

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

CURRENT REPORT UNDER SECTION 17 OF THE SECURITIES REGULATION CODE AND SRC RULE 17.2(c) THEREUNDER

1. Date of Report (Date of earliest event reported)
Nov 25, 2021
2. SEC Identification Number
9170
3. BIR Tax Identification No.
000400016000
4. Exact name of issuer as specified in its charter
UNIVERSAL ROBINA CORPORATION
5. Province, country or other jurisdiction of incorporation
Philippines
6. Industry Classification Code(SEC Use Only)
7. Address of principal office
8th Floor, Tera Tower, Bridgetowne, E. Rodriguez, Jr. Avenue (C5 Road), Ugong Norte, Quezon City, Metro Manila
Postal Code
1110
8. Issuer's telephone number, including area code
(632) 86337631 to 40
9. Former name or former address, if changed since last report
N/A
10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common	2,201,641,868
11. Indicate the item numbers reported herein
9

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Universal Robina Corporation

URC

PSE Disclosure Form 5-1 - Substantial Acquisitions
References: SRC Rule 17 (SEC Form 17-C) and
Section 4.4 and/or Section 5 of the Revised Disclosure Rules

Subject of the Disclosure

URC Snack Foods (Malaysia) Sdn. Bhd. ("URC MY"), a subsidiary of Universal Robina Corporation ("URC"), entered into an agreement to acquire 100% equity interest in Crunchy Foods Sdn. Bhd. ("CFSB") from Crunchy Limited. Crunchy Limited is an investment holding company directly and indirectly controlled by funds managed by CVC Capital Partners.

Background/Description of the Disclosure

On 25 November 2021, URC Snack Foods (Malaysia) Sdn. Bhd. ("URC MY"), a subsidiary of Universal Robina Corporation ("URC"), signed an agreement to acquire from Crunchy Limited 100% of Crunchy Foods Sdn. Bhd. which fully owns Munchy Food Industries Sdn Bhd ("MFI") and its subsidiary Munchworld Marketing Sdn Bhd. ("MWM"). The aggregate consideration for the proposed acquisition is approximately RM1.925 billion (or approximately 22.9 billion Php equivalent) on a cash-free and debt-free basis. The final purchase consideration will be determined post-completion, subject to adjustment mechanisms for cash and debt levels by completion. The Boards of Directors of URC MY and Crunchy Limited approved the transaction on 24 November 2021. The said transaction does not need board approval of URC.

Date of Approval by Board of Directors	Nov 24, 2021
Date of Approval by Stockholders	N/A
Other Relevant Regulatory Agency, if applicable	N/A
Date of Approval by Relevant Regulatory Agency	N/A

Rationale for the transaction including the benefits which are expected to be accrued to the Issuer as a result of the transaction

The transaction will allow URC to become a market leader in Malaysia in the biscuit segment, which is consistent with URC's overall purpose. CFSB is also expected to enjoy some synergy in Malaysia with the local affiliate of URC, URC MY.

Description of the transaction including the timetable for implementation and related regulatory requirements, if any

1. Share Sale Agreement for RM1.925 billion
2. Completion upon fulfillment of customary closing conditions
3. There are no regulatory approvals required for the transaction.
4. The Share Purchase Agreement was signed on 25 November 2021. Closing date for the transaction is on 15 December 2021.
5. No other agreements have been executed.

Identities of the parties to the transaction

Name	Nature of Business	Nature of any material relationship with the Issuer, their directors/officers or any of their affiliates
URC Snack Foods (Malaysia) Sdn Bhd	Manufacture and Sale of Snack and Edible Food	URC directly owns 92% of URC Snack Foods (Malaysia) Sdn Bhd
Crunchy Foods Sdn. Bhd.	Manufacture and Sale of Snack and Edible Food	No relationship
Crunchy Limited	Investment Holding Company	No relationship

Terms and conditions of the transaction

The nature and amount of consideration (e.g. price per share, the aggregate amount)

The aggregate consideration for the acquisition is approximately RM1.925 billion (or approximately 22.9 billion Php equivalent) on a cash-free and debt-free basis. Selling price per share is approximately RM2.81.

Basis upon which the amount of consideration or value of the transaction was determined

URC MY conducted an internal due diligence process and commissioned third party advisers to analyse the target company on a strategic, operational, legal and financial basis.

Purchase price has been assessed through Discounted Cash Flow method against internal hurdles required to achieve acceptable financial performance. The valuation considered the company's post-COVID EBITDA generation capability and its synergies with URC.

The number of shares to be acquired	684,964,000
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Ratio/percentage to total outstanding capital stock	100
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Terms of payment

The consideration amounting to approximately RM1.925 billion (or approximately 22.9 billion Php equivalent) will be paid upon completion in one payment. The final amount of consideration will be determined post completion, subject to cash and debt levels at the time of completion.

Conditions precedent to closing of the transaction, if any

1. Conversion of all 683,964 preference shares to ordinary shares, such that upon completion, URC MY will acquire a total number of 684,964,000 ordinary shares. The conversion will allow URC MY to purchase all ordinary shares for a smoother transaction, with only one class of shares.
2. Fulfillment of customary closing conditions (i.e., absence of any law, rule or regulation in Malaysia prohibiting completion, and payment of purchase price on closing date).

Description of the company subject of the transaction

Nature and business

CFSB is in the business of investment holding and the manufacturing, distribution, sales and marketing of biscuits, confectionary and related food products. It was incorporated on April 25, 2018 as an investment holding company. It is the 100% owner of Munchy Food Industries Sdn Bhd and Munchworld Marketing Sdn Bhd, which are manufacturers of snacks and edible food in Malaysia.

Discussion of major projects and investments

No expected capex investment to be made yet until recoveries from COVID can be assessed.

List of subsidiaries and affiliates, with percentage holdings

Name	% Ownership	
Munchy Food Industries Sdn. Bhd.	100	
Munchworld Marketing Sdn. Bhd.	100	

Capital structure**Authorized capital stock**

Type of Security	Amount	Number of Shares	
Crunchy Foods Sdn. Bhd. (Ordinary shares)	RM1,000,000	1,000,000	
Crunchy Foods Sdn. Bhd. (Preference shares)	RM683,964,000	683,964	

Subscribed Shares

Type of Security	Amount	Number of Shares	
Crunchy Foods Sdn. Bhd. (Ordinary shares)	RM1,000,000	1,000,000	
Crunchy Foods Sdn. Bhd. (Preference shares)	RM683,964,000	683,964	

Paid-Up Capital

Amount	RM684,964,000.00
Number of Shares	1,683,964

Issued Shares

Type of Security	Amount	Number of Shares	
Crunchy Foods Sdn. Bhd. (Ordinary shares)	RM1,000,000	1,000,000	
Crunchy Foods Sdn. Bhd. (Preference shares)	RM683,964,000	683,964	

Outstanding Shares

Type of Security	Amount	Number of Shares	
Crunchy Foods Sdn. Bhd. (Ordinary shares)	RM1,000,000	1,000,000	
Crunchy Foods Sdn. Bhd. (Preference shares)	RM683,964,000	683,964	

Par Value

Type of Security	Amount	
Crunchy Foods Sdn. Bhd. (Ordinary shares)	RM1.00	
Crunchy Foods Sdn. Bhd. (Preference shares)	RM1,000.00	

Ownership Structure (including percentage holdings)

Name	Number of Shares	% Ownership	
Crunchy Limited	1,683,964	100	

Board of Directors

Name	(Regular or Independent)	
Tan Ting Luen	Regular	
Lim Chiaw Beng Alvin	Regular	
Wonbae Lee	Regular	

Principal Officers

Name	Position/Designation	
Wong Wai Foong	Secretary	
Fong Seah Lih	Secretary	
Teo Kok Jaan	Secretary	

Effect(s)/impact on the business, financial condition and operations of the Issuer

As a result of the transaction, URC shall be able to scale up its existing business in Malaysia and further increase its presence across the ASEAN region, while also improving overall profitability.

Other Relevant Information

The Board of Directors of URC MY approved the transaction on 24 November 2021.
The Board of Directors of Crunchy Limited approved the transaction on 24 November 2021.
Crunchy Limited is an investment holding company directly and indirectly controlled by funds managed by CVC Capital Partners.

Filed on behalf by:

Name	Maria Celia Fernandez-Estavillo
Designation	Corporate Secretary



SURUHANJAYA SYARIKAT MALAYSIA
COMPANIES COMMISSION OF MALAYSIA
(Agensi di bawah KPDNHEP)



CERTIFIED TRUE COPY

09 AUG 2021

FONG SEAH LIH
SECRETARY

SSM PC No. 202008000973
MAICSA 7062297

COMPANIES ACT 2016 (SECTION 17)
(ACT 777)

CERTIFICATE OF INCORPORATION OF PRIVATE COMPANY

This is to certify that

CRUNCHY FOODS SDN. BHD.
201801016162 (1278178-M)

is, on and from the 25th day of April 2018, incorporated under the Companies Act 2016, and that the company is a company limited by shares and that the company is a private company.

Dated at **KUALA LUMPUR** this 25th day of April 2018.

DR. AZMAN BIN HUSSIN
REGISTRAR OF COMPANIES
MALAYSIA

A copy or extract issued pursuant to Section 601(2).





Although all efforts has been carried out to ensure that the information provided is accurate and up to date, the Registrar of Companies will not be liable for any losses arising from any inaccurate or omitted information

CORPORATE INFORMATION

Name : CRUNCHY FOODS SDN. BHD.

Last Old Name : Nil

Date of Change : Nil

Registration No. : 201801016162 (1278178-M)

Incorporation Date : 25-04-2018

Registration Date : Nil

Type : LIMITED BY SHARES
: PRIVATE LIMITED

Status : EXISTING

Registered Address : UNIT 30-01, LEVEL 30, TOWER A,
VERTICAL BUSINESS SUITE, AVENUE 3,
BANGSAR SOUTH, NO. 8, JALAN KERINCHI,
KUALA LUMPUR
WILAYAH PERSEKUTUAN

Postcode : 59200

Origin : MALAYSIA

Business Address :

Postcode :

Nature of Business : ACTIVITIES OF HOLDING COMPANIES



SURUHANJAYA SYARIKAT MALAYSIA
COMPANIES COMMISSION OF MALAYSIA
(Agensi di bawah KPDNHEP)

SUMMARY OF SHARE CAPITAL

Name : CRUNCHY FOODS SDN. BHD.
Registration No. : 201801016162 (1278178-M)

TOTAL ISSUED (RM)	CASH	OTHERWISE THAN CASH
684,964,000.00		
ORDINARY	1,000,000	0
PREFERENCE	683,964	0
OTHERS	0	0

Printing Date : 21-04-2021

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MENARA SSM@SENTRAL, NO. 7 JALAN STESEN SENTRAL 5, KUALA LUMPUR SENTRAL, 50470 KUALA LUMPUR.
Tel: 03-2299 4400 Fax: 03-2299 4411

**DIRECTORS/OFFICERS**

Name : CRUNCHY FOODS SDN. BHD.
 Registration No. : 201801016162 (1278178-M)

Name/Address	IC/Passport	Designation	Date of Appointment
TAN TING LUEN [REDACTED] [REDACTED] [REDACTED] [REDACTED]	[REDACTED]	DIRECTOR	25-04-2018
LIM CHIAW BENG ALVIN [REDACTED] [REDACTED] [REDACTED]	[REDACTED]	DIRECTOR	28-09-2018
WONBAE LEE [REDACTED] [REDACTED] [REDACTED]	[REDACTED]	DIRECTOR	28-09-2018
WONG WAI FOONG [REDACTED] [REDACTED] [REDACTED] [REDACTED]	[REDACTED]	SECRETARY	06-08-2018
FONG SEAH LIH [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED]	[REDACTED]	SECRETARY	06-08-2018
TEO KOK JAAN [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED]	[REDACTED]	SECRETARY	10-09-2019



SURUHANJAYA SYARIKAT MALAYSIA
COMPANIES COMMISSION OF MALAYSIA
(Agensi di bawah KPDNHEP)

SHAREHOLDERS/MEMBERS

Name : CRUNCHY FOODS SDN. BHD.
Registration No. : 201801016162 (1278178-M)

IC/Passport/ Registration No.	Name	Total of Share
-	CRUNCHY LIMITED	1,683,964

Printing Date : 21-04-2021

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MENARA SSM@SENTRAL, NO. 7 JALAN STESEN SENTRAL 5, KUALA LUMPUR SENTRAL, 50470 KUALA LUMPUR.
Tel: 03-2299 4400 Fax: 03-2299 4411



SURUHANJAYA SYARIKAT MALAYSIA
COMPANIES COMMISSION OF MALAYSIA
(Agensi di bawah KPDNHEP)

COMPANY CHARGES

Name : CRUNCHY FOODS SDN. BHD.
Registration No. : 201801016162 (1278178-M)

1. Charge Number : 001
Total of Charge : OPEN CHARGE
Date of Creation : 01-06-2018
Name of Chargee : 1. CIMB INVESTMENT BANK BERHAD
Charge Status : UNSATISFIED
2. Charge Number : 002
Total of Charge : OPEN CHARGE
Date of Creation : 01-06-2018
Name of Chargee : 1. CIMB INVESTMENT BANK BERHAD
Charge Status : UNSATISFIED
3. Charge Number : 003
Total of Charge : OPEN CHARGE
Date of Creation : 01-06-2018
Name of Chargee : 1. CIMB INVESTMENT BANK BERHAD
Charge Status : UNSATISFIED

Printing Date : 21-04-2021

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SUMMARY OF FINANCIAL INFORMATION

Name : CRUNCHY FOODS SDN. BHD.
 Registration No. : 201801016162 (1278178-M)
 Auditor : PRICEWATERHOUSECOOPERS PLT (LLP0014401-LCA) (AF1146)
 Auditor Address : LEVEL 10, 1 SENTRAL
 JALAN RAKYAT
 KUALA LUMPUR SENTRAL
 50470
 KUALA LUMPUR
 WILAYAH PERSEKUTUAN
 Exempt Private Company : N/A

Financial year end : 31-12-2019
 Unqualified reports (Y/N) : Y
 Consolidated accounts (Y/N) : N
 Date of tabling : 28-09-2020

BALANCE SHEET ITEMS

Non-current assets	:	971,020,829.00
Current assets	:	206,032,268.00
Non-current liabilities	:	330,171,643.00
Current liabilities	:	105,482,834.00
Share capital	:	684,964,000.00
Reserves	:	0.00
Retained Earning	:	56,434,620.00
Minority interests	:	0.00

INCOME STATEMENT ITEMS

Revenue	:	400,287,713.00
Profit/(loss) before tax	:	54,682,473.00
Profit/(loss) after tax	:	39,806,444.00
Net dividend	:	0.00
Minority interests	:	0.00

****END OF REPORT****

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Registrar of Companies

Dated : 21-04-2021

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Crunchy Foods Sdn Bhd (Malaysia) - the "Company"

100%

Munchy Food Industries Sdn Bhd (MFI) set up in 1993

100%

Munchworld Marketing Sdn Bhd (MWM) set up in 1997



**COMPANIES ACT 2016
MALAYSIA**

PRIVATE COMPANY LIMITED BY SHARES

CONSTITUTION

OF

**CRUNCHY FOODS SDN. BHD.
201801016162 (1278178-M)**

INCORPORATED IN MALAYSIA



SURUHANJAYA SYARIKAT MALAYSIA
COMPANIES COMMISSION OF MALAYSIA
(Agensi di bawah KPDNHEP)



COMPANIES ACT 2016 (SECTION 17)

(ACT 777)

**CERTIFICATE OF INCORPORATION
OF PRIVATE COMPANY**

This is to certify that

CRUNCHY FOODS SDN. BHD.
201801016162 (1278178-M)

is, on and from the 25th day of April 2018, incorporated under the Companies Act 2016, and that the company is a company limited by shares and that the company is a private company.

