempted from compliance with the provisions of subsection 25A(1) of SICDA.
6. If the appointer is a corporation, the Form of Proxy must be executed under the corporation's common seal or under the hand of an officer or an attorney duly authorised.
7. In respect of deposited securities, only a Depositor whose name appears on the Record of Depositors on **8 June 2022** (General Meeting Record of Depositors) shall be eligible to attend the meeting or appoint proxy to attend and/or vote on his/her behalf.
8. The detailed requirements and procedures for the submission of Form of Proxy and voting are set out in the Administrative Guide.

Personal Data Privacy
By submitting the duly executed Form of Proxy, the member and his/her proxy consent to the Company (and/or its agents/service providers) collecting, using and disclosing the personal data therein in accordance with the Personal Data Protection Act 2010, for the purpose of the AGM, and any adjournment thereof.

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Affix
Postage
Stamp

The Company Secretaries
Oriental Holdings Berhad
Registration No. 196301000446 (5286U)

170-09-01, Livingston Tower, Jalan Argyll
10050 George Town, Pulau Pinang

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ADMINISTRATIVE GUIDE FOR THE 60TH ANNUAL GENERAL MEETING

Event Name	:	OHB - 60th AGM
Day, Date and Time of Meeting	:	Wednesday, 15 June 2022, 2.30 pm
Meeting Platform	:	Online Meeting Platform of Vote2U at *https://web.vote2u.my*
Domain Registration Numbers with MYNIC	:	D6A471702
Mode of Communication	:	(1) Typed text in the RPV Facilities (2) E-mail questions to help.pg@boardroomlimited.com prior to Meeting

The 60th AGM will be conducted entirely through online streaming and Remote Participation and Voting ("RPV") Facilities provided by Vote2U at https://web.vote2u.my in accordance with the best practices given the current circumstances. This is in line with the Guidance Note on the Conduct of General Meetings for Listed Issuers issued by the Securities Commission Malaysia including any amendment that may be made from time to time.

Kindly note that the quality of the live streaming is highly dependent on the bandwidth and stability of the internet connection of stockholders and proxies. Hence, you are to ensure that internet connectivity throughout the duration of the meeting is maintained.

Entitlement to Participate and Vote Remotely

Stockholders whose names appear on the Record of Depositors ("**ROD**") as at **8 June 2022** shall be eligible to attend, participate and vote remotely in the meeting, or appoint proxy(ies)/the Chairman of the general meeting to attend, participate and/or vote on his/her behalf.

PROCEDURES TO PARTICIPATE IN RPV FACILITIES

Please follow the procedures to participate in RPV facilities as summarised below:

BEFORE MEETING DAY

A:	**REGISTRATION**	
No.	**Description**	**Procedure**
i.	Stockholders to Register with Vote2U • Individual Stockholders	a. Access website at *https://web.vote2u.my.* b. Select "***Sign Up***" to sign up as user. c. Read and indicate your acceptance of the 'Privacy Policy' and 'Terms & Conditions' by clicking on a small box ☐. Then select "***Next***". d. Fill-in your details – (i) ensure your e-mail address is valid & (ii) create your own password. Then select "***Continue***". e. Upload a clear copy of your MyKAD for Malaysian (front only) or passport for non-Malaysian (page with photo). f. Registration as user completed. g. An e-mail notification will be sent to you. ***Note:*** ***If you have already signed up/registered as a user with Vote2U previously, you are not required to register again.***

ADMINISTRATIVE GUIDE FOR THE 60TH ANNUAL GENERAL MEETING

PROCEDURES TO PARTICIPATE IN RPV FACILITIES (cont'd)

BEFORE MEETING DAY (cont'd)

<table>
<tr><th>B:</th><th colspan="2">REGISTRATION OF PROXY</th></tr>
<tr><th>No.</th><th>Description</th><th>Procedure</th></tr>
<tr><td>i.</td><td>Electronic Lodgment of Form of Proxy (e-Proxy Form)

• Individual Stockholders</td><td>a. Individual stockholders to log in to Vote2U with your e-mail address and password that you have registered with Vote2U.
b. Scroll down and select “Register Proxy Now” for e-Proxy registration.
c. Select the general meeting event that you wish to attend.
d. Select/add your Central Depository System (“CDS”) account number and number of shares.
e. Select “Appoint Proxy”.
f. Fill-in the details of your proxy(ies) – ensure proxy(ies) e-mail address(es) is/are valid.
g. Indicate your voting instruction should you prefer to do so.
h. Thereafter, select “Submit”.
i. Your submission will be verified.
j. After verification, proxy(ies) will receive e-mail notification with temporary credentials, i.e. e-mail address & password, to log in to Vote2U.