Dated at **KUALA LUMPUR** this 25th day of April 2018.

DR. AZMAN BIN HUSSIN
REGISTRAR OF COMPANIES
MALAYSIA

A copy or extract issued pursuant to Section 601(2).



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Companies Act 2016
Private Company Limited by Shares

Constitution of
CRUNCHY FOODS SDN. BHD.

Name of Company

1. The name of the Company is CRUNCHY FOODS SDN. BHD. *Company name*

Registered Office

2. The registered office of the Company is situated in Malaysia. *Registered office*

DEFINITIONS AND INTERPRETATION

Definitions

3. In this Constitution: *Definitions*

“Act”	Means the Companies Act 2016, as amended, substituted or re-enacted from time to time.
“Auditors”	Means the auditors of the Company.
“Board” or “Board of Directors”	Means the board of directors for the time being of the Company.
“Board Meeting”	Means a meeting of the Directors of the Company.
“Company”	Means CRUNCHY FOODS SDN. BHD.
“Constitution”	The constitution of the Company as constituted by this document, or as altered from time to time by a special resolution.
“Directors”	Means the directors for the time being of the Company (inclusive of alternate or nominee directors).

"Event of Transmission"	Means the death, bankruptcy or insolvency of a Member or debenture holder which would result in the Member or debenture holder being unable to remain as the registered holder of a share or debenture or such other transmission by operation of law.
"General Meeting"	Means a meeting of Members of the Company.
"Member"	<p>Means a person whose name is entered in the Register of Members as the holder for the time being of one or more shares in the Company.</p> <p>Shares include ordinary shares, preference shares or other type of shares that may be issued and allotted by the Company from time to time.</p>
"Next of Kin"	Means any persons who are to make decision as to whom to be appointed as Director in place of the deceased sole Director, including closest living blood relatives of the deceased sole Director, subject to applicable legal and regulatory clarifications as may be issued by the relevant authorities from time to time.
"Office"	Means the registered office of the Company.
"Officer"	Means any Director, Secretary or employee of the Company.
"Register of Member"	Means the record of members of the Company kept and maintained pursuant to Section 50 of the Act.
"Registrar"	Means the Registrar of Companies designated under Section 20A(1) of the Companies Commission of Malaysia Act 2001.
"Representative of Member"	<p>Includes any of the following persons:</p> <ul style="list-style-type: none">(a) Representative appointed by a corporation which is a Member; or(b) Attorney appointed by the Member by a power of attorney.
"Seal"	Means the common seal of the Company.
"Secretary"	Means a secretary of the Company appointed under Section 236 of the Act.

“Securities” Has the meaning assigned to it in Section 2(1) of the Capital Markets and Services Act 2007.

“Shareholder” Means a holder of one or more share(s) in the Company.

3A. For the purpose of Clause 7(3), the following words and expression shall, unless the context otherwise requires, have the same meaning set out below:

“Adjustment Event” Means any variation in the issued share capital of the Company, whether by way of a capitalisation of profits or reserves, bonus issue, declaration of dividends payable in shares in the capital of the Company, rights issue, reduction of share capital, sub-division or consolidation of shares or otherwise.

“Business Day” Means a day on, not being Saturday, Sunday or public holiday, which banks are open for business in Kuala Lumpur, Malaysia.

“Conversion Date” Means:

- (a) in the case of conversion on the Maturity Date pursuant to Clause 7(3)(e)(a), the Maturity Date; and
- (b) in the case of conversion on any other date pursuant to the issue by the Company of a Conversion Notice, the date for conversion of preference shares specified in that notice, which date shall fall five (5) Business Days (or such lesser number of days there may be to the Maturity Date) from the date of that notice, and shall in no event fall after the Maturity Date.

“Conversion Notice” Has the meaning given in Clause 7(3)(e)(c).

“Conversion Price” Means RM1.00, subject to adjustment from time to time in accordance with Clause 7(3)(k).

“Distributable Profits” Means, as at any date of determination, the profits available for distribution by the Company as dividend as at that date.

“Distribution” Means any dividend or other distribution, whether in cash or in kind, interim or final and in the nature of income or capital, which shall for the avoidance of doubt:

- (a) include any share buyback, redemption or capital reduction; and
- (b) exclude any reduction of capital to:
 - (i) extinguish or reduce the liability on any share in the capital of the Company which is not paid up; or
 - (ii) cancel any paid-up share capital which is lost or unrepresented by available assets.

"Dividend Date" Payment Means, in relation to any Preference Shares Dividend:

- (a) in the case of any Preference Shares which is converted, the relevant Conversion Date of that preference shares; and
- (b) in all other cases, such other date as the Board may determine from time to time (including in the relevant declaration by the Board of that Preference Shares Dividend).

"Extraordinary Resolution"

Means:

- (a) a resolution passed by the affirmative vote of Preference Shareholders representing not less than 75% of all preference shares then outstanding in a separate class meeting of Preference Shareholders; or
- (b) a resolution in writing signed by Preference Shareholders representing not less than 75% of all preference shares then outstanding.

"Issue Date"

Means the date on which preference shares is first allotted and issued.

"Issue Price"

Means, in relation to any preference shares, the amount paid-up or credited as paid-up on that preference shares, being RM1,000.00.

"Maturity Date"

Means the date falling on the eighth anniversary of the Issue Date.

"Ordinary Shares"

Means ordinary shares of RM1.00 each in the capital of the Company.

"Ordinary Shareholders"	Means persons registered as holders of Ordinary Shares in the Register of Members of the Company from time to time.
"Record Date"	Means, in relation to any transaction undertaken by the Company (including a declaration of dividend or other Distribution, rights issue or bonus issue), the date as at the close of business on which persons must be registered as Members of the Company in order to be entitled to participate in such transaction.
"Register of Preference Shareholders"	Means the register of Preference Shareholders maintained by the Company in accordance with Clause 7(3)(o).
"Preference Shareholders"	Means persons registered as holders of preference shares in the Register of Preference Shareholders from time to time.
"Preference Shares Dividend"	Has the meaning given in Clause 7(3)(a).
3B. For the purpose of Clauses 41A and 41B, the following words and expression shall have the meaning set out below:	
EBITDA	Earnings before interest, taxation, depreciation and amortisation.
Group and Group Company	The Company, each of its subsidiaries from time to time and Group Company shall be constructed accordingly.
Listing	The listing of shares of the Company or any other Group Company on any recognised stock exchange as approved by the Board.
Special Resolution	<p>Means a resolution passed, in accordance with the Act, being a resolution:</p> <p>(a) passed by a majority of not less than 75% of such members who, being entitled to do so, vote in person or, where proxies are allowed, by proxy at a general meeting which notice specifying the intention to propose the resolution as a Special Resolution has been duly given and where a poll is taken regard shall be had in computing a majority to the number of votes to which each member is entitled; or</p>

- (b) approved in writing by all members entitled to vote at a general meeting of the Company in one (1) or more instruments each signed by one (1) or more of the members and the effective date of the Special Resolution so adopted shall be the date on which the instrument or last of such instruments, if more than one (1), is executed.

Transaction Documents

Means Sale and Purchase Agreements between Double-V Series Sdn Bhd and Tap Crunch Sdn Bhd (collectively, "Vendors") and Crunchy Limited and Crunchy Food Sdn Bhd (collectively, "Purchasers") dated 27 April 2018, including any addition, supplement, amendment, variation, revision or medication thereto, as well as the Disclosure Letter from the Vendors to the Purchasers dated 27 April 2018.

Interpretation

- | | | | |
|----|-----|--|-----------------------|
| 4. | (1) | Expressions referring to writing include, unless the contrary intention appear, references to printing, lithography, photography and other modes of representing or reproducing words in a visible form. | <i>Interpretation</i> |
| | (2) | Words importing the singular number only shall include the plural number, and vice versa. | |
| | (3) | Words importing the masculine gender only shall include the feminine gender. | |
| | (4) | Words importing persons shall include corporations. | |
| | (5) | Unless the context requires otherwise, other words and expressions contained in this Constitution shall bear the same meaning as in the Act when this Constitution becomes effective and binding on the Company. | |

TYPE AND PURPOSE OF COMPANY

Type of Company

- | | | | |
|----|-----|--|--------------------------------|
| 5. | (1) | The Company is a private company limited by shares. | <i>Private company</i> |
| | (2) | The Company shall restrict the transfer of its shares. | <i>Restriction of transfer</i> |

- | | | |
|-----|---|-------------------------------|
| (3) | The number of Shareholders of the Company shall be not more than fifty (50). In determining the number of Shareholders, joint holders of shares shall be considered as one (1) person and a Shareholder who is or was an employee of the Company or its subsidiary when they become a Shareholder shall not be counted. | <i>Number of Shareholders</i> |
| (4) | The liability of the Members is limited to the amount, if any, unpaid on shares held by the Members. | <i>Members' liability</i> |

Purpose of Company

- | | | | |
|----|-----|---|---|
| 6. | (1) | The principal objects for which the Company is established are: | <i>Objects</i> |
| | (a) | To carry on the business of investment holding in stocks, debentures, debenture stocks, bonds, notes, obligations, securities and other financial instruments issued or guaranteed by any company or persons carrying on business in Malaysia and stocks, debentures, debenture stocks, bonds, notes, obligations and securities issued or guaranteed by any government, sovereign ruler, commissioners, public body or authority, supreme, dependent, municipal, local or otherwise in any part of the world; | |
| | (b) | To carry on the business as importers, exporters, general merchants, manufacturers, wholesalers, distributors, retailers, agents, stockists and dealers in general merchandise, goods, mineral substances, produce and articles of all kinds and descriptions, whether manufactured by machines or by hand or in a raw state, and to buy, sell, barter exchange, pledge, make advances upon or otherwise deal in the same; and | |
| | (c) | To purchase or otherwise acquire for investment or resale land, factories, houses, buildings, plantations and other immovable properties of any tenure or any interest therein, and any movable properties of any description or any interest therein, and to create, sell and deal in freehold and leasehold ground rents, and to make advances upon the security of land or house or other property or any interest therein, and generally to sell, deal in, lease or exchange land and house property and any other property whether real or personal and whether for valuable consideration or not. | |
| | (2) | Without derogating from the generality of this Clause, the Company shall have the full capacity to carry on or undertake any business or activity that is in the best interest of the Company with full rights, powers and privileges for such purpose in accordance with Section 21 of the Act, subject always to the requirements of any applicable laws and regulations. | <i>Legal capacity and powers of the Company</i> |

SECURITIES

Classes of Shares

7. (1) The capital of the Company shall consist of: *Classes of shares*
- (a) Ordinary shares; and
- (b) Preference shares.
- (2) A holder of ordinary share(s) shall have the following voting rights: *Rights of ordinary shares*
- (a) Right to vote on a show of hands to one (1) vote on any resolution of the Company; and
- (b) Right to vote on a poll to one (1) vote for every share held on any resolution of the Company.
- (3) A holder of preference shares shall be conferred by the Company the following rights and privileges: *Rights of preference shares*
- (a) **Preference Shares Dividend** Preference Shareholders:
- (a) shall be entitled to only such dividend ("Preference Shares Dividend") of such amount, at such time and in such manner as the Board may in its discretion from time to time declare in respect of the preference shares held by them (and, for the purposes of Clause 7(3), Preference Shares Dividend shall "**accrue**" only upon such declaration); and
- (b) shall not be entitled to any dividend absent such declaration.
- Any Preference Shares Dividend declared by the Board shall:
- (i) be paid only of out Distributable Profits;
- (ii) constitute a debt (to the extent to which Distributable Profits are available for its payment) due from and immediately payable by the Company on the relevant Dividend Payment Date; and

- (iii) cease to be outstanding on and with effect from the relevant Dividend Payment Date, unless the Company fails to pay or fails to pay in full that Preference Shares Dividend, whether in cash or by way of issuance of Ordinary Shares (where the relevant preference shares in respect of which that Preference Shares Dividend is declared is to be converted), in which case the unpaid amount of that Preference Shares Dividend shall continue to remain outstanding until the date of actual payment in full but shall not bear interest.

(b) **Return of Capital and Liquidation** In:

- (a) a return of capital by the Company (including, for the avoidance of doubt, by way of a share buyback, redemption or capital reduction); or
- (b) a dissolution, liquidation or winding-up of the Company,

the Company shall pay to each Preference Shareholder the following amounts and in the following order in respect of each preference share held by that Preference Shareholder:

- (i) all unpaid Preference Shares Dividend (to the extent there are Distributable Profits) in respect of that preference shares as at the date on which any payment is due to be made by the Company pursuant to such return of capital dissolution, liquidation or winding up, if any; and
- (ii) the Issue Price of that preference shares.

(c) **Ranking**

Any amount payable in respect of any preference shares shall be paid in priority to any amount payable in respect of the Ordinary Shares.

- (d) **Surplus Profits and Assets** Except as expressly set out in Clause 7(3), preference shares shall not confer on Preference Shareholders, and no Preference Shareholder shall have, any right to participate in the profits or assets of the Company.
- (e) **Conversion** Preference shares shall be convertible into Ordinary Shares in accordance with this Clause 7(3)(e) but not otherwise.

 - (a) Unless earlier converted or extended as the Company and Preference Shareholders by Extraordinary Resolution may agree, all outstanding preference shares shall be converted into Ordinary Shares at the Conversion Price on the Maturity Date.
 - (b) Preference shares shall not be convertible into Ordinary Shares at the option of Preference Shareholders.
 - (c) The Company may, by giving a written notice to Preference Shareholders (“Conversion Notice”) at any time prior to the Maturity Date, which notice shall be irrevocable, require that Preference Shareholders convert any or all of their preference shares into Ordinary Shares at the Conversion Price in accordance with this Clause 7(3)(e).
 - (d) Any conversion of less than all the outstanding preference shares must be applied to all Preference Shareholders equally in proportion to the number of preference shares held by them as at the date of the relevant Conversion Notice.
 - (e) Each Conversion Notice must specify:

 - (i) the number of preference shares held by each Preference Shareholder to be converted;

- (ii) the amount of unpaid Preference Shares Dividend for each such preference share as at the date of that notice;
 - (iii) the Issue Price for each such preference share; and
 - (iv) the relevant Conversion Date.
- (f) On each Conversion Date, the Company shall allot and issue to each preference Shareholder, in respect of each preference share held by that Preference Shareholder which is to be converted on that date, such number of new Ordinary Shares, credited as fully paid-up, equal to:
 - (i) the sum of:
 - (x) all unpaid Preference Shares Dividend (to the extent there are Distributable Profits) in respect of that preference shares as at that date; and
 - (y) the Issue Price of that preference shares; divided by
 - (ii) the Conversion Price applicable as at that date.
- (g) If more than one (1) preference share is converted at any one (1) time by the same Preference Shareholder, the number of Ordinary Shares to be issued upon such conversion shall be calculated on the basis of the aggregate number of preference shares to be converted.
- (h) From the relevant Conversion Date and subject to conversion being completed, each preference share converted on that date shall:

- (i) cease to have any preference or priority set out in Clause 7(3); and
 - (ii) rank *pari passu* in all respects with the Ordinary Shares then in issue, save for any Distribution or rights the Record Date for which falls before that date.
- (i) If any fractions of an Ordinary Share shall arise on conversion of any preference share, the number of Ordinary Shares to be allotted and issued upon the conversion of that preference share shall be rounded down to the nearest whole number.
- (j) On each Conversion Date:
- (i) each Preference Shareholder shall deliver to the Company the original share certificates in respect of its preference shares which are to be converted on that date for cancellation;
 - (ii) where not all the outstanding preference shares are to be converted on that date, the Company shall issue to each such Preference Shareholder a new share certificate in respect of all preference shares held by it which are not converted and remain outstanding with ten Business Days after that date; and
 - (iii) the Company shall issue to each such Preference Shareholder a new share certificate in respect of all Ordinary Shares issuable pursuant to the conversion of preference shares which are to be converted on that date within ten Business Days after that date.

- (k) **Adjustments to Conversion Price** This Clause 7(3)(k) applies in the event there is an Adjustment Event.
- (i) If any Adjustment Event occurs, the Conversion Price immediately preceding such event shall, subject to Clause 7(3)(k)(ii), be adjusted in such manner and with effect from such time as the Board may determine so that a Preference Shareholder shall be entitled to receive, as far as reasonably practicable, the number of Ordinary Shares which it would have been entitled to receive after such event had such preference share been converted immediately prior to such event.
- (ii) The Board may at any time and from time to time determine that no adjustment shall be made to the Conversion Price notwithstanding the occurrence of any Adjustment Event, provided that such determination is applied to all Preference Shareholders equally in proportion to the number of preference shares held by them as at the date of such determination.
- (l) **Voting Rights** Preference Shareholders shall have the rights to receive notices of, and attend, speak and vote at, meetings of shareholders of the Company in accordance with this Clause 7(3)(l), but no otherwise.
- (a) Preference Shareholders shall be entitled:
- (i) to receive copies of all reports, accounts, circulars and notices of general meetings which Ordinary Shareholders are entitled to receive (within the same periods such reports, accounts, circulars and notices are despatched to Ordinary Shareholders); and

- (ii) to receive notice of and to attend, speak and vote at any class meeting of Preference Shareholders.
- (b) Preference Shareholders shall, subject to the Act, be entitled to vote at any general meeting of the Company (voting together with Ordinary Shareholders as one and the same class):
 - (i) on any of the following resolutions whether or not any Preference Shares Dividend or part thereof is due but unpaid:
 - (x) a resolution to vary the rights attached to preference shares;
 - (y) a resolution to wind-up the Company; and
 - (ii) on any resolution in the event that any Preference Shares Dividend or any part thereof is due and unpaid.

For the purpose of voting on any such resolutions at any such general meeting, Preference Shareholders shall be entitled to attend (in person or by proxy or attorney or in the case of a corporation, by a duly authorised representative) such general meeting.

- (c) At every general meeting of the Company at which Preference Shareholders are entitled to attend and vote pursuant to this Clause 7(3)(l), each Preference Shareholder who is present (in person, by proxy or attorney or by a duly authorised representative):
 - (i) on a show of hands shall have one vote; and
 - (ii) on a poll shall have one vote for each preference share held by him.

(d) At every class meeting of Preference Shareholders, each Preference Shareholder who is present (in person, by proxy or attorney or by a duly authorised representative):

(i) on a show of hands shall have one vote; and

(ii) on a poll shall have one vote for each preference share held by him.

(m) **Meetings**

The provisions in this Constitution relating to general meetings of the Company, notice of and proceedings at such general meetings and votes of Ordinary Shareholders shall (subject to and except to the extent inconsistent with Clause 7(3)) apply *mutatis mutandis* to any separate class meeting and votes of Preference Shareholders.

(n) **Transferability**

(a) No Preference Shareholder may sell, transfer or otherwise dispose of any of its preference shares unless:

(i) such holder also sells, transfer or otherwise disposes of its Ordinary Shares in the same transaction as the sale, transfer or disposal of such preference share; and

(ii) such sale, transfer or disposal of such Ordinary Shares are made in accordance with the provisions in this Constitution.

(b) Nothing in this Clause 7(3)(n) shall prohibit or restrict any conversion of any preference share in accordance with Clause 7(3).

- (c) Except as provided in Clause 7(3)(n)(a), the provisions in this Constitution relating to the registration, transfer, transmission, certificates and replacement thereof applicable to the Ordinary Shares shall apply *mutatis mutandis* to preference shares.
- (o) **Form and Register of Preference Shareholders**
- (a) Preference shares shall be in registered form.
- (b) The Company shall at all times maintain a Register of Preference Shareholders, which shall form part of the Register of Members maintained by the Company, in accordance with the Act.
- (c) The Company may close the Register of Preference Shareholders from time to time and at any time to determine the entitlement of Preference Shareholders to any Distribution or for any other purpose as the Board may determine, provided that the Register of Preference Shareholders may not be closed for more than ten Business Days in aggregate in any calendar year.
- (d) Preference shares will not be listed on any stock exchange.
- (p) **Payment**
- All amounts payable by the Company to each Preference Shareholder shall be paid:
- (i) in cash, in kind or in any form at the discretion of the Company;
- (ii) in Ringgit Malaysia or in any currency as determined by the Company;
- (iii) in immediately available and freely transferable funds for value on the due date thereof; and

- (iv) by transfer to such bank account as that Preference Shareholder shall notify the Company in writing at least five (5) Business Days prior to such due date.
- (q) **Costs and Expenses** The Company shall bear and pay all costs and expenses (including, without limitation, stamp duty) incurred by it or any Preference Shareholder in connection with the conversion of any preference shares.
- (r) **Consent and Variations** Any:
- (i) consent, approval or sanction of Preference Shareholders required under Clause 7(3); and/or
 - (ii) variation of the rights of Preference Shareholders as set out in Clause 7(3),
- must be approved by an Extraordinary Resolution.
- (s) **No Variation** The issue by the Company of:
- (i) any additional preference shares; or
 - (ii) any shares which rank in any respect *pari passu* with preference shares as regards participation in the profits or assets of the Company, or voting at general meetings of the Company,
- shall not be deemed to constitute a variation of the rights attached to preference shares and the Company may create or issue any shares referred to in Clause 7(3)(s)(i) or (ii) above without the prior approval of Preference Shareholders.

Variation of Rights

8. (1) If at any time the share capital is divided into different classes of shares, the rights attached to each class of shares (unless otherwise provided by the terms of issue of the shares of that class) may only, whether or not the Company is being wound up, be varied:
- Variation of rights*
- (a) with the consent in writing of the holders holding not less than seventy-five percent (75%) of the total voting rights of the holders of that class of shares; or
- (b) by a special resolution passed by a separate meeting of the holders of that class of shares sanctioning the variation.
- (2) The provisions of this Constitution relating to General Meetings apply with the necessary modifications to every separate meeting of the holders of the shares of the class referred to in Clause 8(1), except that:
- Quorum for Class Meeting*
- (a) for a meeting other than an adjourned meeting, a quorum is constituted by two (2) persons present holding at least one-third (1/3) of the number of issued shares of such class;
- Class Meeting*
- (b) if that class of shares only has one holder, a quorum is constituted by one (1) person present holding shares of such class; and
- (c) for an adjourned meeting, a quorum is constituted by one (1) person present holding share(s) of such class.
- Adjourned Class Meeting*
- (3) The rights attached to an existing class of preference shares shall be deemed to be varied by the issue of new preference shares that rank equally with the existing class of preference shares unless such issuance was authorised by:
- Variation of rights of existing preference shares*
- (a) the terms of the issue of the existing preference shares; or
- (b) this Constitution of the Company as in force at the time when the existing preference shares were issued.

Register of Members

9. (1) The Company shall:
- Register of Members*
- (a) maintain a Register of Members at its Office or such other place as may be determined by the Directors from time to time; and

- (b) record the particulars of the Members as prescribed under Section 50 of the Act in the Register of Members.
- (2) The Company shall use the address of a Member in the Register of Members for the purpose of delivering Members' written resolutions, notices of meetings, copies of financial statements and reports, all written communications and all other documents as required under the Act and such address may be any one or more of the following:
 - (a) a residential address;
 - (b) a postal address;
 - (c) a registered office (if the Member is a corporation);
 - (d) a business address;
 - (e) an email address; and/or
 - (f) a facsimile number.
- (3) Each Member must notify the Company as soon as practicable (in any event no later than fourteen (14) days) of any change of his particulars to enable the Company to record such change in the Register of Members and notify the Registrar within the aforesaid timeline as stipulated in the Act.

Address

Notification of change of particulars of Register of Members

Certificates of Shares or Debentures

- 10. (1) Every person whose name is entered as member in the Register of Members or holder in the register of debenture holders shall be entitled without payment to receive a certificate in respect of the shares or debentures issued under the Seal in accordance with the Act.
- (2) In respect of shares or debentures held jointly by several persons, the Company is not bound to issue more than one (1) certificate for such shares or debentures, and delivery of a certificate for shares or debentures to one (1) of several joint holders is sufficient delivery to all such holders.
- (3) If a certificate of shares or debentures is worn out, defaced, lost or destroyed, it may be re-issued on payment of a fee not exceeding RM25.00 on the application by the Shareholder or debenture holder. The Directors may, at its absolute discretion and as they think fit, impose such terms and requirements (if any) as to evidence and indemnity and the payment of out-of-pocket expenses of the Company incidental to the investigation, and in the case of defacement or wearing out, on delivery of the old certificate.

Issuance of share / debenture certificate

Issuance of share / debenture certificate to joint holders

Loss or destruction of share / debenture certificate

Beneficial Ownership of Shares

11. (1) Except as required by law or pursuant to any order of the Court, no person is to be recognised by the Company as holding any share upon any trust. *Trust*
- (2) Except as required by law, this Constitution or pursuant to any order of the Court, the Company is not bound by or compelled in any way to recognise or enter into the Register of Members: *Not compelled to recognise trust*
- (a) any equitable, contingent, future or partial interest in any share or unit of a share; or
- (b) any other rights in respect of any share or unit of share,
- other than the registered holder's rights to the entirety of the share or unit of share.
- (3) Clause 11(2) applies even when the Company has notice of any interest or right (including notice of any trust expressed, implied or constructive in this regard) referred to in Clauses 11(2)(a) or (b). *Notice of interest or right*

DEALING IN SECURITIES

Issue of Securities

12. (1) Without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares but subject always to the Act and this Constitution, the Directors have the right to: *Allotment of shares or grant of rights*
- (a) issue and allot shares in the Company; and
- (b) grant rights to subscribe for shares or options over unissued shares in the Company.
- (2) Subject to the Act, this Constitution and the relevant Shareholders' approval being obtained, the Directors may issue any shares (including rights or options over subscription of such shares): *Pre-emptive rights shall not apply*
- (a) with such preferred, deferred, or other special rights or such restrictions, whether with regard to dividend, voting, return of capital, or otherwise, as the Directors may determine;
- (b) to any person, whether a Member or not, in such numbers or proportions as the Directors may determine; and
- (c) for such consideration as the Directors may determine.

Pre-emptive rights to issue and allot new shares under Section 85 of the Act shall not apply to the Company.

- (3) (a) The Company may pay commission (including brokerage) subject to the following: *Permitted commission*
- (i) the commission shall not exceed the rate of ten percent (10%) of the price at which the shares in respect whereof the same is paid are issued; or
- (ii) the commission shall not exceed an amount equal to ten percent (10%) of that price,
- whichever is lesser;
- (b) The rate of commission shall be disclosed in the manner prescribed in the Act; and
- (c) The said commission may be satisfied by payment in cash or shares (fully or partly paid shares) or partly in one way and partly in the other. For the purpose of Clause 12(3), commission includes brokerage and the rates referred to in Clause 12(3)(a) shall not apply to brokerage.
- (4) Subject to Section 130 of the Act, where any shares of the Company are issued for the purpose of raising money to defray the expenses of the construction of any works or buildings or the provision of any plant which cannot be made profitable for a long period, the Company may pay interest or returns on the amount of such share capital as is for the time being paid up and charge the interest or returns paid to share capital as part of the cost of construction of the works, buildings or the provision of any plant. *Power of Company to pay interest out of capital in certain cases*

Transfer of Shares or Debentures

13. (1) Subject to this Constitution and other written laws, any Shareholder or debenture holder may transfer all or any of his shares or debentures by instrument of transfer as prescribed under the Act. *Instrument of transfer*
- (2) The instrument of transfer must be executed by or on behalf of the transferor and the transferee. *Execution of instrument of transfer*
- (3) The transferor shall remain as the holder of such shares or debentures until the transfer is registered and the name of the transferee is entered in the Register of Members or register of debenture holders in respect of the shares or debentures respectively. *Effect the transfer of shares or debentures*

14. (1) To enable the Company to register the name of the transferee, the following items in relation to the transfer of shares or debentures must be delivered by the transferor to the Office of the Company: *Items for transfer of shares or debentures*
- (a) the instrument of transfer duly executed and stamped;
 - (b) the certificate of the shares or debentures which the instrument of transfer relates; and
 - (c) any other evidence as the Directors may reasonably require showing the right of the transferor to make the transfer.
- (2) Upon receipt of the items referred to in Clause 14(1), the Company shall, upon the approval of the Board and unless otherwise resolved, register the name of the transferee in the Register of Members or register of debenture holders (as applicable). *Approval of registration*
15. (1) The Directors may decline or delay to register the transfer of shares within thirty (30) days from the receipt of the instrument of transfer if: *Refusal of registration*
- (a) the shares are not fully paid shares;
 - (b) the Directors passed a resolution with full justification to refuse or delay the registration of transfer;
 - (c) the Company has a lien on the shares; and/or
 - (d) the Shareholder fails to pay the Company an amount due in respect of those shares, whether by way of consideration for the issue of the shares or in respect of the sums payable by the Shareholder in accordance with this Constitution.
- (2) Where applicable, the Company shall send a notice of the resolution referred to in Clause 15(1)(b) to the transferor and transferee, within seven (7) days of the resolution being passed by the Directors. *Notification to transferor and transferee*
16. On giving at least fourteen (14) days' notice to the Registrar to close the Register of Members or register of debenture holders, the Company may close the Register of Members or register for any class of members or register of debenture holders (collectively, the "Registers") for the purpose of updating the Registers. The registration of transfer may be suspended at such time and for such period as the Directors may from time to time determine, provided that no part of the relevant Register(s) be closed for more than thirty (30) days in aggregate in any calendar year. *Closing the Register of Members or Register of Debenture Holders*

Transmission on Death

17. In case of the death of a Member or debenture holder, the only persons recognised by the Company as having any title to the interest of the deceased Member or debenture holder in the shares or debentures respectively shall be: *Transmission on death*

- (1) the survivor(s), where the deceased Member or debenture holder was a joint holder; and
- (2) the legal personal representatives of the deceased Member or debenture holder, where the deceased Member or debenture holder was a sole holder,

but nothing herein contained shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.