<u>Note</u>:
You need to register as a stockholder before you can register a proxy and submit the e-Proxy Form. Please refer above ‘A: Registration’ to register as stockholder.</td></tr>
<tr><td>ii.</td><td>Submit Form of Proxy (hard copy)

• Individual Stockholders
• Corporate Stockholders
• Authorised Nominee
• Exempt Authorised Nominee</td><td>a. Fill-in the details on the hard copy Form of Proxy by providing the following information:
• Proxy(ies) & Corporate Representative
  • Name
  • Number of MyKAD for Malaysian or passport for non-Malaysian
  • Address and e-mail address – ensure e-mail address is valid
b. Corporate Representative only – deposit the hard copy of Form of Proxy together with the following document to the address as stated on the Form of Proxy:
  • A copy of Certificate of Appointment as corporate representative
c. Individual stockholders, authorised nominee and exempt authorised nominee
- deposit the hard copy Form of Proxy to the address as stated on the Form of Proxy.
d. Submitted Form of Proxy will be verified.
e. After verification, proxy(ies) and corporate representative will receive e-mail notification with temporary credentials, i.e. e-mail address & password, to log in to Vote2U.</td></tr>
</table>

ADMINISTRATIVE GUIDE FOR THE 60TH ANNUAL GENERAL MEETING

PROCEDURES TO PARTICIPATE IN RPV FACILITIES (cont'd)

REVOCATION OF PROXY

No.	Description	Procedure
i.	Revoke a Proxy Electronically • Individual Stockholders	a. Log in to Vote2U using your registered e-mail address and password. b. Select general meeting event that you wish to attend. c. Scroll down and select "***Revoke a Proxy***" <u>Note</u>: *Only applicable to individual stockholders who have appointed proxy(ies) through e-Proxy form.*
ii.	Revoke a Proxy • Individual Stockholders • Corporate Stockholders • Authorised Nominee • Exempt Authorised Nominee	a. E-mail to *vote2u@agmostudio.com or help.pg@boardroomlimited.com* to revoke the appointment of your proxy(ies) forty-eight (48) hours before the meeting. <u>Note:</u> *Applicable to individual stockholders/corporate stockholders/authorised nominee/exempt authorised nominee who have appointed proxy(ies)/ corporate representative using hard copy Form of Proxy.*

ON GENERAL MEETING DAY

1. Log in to *https://web.vote2u.my* with your registered e-mail address and password.
   For proxy(ies) and corporate representative, log in with the temporary credentials in the e-mail which you have received from Vote2U.
2. Vote2U will be opened for log in **one (1) hour** before the commencement of the general meeting you are attending.
3. When you are logged in, select the general meeting event, **OHB - 60th AGM** you are attending. On the main page, you are able to access the following:

No.	Description	Procedure
i.	Live Streaming	a. Select "***Watch Live***" button to view the live streaming.
ii.	Ask Question (real-time)	a. Select "***Ask Question***" button to pose a question. b. Type in your question and select "***Submit***". <u>Note:</u> *The Chairman of the general meeting/Board of Directors will endeavour to respond to questions submitted by remote stockholders and proxies and corporate representatives during the meeting.*
iii.	Remote Voting	a. On the main page, scroll down and select "***Confirm Details & Start Voting***". b. To vote, select your voting choice from the options provided. A confirmation screen will appear to show your selected vote. Select "***Next***" to continue voting for all resolutions. c. To change your vote, click "***Back***" and select another voting choice. d. After you have completed voting, a Voting Summary page appears to show all the resolutions with your voting choices. Select "***Confirm***" to submit your vote. <u>Note:</u> *Once you have confirmed and submitted your votes, you are <u>not able</u> to change your voting choices.*

ADMINISTRATIVE GUIDE FOR THE 60TH ANNUAL GENERAL MEETING

PROCEDURES TO PARTICIPATE IN RPV FACILITIES (cont'd)

ON GENERAL MEETING DAY (cont'd)

No.	Description	Procedure
iv.	View Voting Results	a. On the main page, scroll down and select "***View Voting Results***".
v.	End of RPV	a. Upon the announcement by the Chairman of the general meeting on the closure of the said meeting, the live streaming will end. b. You may log out from Vote2U.

ADDITIONAL INFORMATION

Voting Procedure

Pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, voting at the AGM will be conducted by poll. Poll administrators and Independent Scrutineers will be appointed to conduct the polling process and verify the results of the poll respectively.

No e-Voucher, Gift, and Food Voucher

There will be no e-Voucher, gift, and food voucher for stockholders, proxies and corporate representatives who participate in the meeting.

No Recording or Photography

No recording or photography of the 60th AGM proceedings is allowed without the prior written permission of the Company.

Enquiry

For enquiries relating to RPV facilities or issues encountered during registration, log in, connecting to the live streaming and online voting facilities, please contact Vote2U helpdesk during office hours (9.00 am to 5.00 pm) on Mondays to Fridays (except public holidays) as follows:

Telephone No.	:	03-7664 8520 / 03-7664 8521
E-mail	:	vote2u@agmostudio.com

In view of the uncertainties and surge in COVID-19 infections, the Company will have to observe the guidelines or new procedures as may be issued by the Government from time to time, which may affect the administration of the 60th AGM as set out in this Administrative Guide. If there is any material change required to the proceeding of the meeting, the Company will issue announcement on the same accordingly. Hence, please refer to the Company's website for announcements on the latest update (if any) in relation to the 60th AGM.

Personal Data Policy

By registering for the remote participation and electronic voting meeting and/or submitting the instrument appointing a proxy(ies) and/or representative(s), the member of the Company has consented to the use of such data for purposes of processing and administration by the Company (or its agents); and to comply with any laws, listing rules, regulations and/or guidelines. The member agrees that he/she will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the stockholder's breach of warranty.

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ORIENTAL HOLDINGS BERHAD
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10200 Penang, Malaysia.

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