Transmission by Operation of Law

18. (1) Any person becoming entitled to a share or debenture in consequence of an Event of Transmission may, upon such evidence being produced as is properly required by the Directors, and subject as hereinafter provided, elect either to register himself as the holder of the share or debenture or to have some other person nominated by him registered as the transferee of the shares or debentures. *Registration of transmission*
- (2) If the entitled person elects to register himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects. *Elects to register himself as holder*
- (3) If he elects to have another person registered, he shall execute an instrument of transfer of the share or debenture in favour of that person. *Elects to register other person as the holder*
- (4) All limitations, restrictions and clauses of this Constitution relating to the right to transfer and the registration of transfers of shares or debentures shall be applicable to any such notice or transfer as if the Event of Transmission had not occurred and the notice or transfer were a transfer signed by that Shareholder or debenture holder. *Limitations, restrictions and clauses relating to transfer of shares or debentures shall apply to transmission*
19. (1) Upon an Event of Transmission and the receipt by the Company of the relevant notification as required under the Act together with such documentary evidence as required by the Directors from the person who is entitled to the title to the relevant shares or debentures, the Company shall register the person as a shareholder or debenture holder of the Company within sixty (60) days from its receipt of the notification (together with the required documentary evidence). *Entitled to the same rights as the registered holder*

- (2) The registration of transmission of shares or debentures under Clause 19(1) shall entitle the registered holder to the same dividends and other advantages, and to the same rights (whether in relation to meetings of the Company, or to voting or otherwise), as the registered holder would have been entitled to if the registered holder had not suffered an Event of Transmission.
- (3) Where two (2) or more persons are jointly entitled to any shares or debentures in consequence of the death of the registered holder, they shall, for the purpose of this Constitution, be deemed to be joint holders of the shares or debentures. *Joint holder*

Lien on Shares

20. (1) The Company has a first and paramount lien on every share for: *Lien on shares*
- (a) any amount due or unpaid in respect of the share which has been called or is payable at a fixed date and/or time;
 - (b) any amount which remains outstanding on loans made by the Company to acquire shares in the Company pursuant to Section 126 of the Act relating to provision of financial assistance not exceeding ten percent (10%) of the shareholders' funds of the Company;
 - (c) all amounts that the Company may be called on by law to pay in respect of the share;
 - (d) any reasonable interest in respect of the unpaid amounts on the share and reasonable expenses incurred by the Company in respect of receiving unpaid amounts on the share; and/or
 - (e) all money presently payable to the Company by a Member or the estate of a Member, being debts which are not related to the shares.
- (2) The Company's lien, if any, on a share extends to all dividends payable in respect of the share which may be retained and applied towards the satisfaction of any or all amounts due to the Company in respect of which the lien exists. *Dividends payable may be used for satisfaction of the amount due*
- (3) The Company's lien on shares and dividends from time to time declared in respect of such shares, shall be restricted to: *Company's lien on shares and dividends*
- (a) unpaid calls and instalments upon the specific shares in respect of which such moneys are due and unpaid,

- (b) if the shares were acquired under an employee share option scheme, amounts which are owed to the Company for acquiring them; and
- (c) such amounts as the Company may be called upon by law to pay, and has paid, in respect of the shares of the Member or deceased Member.

In each case, the lien extends to reasonable interest and expenses incurred because the amount is not paid.

- (4) The Directors may at any time declare a share to be wholly or partly exempt from Clauses 20(1) or (2), or both. *Exemption*
- 21. No person is entitled to exercise any rights or privileges as a Member until the Member has paid all calls, instalments of calls and other moneys (including interest and expenses) for the time being payable in respect of which the lien exists. *Rights or privileges of a Member*
- 21A. Notwithstanding anything contained in Clause 21 and any other Clauses, any bank or institution (or any agent or trustee for or on behalf of any such bank or institution) to whom any shares have been charged by way of security, from time to time, shall have a first fixed charge over such shares and all dividends declared or payable in respect thereof, ranking in priority over the lien expressed to be created under Clause 21 (which shall in all respects be subject to such charge), whether or not any money in respect of such shares shall have been payable at such time.
- 22. The registration of a transfer of a share approved by the Directors shall operate as a waiver of the Company's lien over the share. *Registration of transfer*
- 23. (1) Subject to Clause 23(2), the Company may sell, in any manner as the Directors think fit and appropriate, any shares over which the Company has a lien. *Sale of shares under lien*
- (2) A share on which the Company has a lien shall not be sold unless: *Enforcing sale of shares under lien*
 - (a) a sum in respect of which the lien exists is presently payable; and
 - (b) the Company has, not less than fourteen (14) days before the date of the sale, given to the registered holder for the time being of the share or the person entitled to the share by reason of the death or bankruptcy of the registered holder of the share, a notice in writing stating and demanding payment of such part of the amount in respect of which the privilege or lien exists and is presently payable.
- 24. (1) To give effect to any sale of shares under Clause 23, the Directors may authorise a person to transfer the shares sold to the purchaser of the shares. *Give effect to any sale of shares*

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| (2) | The Company shall register the purchaser as the holder of the shares comprised in any such transfer and the Directors shall not be bound to see to the application of the purchase money. | <i>Register the purchaser as the holder</i> |
| (3) | The title of the purchaser to the shares shall not be affected by any irregularity or invalidity in the proceedings relating to the sale of the shares. | <i>Title of the purchaser</i> |
25. The proceeds of a sale of shares under Clause 23 shall be received and applied by the Company in payment first of the expenses of the sale, then of such part of the amount in respect of which the lien exists as is presently payable and the residue (if any) shall (subject to any similar lien for sums not presently payable that exists over the shares before the sale) be paid to the person entitled to the shares as at the date of the sale. *Proceeds of sale of shares*

Calls on shares

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| 26. | (1) | The Directors may from time to time make calls upon the Shareholders in respect of any money unpaid on the shares of the Shareholders and not by the conditions of the allotment of the shares made payable at fixed date, provided that: | <i>Directors to make calls</i> |
| | (a) | no call shall exceed one-fourth ($\frac{1}{4}$) of the issue price of the share or be payable at less than thirty (30) days from the date fixed for the payment of the last preceding call; and | |
| | (b) | each Shareholder shall, upon receiving at least fourteen (14) days' notice specifying the date, time and place of payment, pay to the Company (at the time or times and place specified in the notice) amount called on the Shareholder's shares. | |
| | (2) | The joint holders of a share shall be jointly and severally liable to pay all calls in respect of their shares. | <i>Joint holder</i> |
| | (3) | A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed and may be required to be paid by instalments. | <i>Board's resolution authorising the call</i> |
| | (4) | A call may be revoked or postponed as the Directors may determine. | <i>Directors may revoke or postpone call</i> |
27. (1) If a sum called in respect of a share is not paid before or on the day appointed for payment of the sum, the person from whom the sum is due shall pay interest on that sum from the appointed day for payment to the time of actual payment at a rate not exceeding eight percent (8%) per annum as the Board may determine. *Interest on late payment*
- (2) The Board may waive payment of any such interest in whole or in part. *Waiver of interest*

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| 28. | (1) | Any sum which, by the terms of issue of a share, becomes payable on allotment or at any fixed date shall be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable. | <i>Sum becomes due and payable</i> |
| | (2) | In the case of non-payment of such sum, all the relevant provisions of this Constitution as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified. | <i>Non-payment of such sum</i> |
| 29. | (1) | The Company may accept from any Shareholder the whole or a part of the amount unpaid on a share although no part of that amount has been called up. | <i>Advance from shareholder</i> |
| | (2) | The Company may make arrangements on the issue of shares for varying the amounts and times of payment of calls as between Shareholders. | <i>Arrangement to vary the amount and payment</i> |
| | (3) | Upon all or any part of the money advanced by Shareholder (for all or any part of the money uncalled or unpaid upon the shares held by such Shareholder) received by the Directors from the Shareholder become payable, the Directors may authorise the Company to pay interest or return at a rate not exceeding eight percent (8%) per annum as may be agreed upon between the Directors and the Shareholder paying the sum in advance (unless the Company in a General Meeting otherwise directs). | <i>Interest on advance</i> |
| | (4) | However, the Company may not pay dividends in proportion to the amount paid up on each share where a larger amount is paid up on some shares than on others. | |

Forfeiture of Shares

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| 30. | (1) | If a Shareholder fails to pay any call or instalment of a call on or before the day appointed for the payment of the call or instalment, the Directors may serve a notice on the Shareholder requiring payment of the amount unpaid, together with interest at such rate not exceeding eight percent (8%) per annum as the Directors shall determine. | <i>Notice of forfeiture of shares</i> |
| | (2) | The notice shall specify a date (not earlier than the expiration of fourteen (14) days from the date of service of the notice) on or before which the payment is required to be made and the notice shall state that, in the event of non-payment on or before the specified date, the shares in respect of which the call was made will be liable to be forfeited. | <i>Contents of notice</i> |
| 31. | (1) | If the requirements set out in the notice served under Clause 30 are not complied with, the shares in respect of which such notice has been given shall be forfeited by a resolution of the Directors to that effect, unless the required payment is made before such resolution. | <i>Passing of Directors' resolution to forfeit the shares</i> |

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| (2) | A forfeiture of shares as referred to in Clause 31(1) above shall include all dividends declared in respect of the forfeited shares and not actually paid before the forfeiture. | <i>Forfeiture including all dividends declared</i> |
| 32. | A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Directors think fit and, at any time before a sale or disposition of the forfeited shares, the forfeiture may be cancelled on such terms as the Directors think fit. | <i>Forfeited share may be sold, reissued or otherwise</i> |
| 33. | A person whose shares have been forfeited shall cease to be a Member in respect of the forfeited shares. Notwithstanding that, such person shall remain liable to pay to the Company all money that, at the date of forfeiture, was payable by the person to the Company in respect of the shares (together with interest or compensation at the rate of eight percent (8%) per annum from the date of forfeiture on the money for the time being unpaid if the Directors think fit to enforce payment of the interest or compensation). Liability of the person shall cease if and when the Company receives payment in full of all the money (including interest or compensation) so payable in respect of the shares. | <i>Cessation of Member in respect of forfeited shares</i> |
| 34. | A statutory declaration in writing by a Director or Secretary that a share in the Company has been duly forfeited on the date stated in the declaration shall be conclusive evidence of the facts stated in the declaration against all persons claiming to be entitled to the share. | <i>Statutory declaration</i> |
| 35. | <p>(1) The Company may receive the consideration (if any) given for a forfeited share on any sale or disposition of the shares and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of.</p> <p>(2) Upon the execution of the transfer of the share, the transferee shall be registered as the holder of the share and the Company shall not be bound to see to the application of the purchase money (if any).</p> <p>(3) The title of the transferee to the share is not affected by any irregularity or invalidity in the proceedings in connection with the forfeiture, sale or disposal of the share.</p> | <p><i>Consideration of the forfeited shares</i></p> <p><i>Transfer of forfeited shares</i></p> <p><i>Title of the transferee</i></p> |
| 36. | The provision of this Constitution as to forfeiture of shares shall apply in the case of non-payment of any sum that, by the terms of issue of a share, become payable to the Company at a fixed date as if that sum of the shares had been payable by virtue of a call duly made and notified. | <i>Provision of forfeited shares</i> |

Conversion of shares into stock

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| 37. | The Company may by ordinary resolution passed at a General Meeting or by way of a written resolution convert any paid-up shares into stock and reconvert any stock into paid-up shares in accordance with Sections 84(1)(b) and 86 of the Act. | <i>Conversion of shares into stock and vice versa</i> |
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| 38. | (1) | The stockholders may transfer their stock or any part thereof in the same manner as the transfer of shares from which the stock arose may, before the conversion, have been transferred or be transferred in the closest manner as the circumstances allow. | <i>Stock is transferable</i> |
| | (2) | The Directors may from time to time fix the minimum amount of stock transferable and restrict or forbid the transfer of fractions of that minimum. | <i>Directors' powers</i> |
| 39. | (1) | The stockholders shall, according to the amount of the stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the Company and other matters as if they held the shares from which the stock arose. | <i>Rights of stockholders</i> |
| | (2) | However, no such privilege or advantage (except participation in the dividends and profits of the Company and in the assets on winding up) shall be conferred by any such part of stock which would not, if existing shares have conferred that privilege or advantage. | <i>Participation in dividends and profits</i> |
| 40. | | For the purpose of Clauses 37 to 39, any reference in this Constitution as are applicable to paid-up shares shall apply to stock, and the words "share" and "shareholder" therein shall include "stock" and "stockholder" respectively. | <i>Reference</i> |

Alteration of Capital

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| 41. | (1) | The Company may from time to time by ordinary resolution and subject to other applicable laws or requirements: | |
| | (a) | consolidate and divide all or any of its share capital, the proportion between the amount paid and the amount, if any, unpaid on each subdivided share shall be the same as it was in the case of the share from which the subdivided share is derived; or | <i>Consolidation of shares</i> |
| | (b) | subdivide its shares or any of them into shares, whichever is in the subdivision; the proportion between the amount paid and the amount, if any, unpaid on each subdivided share shall be the same as it was in the case of the share from which the subdivided share is derived. | <i>Subdivision of shares</i> |
| | (2) | The Company may from time to time by special resolution and subject to other applicable requirements: | |
| | (a) | cancel shares which, at the date of the passing of the resolution in that regard, have not been taken or agreed to be taken by any person or which have been forfeited and diminish the amount of its share capital by the amount of the shares so cancelled or in such other manner allowed by law; or | <i>Cancellation of shares</i> |

- (b) reduce its share capital in such manner permitted by law, and (where applicable) subject to the relevant required approvals being obtained. *Reduction of share capital*

MEMBERS' RESERVED MATTERS

41A. Subject to Clause 41B(I), the Company may by Special Resolution, and the Company shall procure (to the extent it is able) that each Group Company will only by Special Resolution:

- (a) change the name of the Company (or any Group Company, as applicable);
- (b) amend or add any provision with respect to any objects, powers or other matters specific therein contained in the Constitution (or the Constitution of any Group Company, as applicable);
- (c) reduce the share capital of the Company (or any Group Company, as applicable);
- (d) require the Company (or any Group Company, as applicable) to be wound up by the Court; or
- (e) approve a plan of merger or consolidation.

BOARD'S RESERVED MATTERS

41B. The Company shall, and the Company shall procure (to the extent it is able) that each Group Company shall, only take the following actions with the approval of all the Directors:

- (a) issue shares, options or other securities convertible or exchangeable for share capital or registered capital of the Company (or any Group Company, as applicable), except (i) to issue new shares to the public in a Listing; (ii) pursuant to any management incentive plans; or (iii) where such offer is made to all members of the Company (or any Group Company, as applicable) on a pro-rata basis;
- (b) redeem, buy-back, cancel or repurchase of nay shares of the Company (or any Group Company, as applicable) or any options or other securities or obligations which are by their terms convertible into or exchangeable or exercisable for shares in the capital of the Company (or any Group Company, as applicable) except (i) to facilitate a Listing which impacts all the members of the Company (or any Group Company, as applicable) on a pro-rata basis; or (ii) pursuant to any management incentive plans;

- (c) other than pursuant to the obligations of the parties under the Transaction Documents, sell, transfer or dispose of all substantially all of the business or assets of the Company (or any Group Company, as applicable);
- (d) change size of the Board of Directors (or the Board of Directors of any Group Company, as applicable) or any committee of the Board of Directors of the Company (or any Group Company, as applicable);
- (e) materially change the nature of the business undertaken by the Group;
- (f) other than pursuant to the obligations of the parties under the Transaction Documents, approve or change any dividend and distribution policies of the Company (or any Group Company, as applicable);
- (g) other than the lease of premises to be leased from members of the Company (or any Group Company, as applicable) for the ordinary course of the Group's business on normal commercial terms or better to the Company (or any Group Company, as applicable), entry by any Group Company into any transaction with: (a) any member, Director or manager of any Group Company or any of their Affiliates, or (c) a person connected with any of them (including immediate family members) (each a related party) whether or not funds are extracted from a Group Company to a related party;
- (h) appoint or change the auditors of the Company (or any Group Company, as applicable);
- (i) the continuance or removal of the Company (or any Group Company, as applicable) to any other jurisdiction;
- (j) Borrow money or incur any indebtedness (otherwise than in the ordinary and usual course of business) which would result in the aggregate indebtedness of the Group net of cash exceeding 4.5x EBITDA;
- (k) acquire or invest in by any means by the Group any business or asset at a price or with a value of US\$50,000,000 or more (taken together with any related acquisitions); or
- (l) convene a general meeting or circulate a members' written resolution dealing with any of the members' reserved matters set out in Clause 41A.

PASSING OF RESOLUTIONS OF MEMBERS

Passing of Resolutions of Members

42. The Company may pass a resolution of the Members or of a class of Members either by way of a written resolution or at a meeting of the Members. *Passing a Members' Resolution*

MEMBERS' WRITTEN RESOLUTION

Passing of resolution by a sole Member

43. (1) If the Company has only one (1) Member, the Company may pass a resolution by way of a written resolution by that Member recording the resolution and signing the record. *Passing of resolution by a sole Member*
- (2) The record of decisions made by a sole Member is valid and effective as if it were a resolution duly passed at a meeting of the Member. *Record of decision*
- (3) Where the sole Member is a corporate Member, the representative of the corporate Member may sign the record of decisions on behalf of the corporate Member.

Passing of resolution by more than one (1) Member

44. (1) If the Company has more than one (1) Member, those Members may pass a resolution, other than resolutions under Sections 206 and 276 of the Act to remove a Director and an auditor of the Company respectively, without a General Meeting, if the entitled Members approve the resolution. *Passing of resolution by more than one (1) Member*
- (2) Any such resolution may consist of several documents in like form, each signed by one or more of the Members, and shall be as valid and effectual as if it were a resolution duly passed at a meeting of the Members. *Resolution may consist of several documents*

Agreement to written resolution by electronic means

45. (1) Any such document may be accepted as sufficiently signed by a Member if transmitted to the Company by any technology purporting to include a signature and/or an electronic or digital signature by the Member. *Agreement to written resolution by electronic means*
- (2) For the purposes of Clause 45(1), delivery may be effected by:
- (a) physical delivery of the document;
- (b) delivery by facsimile transmission; or

(c) delivery by email transmission,

to the place, facsimile number or electronic address as specified by the Director or Secretary of the Company.

Joint holders

46. In the case of joint holders of any shares, the signature of any one of such joint holders shall be sufficient for the purpose of Clause 44. *Joint holders*

Members' power to require circulation of written resolution

47. Any Member having a total of five percent (5%) of:
- (1) in the case of the Company having only one type of shares, the total voting rights of the issued share capital; or
- (2) in the case of the Company having different classes of issued shares, of a particular class of shares of the Company,
- Members' power to require circulation of written resolution*

may require the Company to circulate a resolution that may properly be moved as a written resolution and/or a written statement of not more than one thousand (1,000) words on the subject matter of the written resolution. Such request made may be in hard copy or electronic form and every request for circulation of a Members' written resolution shall state the resolution, provide an accompanying statement and be signed or authenticated by the Member making the request.

Circulation of written resolution proposed by Members

48. Members' written resolution may be circulated by the Directors (or failing that, any Member who has requested the written resolution under Clause 47) to the Members in hard copy or electronic form, and shall include a copy of the resolution and a copy of any accompanying statement. The provisions of Subdivision 2 of Division 5 of Part III of the Act relating to the Members' written resolution shall apply. *Circulation of written resolution proposed by Members*

Period for agreeing to written resolution

49. The period for agreeing to the written resolution proposed by the Members under Clause 47 shall be within 45 days from the circulation date. Otherwise, the proposed written resolution shall lapse. *Period for agreeing to written resolution*

MEETINGS OF MEMBERS

Convening General Meetings

50. All meetings of Members shall be called General Meetings. *Board to convene General Meetings*
51. The Board:
- (1) may, whenever it thinks fit, convene a meeting of the Members; and
 - (2) shall convene a General Meeting on the request of the Members pursuant to Section 311 of the Act.
52. A General Meeting may be requisitioned by: *Members to requisite a General Meeting*
- (a) any Member(s) holding at least ten percent (10%) of the issued and paid up share capital of the Company pursuant to Sections 310(b) and 311(3)(a) of the Act; or
 - (b) any of the Members representing more than one half of the total voting rights of all of the Members who requisitioned the General Meeting pursuant to Section 313(1) of the Act.

Notice of General Meetings

53. (1) A notice of a General Meeting must specify the following: *Contents of Notice of General Meeting*
- (a) the place, date and time of the General Meeting;
 - (b) the general nature of the business of the General Meeting; and
 - (c) the text of any proposed resolution and other information as the Directors think fit.
- (2) If the General Meeting is to be held in two (2) or more places, the notice of the General Meeting shall specify the technology or method that will be used to facilitate the General Meeting. *General Meeting held at two (2) or more venues*
- (3) The main venue of the General Meeting shall be in Malaysia and the chairperson shall be present at that main venue of the General Meeting. *Main venue*

54. (1) Subject to the provisions of the Act relating to special resolutions and any agreement among Members who are entitled to attend and vote at the General Meetings, at least fourteen (14) days' notice of any General Meeting (exclusive of the date of issuing the notice and the date of the meeting) must be given to persons entitled to receive notices of General Meetings from the Company. *Notice period*
- (2) A General Meeting, other than a General Meeting for passing of a special resolution, may be called by notice shorter than the period referred to in Clause 54(1) if so agreed by a majority in the number of the Members who collectively hold not less than ninety percent (90%) of the total voting rights entitled to attend and vote at the General Meeting. *Shorter notice*
- (3) The technology to be used for the purpose of this Clause must allow the Members who participate in the physical and/or virtual General Meeting to communicate simultaneously with the chairperson, Directors, other Members and advisers (if any) taking part in the main venue of the General Meeting and such technology may include telephone, television, video conferencing, or any other telecommunication or digital methods which permits instantaneous communication. *Technology to be used for physical and/or virtual General Meeting*
- (4) Subject to the Act and other applicable laws and regulations, the physical and/or virtual General Meeting shall be deemed to constitute a General Meeting and all provisions of this Constitution relating to General Meetings shall apply to any physical and/or virtual General Meeting provided the following conditions are met: *Conditions for physical and/or virtual General Meeting*
- (a) All the Members for the time being entitled to receive notice of the General Meeting shall be entitled to receive notice of the physical and/or virtual General Meeting. Notice of any such meeting shall be given by an appropriate form of technology (or in such other manner) as determined by the Board of Directors and permitted by this Constitution; and
- (b) The Members who attend the General Meeting remotely may participate, speak and vote at the physical and/or virtual General Meeting provided that the remote locations should leverage on technology to facilitate voting, including voting in absentia and remote shareholders' participation at the physical and/or virtual General Meeting.
55. Notice of every General Meeting shall be given in the manner authorised by Clause 127 to: *Persons entitled to receive notice of General Meeting*
- (1) every Member (including any person who is entitled to a share in consequence of the death or bankruptcy of a Member who, but for his death or bankruptcy, would be entitled to receive notice of the meeting and the Company has been notified of the person's entitlement in writing);

(2) every Director; and

(3) the Auditors.

Quorum for General Meetings

56. (1) No business is to be transacted at any General Meeting unless a quorum of Members is present at the time when the meeting proceeds to business. *Quorum*
- (2) If the Company has only one (1) Member, one (1) Member personally present at a meeting or by proxy or by Representative of Member shall constitute a quorum. *Sole Member*
- (3) If the Company has more than one (1) Member, two (2) Members personally present at a meeting or by proxy or by Representative of Member shall constitute a quorum. *More than one (1) Member*
- (4) For the purpose of constituting a quorum:
- (a) one (1) or more representatives appointed by a corporation shall be counted as one (1) Member; *Corporate representative*
- (b) one (1) or more proxies appointed by a person shall be counted as one (1) Member; or *Proxy*
- (c) the presence of one (1) or more joint holders shall be counted as one (1) Member. *Joint holders*

No Quorum

57. If a quorum is not present within half an hour after the time appointed for a General Meeting: *Quorum is not present*
- (1) where the General Meeting was convened upon the requisition of Members, the meeting shall be dissolved; or *Requisition of Member*
- (2) in any other case: *Other case*
- (a) if no determination is made by the Directors, the General Meeting shall stand adjourned to the same day in the next week at the same time and place or if that day falls on a public holiday then to the next business day following that public holiday; or *Adjournment of General Meeting*
- (b) the General Meeting shall stand adjourned to another day and at another time and place as the Directors may determine; and

if at the adjourned General Meeting, a quorum is not present within half an hour from the time appointed for the meeting, then any Member present shall form a quorum.

*Adjourned
General
Meeting*

Chairperson of General Meetings

58. The chairperson of a General Meeting is:

- (1) where the Board has appointed a chairperson or deputy chairperson amongst the Directors, the Chairperson of the Board; or

*Chairperson
of the Board*

- (2) where:

*Members to
appoint
Chairperson
of General
Meeting*

- (a) the Chairperson of the Board is unable or unwilling to act as the chairperson of the General Meeting;

- (b) the Chairperson is not present within fifteen (15) minutes after the time appointed for the holding of the General Meeting; or

- (c) the Board has not appointed a chairperson amongst the Directors,

the Members present shall elect one of their Members present to be the chairperson of the General Meeting.

- (3) For avoidance of doubt, a proxy or Representative of Member may be elected as the chairperson of the General Meeting by a resolution passed at the meeting.

Adjournment of General Meetings

59. (1) The chairperson shall adjourn a General Meeting, at which a quorum is present, from time to time and from place to place if the Members present with a majority of votes that may be cast at that meeting agree or direct the chairperson to do so.

*Members'
consent is
required*

- (2) No business shall be transacted at any adjourned General Meeting other than the business left unfinished at the General Meeting from which the adjournment took place (referred to as "the Original General Meeting").

*Only transact
the business
left unfinished
at the General
Meeting*

- (3) There is no need to give any notice of an adjourned General Meeting or of the business to be transacted at an adjourned General Meeting unless the adjourned General Meeting is to be held thirty (30) days or more after the date of the Original General Meeting or otherwise as the chairperson directs.

*Notice of
adjourned
General
Meeting*

Voting by Show of Hands

60. (1) At a General Meeting, a resolution put to the vote of the General Meeting shall be decided on a show of hands unless a poll is demanded before or on the declaration of the result of the show of hands. *By show of hands*
- (2) On a vote on a resolution at a General Meeting on a show of hands, a declaration by the chairperson that a resolution has been passed unanimously, or with a particular majority, or is lost, and an entry to that effect in the minutes of the proceeding shall be conclusive evidence of that fact without proof of the number or proportion of the votes recorded in favour of or against the resolution. *Declaration by the chairperson*

Voting by Poll

61. (1) A poll may be demanded: *Demand a poll*
- (a) by the chairperson;
- (b) by at least three (3) Members present in person or by proxy;
- (c) by any Member or Members present in person or by proxy and representing not less than ten percent (10%) of the total voting rights of all the Members having the right to vote at the General Meeting; or
- (d) by a Member or Members holding shares in the Company conferring a right to vote at the General Meeting being shares on which an aggregate sum has been paid up equal to not less than ten percent (10%) of the total paid up shares conferring that right.
- For purposes of this Clause, references to "Member" shall include Representative of Member.
- (2) The demand for a poll may be subsequently withdrawn. *Withdrawal of a demand for poll*
- (3) Subject to Clause 61(4), if a poll is duly demanded, it shall be taken in such manner and either at once or after an interval or adjournment or otherwise as the chairperson directs. *When a poll is to be held*
- (4) No poll shall be demanded on the election of a chairperson of a General Meeting or on a question of adjournment of a General Meeting. *No poll on election of chairperson or adjournment*

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| (5) | When a poll is properly demanded, the earlier vote by a show of hands shall be superseded by the result of the poll and the result of the poll shall be the resolution of the General Meeting at which the poll was demanded. | <i>Result of the poll</i> |
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Casting Vote

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| 62. | In the case of an equality of votes, whether on a show of hands or on a poll, the chairperson of the General Meeting at which the show of hands takes place or at which the poll is carried out is entitled to a second or casting vote. | <i>Chairperson shall have a casting vote</i> |
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Voting Entitlement

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| 63. | Subject to any rights or restrictions for the time being attached to any class or classes of shares: | |
| (1) | at meetings or class meetings of Members, each Member entitled to vote may vote in person or by a proxy or by Representative of Member; | <i>Voting by Member</i> |
| (2) | on a vote by way of show of hands, every Member who is present in person or by proxy or Representative of Member has one (1) vote; | <i>Voting by a show of hands</i> |
| (3) | on a vote by way of poll, every Member who is present in person or by proxy or by Representative of Member shall have one (1) vote for each share or stock the Member holds; | <i>Voting by poll</i> |
| (4) | in the case of joint holders, the joint holders shall be considered as one (1) Member; and | <i>Voting by joint holders</i> |
| (5) | in the case of a written resolution, every Member or Representative of Member shall have one (1) vote for each share or stock he holds. | <i>Passing written resolution</i> |
| 64. | For the purposes of Clause 63(2): | <i>Votes by proxy</i> |
| (1) | where a Member entitled to vote on a resolution has appointed a proxy, the proxy shall be entitled to vote on a show of hands, provided that he is the only proxy appointed by the Member; and | <i>May vote by show of hands if one proxy is appointed</i> |
| (2) | where a Member entitled to vote on a resolution has appointed more than one (1) proxy: | <i>May vote by poll only if more than one (1) proxy appointed</i> |
| (a) | the proxies shall only be entitled to vote on a poll; and | |
| (b) | the appointment shall not be valid unless he specifies the proportions of his holdings to be represented by each proxy. | |

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| 65. | For the purposes of Clause 63(4), if the joint holders purport to exercise the power to vote in the same way, the power is treated as exercised in that way. If the joint holders do not purport to exercise the power in the same way, the power is treated as not exercised. | <i>Votes of joint holders of shares</i> |
| 66. | For the purposes of Clause 63, when a corporate Member appoints more than one (1) representative, if its representatives purport to exercise the power to vote in the same way, the power is treated as exercised in that way. If the representatives do not purport to exercise the power in the same way, the power is treated as not exercised. | <i>Votes of corporate representative of shares</i> |

Voting Restrictions

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| 67. | If a Member is of unsound mind or is a person whose person or estate is liable to be dealt with in any way under the law relating to mental health, the relevant committee or trustee or such other person as properly appointed under the applicable law to manage his estate may exercise any rights of the Member in relation to a meeting of the Company's Members or by way of a written resolution as if the committee, trustee or other person were the Member. | <i>Member is of unsound mind</i> |
| 68. | No member is entitled to attend and vote at any General Meeting or to vote by way of a written resolution unless all calls or other sums presently payable by the Member in respect of shares in the Company have been paid. | <i>Calls unpaid</i> |

Objection to Votes

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| 69. | (1) An objection may be raised to the qualification of a voter only at the General Meeting or adjourned General Meeting at which the vote objected to is given or tendered. | <i>Objection to qualification of a voter</i> |
| | (2) Any such objection made in due time shall be referred to the chairperson of the General Meeting, whose decision is final and conclusive. | <i>Any objection shall be referred to the chairperson</i> |
| | (3) A vote not disallowed pursuant to an objection at the General Meeting is valid for all purposes. | <i>Vote not disallowed</i> |

PROXIES / REPRESENTATIVES OF MEMBERS

General

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| 70. | (1) A Member of the Company may appoint a proxy and/or Representative of Member to exercise his rights to attend, participate, speak and vote for the Member at a General Meeting. A proxy may but need not be a Member of the Company. | <i>Proxy / Representative of Member</i> |
| | (2) Subject to the Act and this Constitution, a proxy or Representative of Member is only entitled to vote: | <i>Entitlement to vote</i> |

- (a) if the Member is entitled to vote;
 - (b) if the Member is not personally present at the General Meeting;
 - (c) if the Member has complied with the requirements set out in this Constitution to properly appoint a proxy or Representative of Member and to give notice of such appointment to the Company;
 - (d) if the Member has conferred a right to vote on the proxy or Representative of Member; and
 - (e) the appointment of proxy or Representative of Member was not revoked by the Member by a notice of revocation forty-eight (48) hours before the time of holding of the General Meeting or adjourned General Meeting or such other time that may be determined by the Directors and the said revocation must be deposited at the Office or such other place in Malaysia as is specified in the notice convening the General Meeting.
- (3) A proxy or Representative of Member may vote, whether on a show of hands or on a poll, on any question at any General Meeting and to the extent permitted under the instrument of proxy or certificate of appointment of corporate representative or power of attorney. *May vote by a show of hands or on a poll*

Proxies

71. (1) An instrument appointing a proxy: *Manner of execution of instrument appointing a proxy*
- (a) must be in writing and executed by or on behalf of the appointing Member in substantially the form and in the manner as specified in "Appendix A" annexed hereto or in such other permitted form (including the electronic proxy appointment and voting manner) as the Board of Directors may determine from time to time;
 - (b) will not be invalid merely because it omits any particulars of the proxy and the appointing Member; and
 - (c) will be deemed to have appointed the Chairperson of the General Meeting as the proxy of the appointing Member where no other person has been named to act as proxy.

- (2) An instrument appointing a proxy may:
- Form of instrument of proxy*
- (a) specify the manner in which the proxy is to vote in respect of a particular resolution and, where an instrument of proxy so provides, the proxy is not entitled to vote in the resolution except as specified in the instrument;
 - (b) specify the proportion or number of votes that the proxy may exercise; and/or
 - (c) be a specific appointment for a particular meeting.
- (3) An instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of that power or authority:
- (a) shall be deemed to confer authority to demand or join in demanding a poll; and *Confer authority to demand a poll*
 - (b) shall be deposited at the Office or at such other place in Malaysia as is specified in the notice convening the General Meeting or adjourned General Meeting, at which the person named in the instrument proposes to vote: *Time limit to deposit instrument appointing a proxy*
 - (i) not less than forty-eight (48) hours before the time for holding the General Meeting or adjourned General Meeting; or
 - (ii) in the case of a poll, not less than twenty-four (24) hours before the time appointed for the taking of the poll; and
 - (c) may be accepted if it is transmitted to the Company by any technology purporting to include a signature and/or an electronic or digital signature by the Member. *Execution by electronic or digital signature*
- (4) In Clause 71(3), documents relating to proxies include:
- Documents relating to proxies*
- (a) the appointment of a proxy in relation to a General Meeting;
 - (b) any document necessary to show the validity of, or otherwise relating to, the appointment of a proxy; and
 - (c) notice of the revocation of the authority of a proxy.

- (5) For the purposes of Clause 71(3), delivery may be effected by: *Manner of delivery*
- (a) physical delivery of the document;
 - (b) delivery by facsimile transmission; or
 - (c) delivery by email transmission,
- to the place, facsimile number, electronic address or the designated website link or address (where applicable) as specified in the notice of General Meeting.
- (6) The proceedings at a General Meeting shall not be invalidated where an appointment of proxy in respect of that General Meeting is sent in electronic form, but cannot be read by the Company due to technical problems or other reasons.
- (7) If a Member is entitled to cast two (2) or more votes at a General Meeting, the Member: *Member with two (2) or more votes*
- (a) may appoint up to two (2) proxies; and
 - (b) must specify the proportion or number of the Member's votes each proxy may execute.
- (8) When two (2) or more valid but differing appointments of a proxy are received by the Company in respect of the same share for use at the same General Meeting, the one which is last received (regardless of its date or of the date of its execution or submission) shall be treated as replacing and revoking the other as regards that share. If the Company is unable to determine which appointment was last received, none of them shall be treated as valid in respect of that share. *Differing appointment of proxy*
- (9) For the avoidance of doubt, the appointment of a proxy shall not preclude a Member from attending and voting in person at a General Meeting.
72. (1) Subject to Clause 72(2), a vote given in accordance with the terms of an instrument of proxy is valid despite: *Validity of a vote*
- (a) the previous death or unsound mind of the appointing Member;
 - (b) the revocation of the instrument or of the authority under which the instrument was executed; or
 - (c) the transfer of the share in respect of which the instrument or power is given.

- (2) Clause 72(1) does not apply if an instrument in writing of such:
- (a) death, unsound mind or transfer has been received by the Company before the commencement of the General Meeting or adjourned General Meeting at which the instrument is used; or
 - (b) revocation by the Member was not received by the Company forty-eight (48) hours before the time of holding of the General Meeting or adjourned General Meeting or such other time that may be determined by the Directors, and

the said notification must be deposited at the Office or such other place in Malaysia as is specified in the notice convening the General Meeting.

Attorneys

73. (1) A person purporting to be the attorney of a Member shall be required to produce the original Power of Attorney to the Company. *Power of attorney*
- (2) A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.

Corporate Representatives

74. (1) A corporate Member may appoint an individual as its corporate representative to exercise all or any of the powers the corporate Member may exercise. *Appointment of corporate representative*
- (2) The appointment may be a standing appointment until notice of revocation is received by the Company.
- (3) The instrument of appointment may set out restrictions on the powers of the corporate representative.
- (4) A corporate Member may appoint more than one (1) corporate representative. However, it shall observe the voting entitlement set out in Clause 66.

DIRECTORS

Number of Directors

75. The Company may from time to time by an ordinary resolution, either passed by way of a written resolution or at a General Meeting, fix the number of Directors (excluding Alternate Director) and there shall be no maximum numbers. *May fix the number of Directors*

Retirement of Directors

76. The Directors of the Company are not subject to retirement by rotation. *Not subject to retirement*

Appointment of Directors

77. The Directors shall have power from time to time to appoint any person: *Appointment by Directors*

- (1) to be a Director to fill a casual vacancy; and
- (2) to be an addition to the existing Directors,

subject to the total number of Directors shall not exceed the maximum number fixed in Clause 75.

78. The Members may at any time and from time to time by an ordinary resolution to appoint any person: *Appointment by Members*

- (1) to be a Director to fill a casual vacancy; and
- (2) to be an addition to the existing Directors,

subject to the total number of Directors shall not exceed the maximum number fixed in Clause 75.

Proceedings in case of Vacancies

79. (1) In the event of a vacancy or vacancies in the office of a Director or offices of Directors which results in the number of Directors being insufficient to constitute a quorum of a meeting of Directors under Clause 114, the remaining Director may act only for the purpose of increasing the number of Directors by summoning a General Meeting for that purpose. *Proceedings in case of vacancies*
- (2) In the case of a sole Director, Clause 91(1) shall apply.

Defects in Appointment of Directors

80. The acts of a Director shall be valid notwithstanding any defect that is discovered after his appointment or in his qualifications. *Validity of acts of Directors*

Appointment of Managing and Executive Directors

81. (1) The Board of Directors may from time to time appoint one (1) or more of its body to the office of Managing Director (which term shall be deemed to include the chief executive or other such designation of the Company's chief executive officer) for such period and on such terms as they think fit and, subject to the terms of any agreement entered into in any particular case, may revoke any such appointment. *Managing and Executive Directors*
- (2) A Director (other than a Managing Director) holding any such other office or employment is herein referred to as an "Executive Director". *Executive Director*
- (3) Any such appointment of a Managing Director automatically terminates if the appointee ceases from cause to be a Director. *Cessation of office of Managing Director*
82. A Managing Director or an Executive Director shall, subject to the terms of any agreement entered into in any particular case, receive such remuneration (whether by way of salary, bonus, commission, or participation in profits, or partly in one way and partly in another and other benefits) as the Board of Directors may determine. *Remuneration*
83. (1) The Board of Directors may, upon such terms and conditions and with such restrictions as it may think fit, entrust to and confer upon a Managing Director or an Executive Director any of the powers exercisable by them. A Managing Director or an Executive Director shall be subject to the control of the Board of Directors. *Directors may confer powers to Managing Director or Executive Director*
- (2) Any powers so conferred may be collateral with, or be to the exclusion of, the powers of the Board of Directors.
- (3) The Board of Directors may at any time, and from time to time, revoke, withdraw, alter or vary all or any of the powers so conferred on a Managing Director or an Executive Director.

Appointment of Alternate Director

84. (1) Any Director (called in this Clause "the Appointer") may, with the approval of a majority of the other members of the Board of Directors, appoint one (1) or more persons to be his Alternate Director in the Appointer's place for any period as the Appointer thinks fit. *Appointment of Alternate Director*
- (2) An appointment or removal of an Alternate Director must be in writing under the Appointer's hand. The original notification of appointment or removal must be provided by the Appointer to the Board. *Appointment or removal must be in writing*
- (3) An Alternate Director may resign from office by notice in writing to the Appointer and the Board. *Resignation*

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| (4) | An Alternate Director must vacate office if the Appointer vacates office as a Director or removes the appointee from office. | <i>Vacate office</i> |
| 85. | An Alternate Director is entitled to receive notice of Board Meetings and, if the Appointer is not present at such a meeting, is entitled to attend and vote in his stead. | <i>Entitled to receive notice of Board Meetings</i> |
| 86. | (1) An Alternate Director may exercise any powers that the Appointer may exercise and the exercise of any such power by the Alternate Director shall be deemed to be the exercise of the power by the Appointer. | <i>Exercise of power</i> |
| | (2) The exercise of any power by an Alternate Director shall be an agent of the Company and not as an agent of the Appointer. | |
| | (3) Where the Alternate Director is also a Director, he shall be entitled to cast a vote on his own account as a Director and on account of the Appointer. | <i>Duo capacity</i> |
| 87. | An Alternate Director: | |
| | (1) has no entitlement to receive remuneration from the Company and any fee paid by the Company to the Alternate Director shall be deducted from the Appointer's remuneration; and | <i>Not entitled to receive remuneration</i> |
| | (2) is entitled to be reimbursed for all the travelling and other expenses properly incurred by him in attending the Board Meetings on behalf of the Appointer from the Company. | <i>May be paid travelling and other expenses</i> |

Appointment of Associate Director

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| 88. | (1) The Board may from time to time appoint any person to be an associate director and may from time to time revoke any such appointment. | <i>Appointment or revocation</i> |
| | (2) The Board may fix, determine and vary the powers, duties and remuneration of any person appointed as an associate director. | <i>Board to fix the terms</i> |
| | (3) A person appointed as an associate director does not have any right to attend or vote at any Board Meetings except by the invitation and with the consent of the Board. | <i>May attend Board Meetings by invitation</i> |

Removal of Director

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| 89. | (1) The Company may by an ordinary resolution remove any Director and may by an ordinary resolution appoint another person in place of the removed Director provided that the total number of Directors should not at any time fall below the minimum permitted by the Act or exceed the maximum set out in Clause 75 of this Constitution. | <i>May remove and appoint a Director by ordinary resolution</i> |
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- (2) Special notice for a resolution to remove a Director under Sections 206(3) and 207 of the Act shall not apply to the Company.

Vacation of Office of Director

90. The office of Director shall become vacant if the Director:
- Vacation of office*
- (a) resigns from his office by giving a written notice to the Company at its Office;
 - (b) is removed from office in accordance with Clause 89 of this Constitution;
 - (c) becomes disqualified from being a Director under Section 198 or Section 199 of the Act;
 - (d) becomes of unsound mind or a person whose person or estate is liable to be dealt with in any way under the Mental Health Act 2001;
 - (e) dies or has passed away; or
 - (f) otherwise vacates his office in accordance with this Constitution.
91. (1) Subject to Section 196(3) of the Act, in the case of a sole Director or last remaining Director ("Said Director"), the Said Director shall not resign from his office until:
- Resignation of sole Director*
- (a) he has called a General Meeting for Members to receive the notice of his resignation and to appoint one (1) or more new Directors pursuant to Section 209(1) of the Act; and
 - (b) the new Director must ordinarily reside in Malaysia, by having a principal place of residence in Malaysia as required under Section 196(4) of the Act.
- (2) In the event of the office of the Said Director of the Company being vacated due to any circumstances specified under Clauses 90(1)(c) to (1)(f), the Secretary shall, pursuant to Section 209(3) of the Act, call a meeting of the Next of Kin, other personal representatives or a General Meeting, as the case may be, as soon as practicable to appoint a new Director.
- Vacation of office of sole Director*
- (3) The Secretary shall be entitled to be indemnified by the Company in relation to any reasonable costs and expenses of the meeting convened under Section 209 of the Act.
- Indemnifying Secretary*

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| (4) | Where the Next of Kin, personal representatives or Members fail to appoint a Director within six (6) months of the death of the last Director, the Secretary shall notify the Registrar on the matter to enable the Registrar to direct the Company to be struck off in accordance with Subdivision 1 of Division 4 of Part IV of the Act. | <i>Next of kin, personal representative or members fail to appoint Director</i> |
| (5) | Where a sole Director, who is also the sole shareholder of the Company, is unable to manage the affairs of the Company by reason of his mental incapacity, the Secretary shall notify the committee appointed under the Mental Health Act 2001 to manage his estate to appoint a person as a Director. | <i>Sole Director is having mental incapacity</i> |

Remuneration of Directors

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| 92. | (1) | The Company may from time to time by an ordinary resolution, either passed by way of a written resolution or at a General Meeting, approve the remuneration of the Directors, who hold non-executive office with the Company, for their services as non-executive Directors. | <i>Non-executive Directors' remuneration</i> |
| | (2) | If the fee of each such non-executive Director is not specifically fixed by the Members, then the quantum of fees to be paid to each non-executive Director within the overall limits fixed by the Members, shall be decided by resolution of the Board. In default of any decision being made in this respect by the Board, the fees payable to the non-executive Directors shall be divided equally amongst themselves and such a Director holding office for only part of a year shall be entitled to a proportionate part of a full year's fees. The non-executive Directors shall be paid by a fixed sum and not by a commission on or percentage of profits or turnover. | <i>Fee</i> |
| | (3) | The following expenses shall be determined by the Directors: | <i>Expenses</i> |
| | (a) | Traveling, hotel and other expenses properly incurred by the Directors in attending and returning from meetings of the Directors or any committee of the Directors or General Meetings of the Company or in connection with the business of the Company; and | |
| | (b) | Other expenses properly incurred by the Directors arising from the requirements imposed by the authorities to enable the Directors to effectively discharge their duties. | |
| | (4) | Executive Directors of the Company shall be remunerated in the manner referred to in Clause 82 but such remuneration shall not include a commission on or percentage of turnover. | <i>Executive Directors' remuneration</i> |

Powers of Directors

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| 93. | (1) | The business and affairs of the Company shall be managed by or under the direction and supervision of the Directors who may pay all expenses incurred in promoting and registering the Company. | <i>Directors shall manage the business and affairs of the Company</i> |
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| (2) | The Directors may exercise all the powers necessary for managing and for directing and supervising the management of the business and affairs of the Company except any power that the Act or by this Constitution requires the Company to exercise in General Meeting or by way of a written resolution, but no regulation made by the Company in General Meeting or by way of a written resolution shall invalidate any prior act of the Directors which would have been valid if that regulation had not been made. | <i>Validity of acts of Directors</i> |
| (3) | Where an oral contract is made by a Director acting under authority, express or implied, the contract is to be reduced to writing within fourteen (14) days and may be subject to ratification by the Board (if required). If there is any non-compliance with the above requirement of reduction to writing and proper ratification by the Board, the Director entering into such oral contract shall assume personal responsibility for the same and shall indemnify the Company fully in all respects in relation to such contract. | <i>Oral contract shall be reduced to writing and Board's ratification</i> |
| (4) | <p>(a) The Directors may procure the establishment and maintenance of any non-contributory or contributory pension or superannuation fund or life assurance scheme for the benefit of, and pay, provide for or procure the grant of donations, gratuities, pensions, allowances, benefits or emoluments to any persons who are or shall have been at any time in the employment or service of the Company or any subsidiary company or to any persons who are or have been a Director or other officer of and holds or has held salaried employment in the Company or any subsidiary company, or the wives, widows, families or dependents of any such persons.</p> <p>(b) The Directors may also procure the establishment and subsidy of or subscription and support to any institutions, association, clubs, funds or trusts calculated to be for the benefit of any such persons as aforesaid or of its members and payment for or towards the insurance of any such persons as aforesaid, and subscriptions or guarantees of money for charitable or benevolent objects or for any exhibitions or for any public, general or useful object.</p> | <i>Establishment and maintenance of fund</i> |
94. Without limiting the generality of Clause 93(1) and (2), the Directors may, subject to the Act, exercise all the powers of the Company to do all or any of the following for any debt, liability, or obligation of the Company or of any third party:
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| (1) | borrow money; | <i>Borrowing</i> |
| (2) | mortgage or charge its undertaking, property, and uncalled capital, or any part of the undertaking, property and uncalled capital; | <i>Mortgage</i> |
| (3) | issue debentures and other Securities whether outright or as security; and/or | <i>Issue debentures</i> |

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| (4) | (a) | lend and advance money or give credit to any person or company; | <i>Lend or advance money</i> |
| | (b) | guarantee and give guarantees or indemnities for the payment of money or the performance of contracts or obligations by any person or company; | |
| | (c) | secure or undertake in any way the repayment of moneys lent or advanced to or the liabilities incurred by any person or company; | |
| and otherwise to assist any person or company. | | | |
| 95. | All cheques, promissory notes, drafts, bills of exchange, and other negotiable instruments, and all receipts for money paid to the Company, must be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be: | | <i>Operation of cheques, promissory notes etc.</i> |
| | (1) | by any two (2) Directors or in such other manner as the Directors may from time to time determine; or | |
| | (2) | in the case of a sole Director, by the sole Director or in such other manner as the sole Director may from time to time determine. | |
| 96. | (1) | The Directors may from time to time by power of attorney appoint any corporation, firm, or person or body of persons, whether nominated directly or indirectly by the Directors, to be the attorney or attorneys of the Company for the purposes and with the powers, authorities, and discretions (not exceeding those vested in or exercisable by the Directors under this Constitution) and for a period and subject to any conditions as the Directors may think fit. | <i>Power of attorney</i> |
| | (2) | Any powers of attorney granted under Clause 96(1) may contain provisions for the protection and convenience of persons dealing with the attorney as the Directors think fit and may also authorise the attorney to delegate all or any of the powers, authorities, and discretions vested in the attorney. | |
| 97. | Subject always to the Act, a Director may hold any other office or place of profit under the Company (other than the office of auditor) in conjunction with his office of Director for such period and on such terms (as to remuneration and otherwise) as the Board of Directors may determine and no Director or intending Director shall be disqualified by his office from contracting with the Company either with regard to his tenure of any such other office or place of profit or as vendor, purchaser or otherwise nor shall any such contract, or any contract or arrangement entered into by or on behalf of the Company in which any Director is in any way interested, be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relationship thereby established. | | <i>Director may hold other office</i> |

Delegation of Powers

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| 98. | (1) | The Directors may delegate any of their powers to a committee or committees consisting of such their number as they think fit. | <i>Directors may delegate powers to committee</i> |
| | (2) | Any committee formed under Clause 98(1) shall exercise the powers delegated in accordance with any directions of the Directors and a power so exercised shall be deemed to have been exercised by the Directors. | <i>Committee shall exercise powers as per Board's direction</i> |
| | (3) | The Board shall appoint a chairperson of the committee and determine the period for which he is to hold office. | <i>Chairperson of committee</i> |
| 99. | | The Company may pass a resolution of the committee either by way of a written resolution or at a meeting of the committee. | <i>Passing a Committee's Resolution</i> |
| 100. | (1) | The Company may pass a resolution of the committee by way of a written resolution by the committee's members recording the resolution and signing the record. | <i>Passing of resolution by committee's members</i> |
| | (2) | The record of decisions made by the committee is valid and effective as if it were a resolution duly passed at a meeting of the committee. | <i>Record of decision</i> |
| | (3) | Any such resolution may consist of several documents in like form, each signed by one or more of the committee's members, and shall be as valid and effectual as if it were a resolution duly passed at a meeting of the committee. | <i>Resolution may consist of several documents</i> |
| | (4) | Any such document may be accepted as sufficiently signed by a member of the committee if transmitted to the Company by any technology purporting to include a signature and/or an electronic or digital signature by the said member. | <i>Agreement to written resolution by electronic means</i> |
| 101. | (1) | A committee may, whenever it thinks fit, convene a meeting of the committee, and may adjourn the meeting as it thinks proper. | <i>Convening of meeting of the committee</i> |
| | (2) | The committee may hold a committee meeting at two (2) or more venues within or outside Malaysia using any technology that gives the committee members as a whole a reasonable opportunity to participate. | <i>Committee meeting may hold at two or more venues</i> |
| | (3) | The virtual meeting of the Directors set out in Clause 120 shall apply to the meeting of the committee. | <i>Virtual meeting of committee</i> |

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| (4) | Where a meeting of committee is held and: | <i>Chairperson
of meeting</i> |
| (a) | a chairperson has not been appointed as provided by Clause 98(3); | |
| (b) | the person so appointed is not present within fifteen (15) minutes after the time appointed for holding the meeting;
or | |
| (c) | the person so appointed is unable or unwilling to act as the chairperson of the meeting, | |
| | the members present may choose one of their number to be chairperson of the meeting. | |
| (5) | No business is to be transacted at any meeting unless a quorum of members is present at the time when the meeting proceeds to business. | <i>Quorum</i> |
| (6) | Two (2) members personally present at a meeting shall constitute a quorum. | <i>Quorum</i> |
| (7) | Questions arising at any meeting of the committee must be determined by a majority of votes of the members present, and in the case of an equality of votes, the chairperson has a second or casting vote. | <i>Votes</i> |

Duties of Directors

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| 102. | A Director shall at all times exercise his powers in accordance with the Act, for a proper purpose and in good faith in the best interest of the Company. | <i>Duties</i> |
| 103. | Where a Director acts by virtue of his position as an employee of the Company, or who was appointed by or as a board representative of Member, employer or debenture holder, that Director shall be taken to have acted in the best interest of the Company, and in the event of any conflict between his duty to act in the best interest of the Company and his duty to his nominator, he shall not subordinate his duty to act in the best interest of the Company to his nominator. | <i>Duties of
nominee
Director</i> |

Directors' Interest in Contracts

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| 104. | Every Director shall observe the provisions of Sections 221 and 222 of the Act relating to the disclosure of the interest of the Directors in contracts or proposed contracts with the Company or of any office or property held by the Directors which might create duties or interest in conflict with their duties or interest as Directors and participation in discussion and voting. Such disclosure of material personal interest by the Directors shall be in the form of a notice. Such notice shall be in the form and manner prescribed under Section 221 of the Act. | <i>Directors'
interest in
contracts</i> |
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PASSING OF RESOLUTIONS OF DIRECTORS

Passing of Resolutions of Directors

105. The Company may pass a resolution of the Directors either by way of a written resolution or at a meeting of the Directors. *Passing a Directors' Resolution*

DIRECTORS' WRITTEN RESOLUTION

Passing of resolution by a sole Director

106. (1) If the Company has only one (1) Director, the Company may pass a resolution by way of a written resolution by that Director recording the resolution and signing the record. *Passing of resolution by a sole Director*
- (2) The record of decisions made by a sole Director is valid and effective as if it were a resolution duly passed at a meeting of the Director. *Record of decisions*

Passing of resolution by more than one (1) Director

107. (1) If the Company has more than one (1) Director, those Directors may pass a resolution without a Board Meeting, if a majority of the Directors entitled to vote and sign on the resolution signed the resolution, signifying their agreement to the resolution set out in the document. *Passing of resolution by more than one (1) Director*
- (2) Any such resolution may consist of several documents in like form, each signed by one (1) or more of the Directors, and shall be as valid and effectual as if it were a resolution duly passed at a Board Meeting. *Resolution may consist of several documents*

Agreement to written resolution by electronic means

108. (1) Any such document may be accepted as sufficiently signed by a Director if transmitted to the Company by any technology purporting to include a signature and/or an electronic or digital signature by the Director. *Agreement to written resolution by electronic means*
- (2) For the purposes of Clause 108(1), delivery may be effected by: *Manner of delivery*
- (a) physical delivery of the document;
 - (b) delivery by facsimile transmission; or
 - (c) delivery by email transmission,
- to the place, facsimile number or electronic address as specified by the Director or Secretary of the Company.

MEETINGS OF DIRECTORS

Frequency of Board Meetings

109. The Board may meet together for the despatch of business, adjourn and otherwise regulate its meetings as it thinks fit. *Frequency of Board Meetings*

Convening Board Meetings

110. A Director may at any time, and the Secretary shall on the requisition of a Director to do so, convene a Board Meeting by giving notice in accordance with Clause 111. *Secretary or Director may convene a Board Meeting*

Notice of Board Meetings

111. (1) A notice of a Board Meeting must specify the following: *Contents of Notice of Board Meeting*
- (a) the place, date and time of the Board Meeting;
 - (b) the general nature of the business (including matters to be discussed) of the Board Meeting; and
 - (c) where the Directors think fit, the text of any proposed resolution and other information.
- (2) If the Board Meeting is to be held in two (2) or more places, the notice of the Board Meeting shall specify the technology that will be used to facilitate the Board Meeting. *Board Meeting held at two (2) or more venues*
- (3) The main venue of the Board Meeting shall be the place where the chairperson is present at the Board Meeting. *Main venue*
112. Reasonable notice in the circumstances must be given of all Board Meetings. *Notice period*
113. Notice of every Board Meeting shall be given to all Directors in accordance with the manner specified in Clause 127. *Directors entitled to receive notice*

Quorum for Board Meetings

114. (1) No business is to be transacted at any Board Meeting unless a quorum of Directors is present at the time when the meeting proceeds to business. *Quorum*
- (2) If the Company has only one (1) Director, one (1) Director personally present at a meeting shall constitute a quorum. *Sole Director*

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| (3) | If the Company has more than one (1) Director, two (2) Directors personally present at a meeting shall constitute a quorum. | <i>More than one (1) Director</i> |
| (4) | In this clause, "Director" includes Alternate Director. | <i>Meaning of Director</i> |
| (5) | For the purpose of constituting a quorum: | <i>Alternate Director</i> |
| (a) | one (1) or more Alternate Directors appointed by an Appointer shall be counted as one (1) Director; or | |
| (b) | an Alternate Director appointed by one (1) or more Appointers shall be counted as one (1) Director. | |

No Quorum

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| 115. | If a quorum is not present within half an hour after the time appointed for a Board Meeting: | <i>Quorum is not present</i> |
| (1) | the Board Meeting shall stand adjourned to another day and at another time and place as the Directors may determine; or | <i>Adjournment of Board Meeting</i> |
| (2) | if no determination is made by the Directors, the Board Meeting shall stand adjourned to the same day in the next week at the same time and place or if that day falls on a public holiday then to the next business day following that public holiday; and | |
| (3) | if at the adjourned Board Meeting, a quorum is not present within half an hour from the time appointed for the meeting, then any Director present shall form a quorum. | <i>Adjourned Board Meeting</i> |

Chairperson of Board Meetings

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| 116. | (1) The Directors shall appoint one of their number as Chairperson and may also appoint another of their number as Deputy Chairperson of the Company. | <i>Chairperson and Deputy Chairman</i> |
| (2) | The Directors shall determine the period for which such Chairperson or Deputy Chairperson is to hold office. | <i>Office period</i> |
| (3) | The Chairperson or Deputy Chairperson (in the absence of the Chairperson) shall be the Chairperson of the Board Meeting. | <i>Chairperson of Board Meetings</i> |
| (4) | Where a Board Meeting is held and: | <i>Chairperson of Board Meetings</i> |
| | (a) a Chairperson or Deputy Chairperson has not been appointed as provided by Clause 116(1); or | |

- (b) the person so appointed is not present within fifteen (15) minutes after the time appointed for the holding of the Board Meeting or is unable to act for all or part of the meeting;

the Directors present shall elect one of their number to be the chairperson of the Board Meeting.

- (5) For avoidance of doubt, an Alternate Director may be elected as the chairperson of the Board Meeting by a resolution passed at the meeting.

Adjournment of Board Meetings

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| 117. | (1) | The chairperson shall adjourn a Board Meeting, at which a quorum is present, from time to time and from place to place if the Directors present with a majority of votes that may be cast at that meeting agree or direct the chairperson to do so. | <i>Directors' consent is required</i> |
| | (2) | No business is to be transacted at any adjourned Board Meeting other than the business left unfinished at the Board Meeting from which the adjournment took place (referred to as the "Original Board Meeting"). | <i>Only transact the business left unfinished at the Board Meeting</i> |
| | (3) | There is no need to give any notice of an adjourned Board Meeting or of the business to be transacted at an adjourned Board Meeting unless the adjourned Board Meeting is to be held more than thirty (30) days after the date of the Original Board Meeting. | <i>Notice of adjourned Board Meeting</i> |

Voting at Board Meetings

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| 118. | (1) | Subject to this Constitution, questions arising at a Board Meeting shall be decided by a majority of votes of Directors present and voting and any such decision shall for all purposes be deemed a decision of the Directors. | <i>Directors' decision</i> |
| | (2) | Subject to Clause 86(3), each Director is entitled to cast one (1) vote on each matter for determination. | <i>Casting of vote</i> |

Casting Vote

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| 119. | In the case of an equality of votes, the chairperson of the Board Meeting is entitled to a second or casting vote. | <i>Chairperson shall have a casting vote</i> |
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Virtual Meetings of Directors

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| 120. | (1) | The Directors may hold a Board Meeting at two (2) or more venues within or outside Malaysia using any technology that gives the Directors as a whole a reasonable opportunity to participate. | <i>Board Meeting may hold at two (2) or more venues</i> |
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- (2) The technology to be used for the purpose of this Clause must be such that each Director taking part in the meeting must be able to communicate simultaneously with each of the other Directors taking part in the meeting and may include telephone, television, video conferencing, or any other audio and/or visual device which permits instantaneous communication. *Technology to be used for virtual meeting*
- (3) A virtual meeting shall be deemed to constitute a Board Meeting and all the provisions of this Constitution as to Board Meetings shall apply to any virtual meeting provided the following conditions are met: *Conditions for virtual meeting*
- (a) All the Directors for the time being entitled to receive notice of the Board Meeting (including any Alternate Director) shall be entitled to receive notice of a virtual meeting. Notice of any such meeting shall be given by an appropriate form of technology (or in such other manner) as permitted by this Constitution; and
- (b) A Director may not leave a virtual meeting by disconnecting from the technology used unless he has previously expressly notified the chairperson of the meeting of his intention to leave the meeting and a Director shall be conclusively presumed to have been present and to have formed part of the quorum at all times during such a meeting until such notified time of his leaving the meeting.
- (4) A minute of the proceedings of meetings including virtual meetings shall be sufficient evidence of such proceeding and of the observance of all necessary formalities if certified as a correct minute by the chairperson of the meeting or the next succeeding meeting. *Minutes*

SECRETARY

Appointment of Secretary

121. The Secretary shall in accordance with the Act be appointed by the Board for such terms, at such remuneration, and upon such terms and conditions as the Board may think fit. *Appointment*

Casual Vacancy of Secretary

122. (1) Any Secretary so appointed under Clause 121 may be removed by the Directors, in accordance with the terms and conditions of its appointment. *Removal*
- (2) The office of a Secretary may or will become vacant if the Secretary: *Vacation of office*

- (a) resigns from office by notice in writing to the Board, the Secretary shall cease to act as Secretary upon the expiry of thirty (30) days from the date of the notice to the Board or from the effective date as specified in his notice or the terms of appointment; or
 - (b) is unable to communicate with the Directors at the last known residential address, the Secretary may, notify the Registrar of that fact and of his intention to resign from the office, and he shall cease to act as the Secretary on the expiry of thirty (30) days from the date of the notice to the Registrar.
- (3) The Board shall fill the vacancy of the Secretary within thirty (30) days after the occurrence of any event under Clause 122(1) or (2). *Fill the casual vacancy of Secretary*

INSURANCE AND INDEMNITY OF APPLICABLE PERSONS

Applicable Persons

123. The provisions of Clauses 124 to 126 shall apply to the following persons *Applicable persons*
("Applicable Persons"):
- (1) every person who is or has been an Officer;
 - (2) Auditors; and
 - (3) any other officers as defined in the Act.

Indemnity

124. The Company does not exempt an Applicable Person from a liability which by law would otherwise attach to him in respect of any negligence, default, breach of duty or breach of trust, of which he may be guilty in relation to the Company incurred in his capacity as an Applicable Person. *No indemnity*
125. (1) The Company may indemnify an Applicable Person out of the Company's assets for any costs incurred by him or the Company in respect of any proceedings: *Indemnity may be allowed*
- (a) that relates to his liability for any act or omission in his capacity as an Applicable Person; and
 - (b) in which judgment is given in favour of the Applicable Person or in which the Applicable Person is acquitted or in which the Applicable Person is granted relief under the Act, or where proceedings are discontinued or not pursued.

- (2) The Company may also indemnify an Applicable Person in respect of an application for relief under the Act.
- (3) The Company may indemnify an Applicable Person in respect of: *Exception*
- (a) any liability to any person, other than the Company, for any act or omission in his capacity as an Officer or Auditors; and
 - (b) costs incurred by that Applicable Person in defending or settling any claim or proceedings relating to any such liability except:
 - (i) any liability of the Director to pay:
 - (aa) a fine imposed in criminal proceedings; or
 - (bb) a sum payable to a regulatory authority by way of a penalty in respect of non-compliance with any requirement of a regulatory nature, however arising; or
 - (ii) any liability incurred by the Director:
 - (aa) in defending criminal proceedings in which he is convicted; or
 - (bb) in defending civil proceedings brought by the Company, or an associated company, in which judgment is given against him.
- (4) Where the costs and expenses incurred by an Applicable Person under Clause 125(1) and (2) are recovered by the Company under an insurance policy taken out or paid for by the Company pursuant to Clause 126, the extent of the indemnification of an Applicable Person shall be reduced accordingly.

Insurance

126. (1) The Company may, with the prior approval of the Board, purchase and maintain insurance, at the expense of the Company, for an Applicable Person, against: *Insurance*
- (a) civil liability, for any act or omission in his capacity as a Director or Officer or Auditors; and

- (b) costs incurred by that Officer or Auditors in defending or settling any claim or proceeding relating to any such liability; or
 - (c) costs incurred by that Officer or Auditors in defending any proceedings that have been brought against that person in relation to any act or omission in that person's capacity as an Officer or Auditors:
 - (i) in which that person is acquitted;
 - (ii) in which that person is granted relief under the Act; or
 - (iii) where proceedings are discontinued or not pursued.
- (2) In the case of a Director, Clauses 125(2) and (3) and 126(1)(a) and (b) shall not apply to any civil and criminal liability in respect of a breach of the duties of the Directors as specified in Section 213 of the Act.

ADMINISTRATION

Notices, Documents and Other Publication

127. Any communication (including notices, documents and other publication) ("Company's Documents") may be given by the Company to the persons mentioned below in the following manner: *Notice*
- (1) In respect of a Member and person entitled to a share in consequence of an Event of Transmission ("Persons"), the Company's Documents shall be in writing and shall be given to the aforesaid Persons either: *Members*
 - (a) in hard copy, which shall be sent to the Persons either personally or by post to his last known address; *Hard copy*
 - (b) in electronic form, which shall be either: *Electronic form*
 - (i) transmitted to the last known electronic address provided by the Persons to the Company;
 - (ii) transmitted to the last known contact details as recorded in the Register of Members provided by the Persons to the Company; or
 - (iii) by publishing on a website (only applicable to notice of General Meeting); or

	(c)	partly in hard copy and partly in electronic form.	<i>Both of the above</i>
		If a notice is published on the website, the Company must notify the Persons in writing in hard copy or electronic form stating the following:	<i>Website</i>
	(i)	it concerns a General Meeting; and	
	(ii)	the place, date and time of the General Meeting.	
		and the notice must be published on the Company's website throughout the period starting from the date of notification until the conclusion of the General Meeting.	<i>Period of publication on website</i>
(2)		In respect of a Director, the Company's Documents shall be in writing and shall be given to the Director either:	<i>Directors</i>
	(a)	in the manners set out in Clause 127(1) (except for publishing on a website); or	
	(b)	to the Director's last known service address.	
(3)		In respect of the Auditors, the Company's Documents shall be in writing and shall be given to the Auditors either:	<i>Auditors</i>
	(a)	in the manners set out in Clause 127(1) (except for publishing on a website); or	
	(b)	to the Auditors' last known address.	
(4)		For the purpose of Clause 127(1), the Board of Directors may, at its discretion, determine the appropriate mode of communication with the persons mentioned above.	<i>Directors' discretion</i>
128.		Where the Company's Documents are:	<i>Service of notice</i>
	(1)	served by post, service of the notice shall be deemed to be effective by properly addressing, prepaying and posting a letter containing the notice, and to have been effected, in the case of a notice of the Persons, on the day after the date of its posting;	<i>Post</i>
	(2)	sent by facsimile transmission, service of the notice shall be deemed to be effected at the time when the notice is transmitted, unless the Company receives notification that the transmission was not successful;	<i>Facsimile transmission</i>

- (3) sent by electronic transmission, service of the notice shall be deemed to be effected at the time when the notice is transmitted electronically, unless the Company receives notification that the transmission was not successful; *Electronic transmission*
- (4) published on the Company's website, service of the notice shall be deemed to be effected on the day on which the notice first appears on the Company's website to which the relevant person may have access or the day on which the notice of publication is deemed to have been served or delivered to such person under Clause 127, whichever is later; or *Website*
- (5) served or delivered in person, service of the notice shall be deemed effected at the time the relevant Company's Documents are delivered, received or left at the address of such person. *Personal delivery*
129. The Company's Documents may be given by the Company to joint holders by giving the notice to the joint holder first named in the Register of Members. *Joint holder*
130. Any Company's Documents delivered or sent to any Member in such manner as provided in Clause 127(1) shall, if such Member be then deceased, and whether or not the Company has notice of his death, be deemed to have been duly served on his legal personal representative or survivor.

Written Resolutions and Minutes

131. The Directors must cause: *Written resolutions and minutes*
- (1) all Directors' and committees' written resolutions;
- (2) all Members' written resolutions;
- (3) all proceedings and resolutions of Board Meetings and committee meetings; and
- (4) all proceedings and resolutions of General Meetings,
- to be duly entered into the books kept for that purposes in accordance with the Act.
132. The records of resolutions passed by way of Directors' written resolutions, committees' written resolutions and Members' written resolutions or at the Board Meetings, committee meetings and General Meetings and signed in accordance with the Act and this Constitution are evidence of the proceedings, resolutions or declaration to which they relate, unless the contrary is proved.

Execution of Documents

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| 133. | (1) | The Company shall adopt a Seal, known as the common seal, on which its name and registration number and the words "Common Seal" are engraved in legible romanised characters. | <i>Seal</i> |
| | (2) | The Directors shall provide for the safe custody of the Seal. | <i>Custody</i> |
| | (3) | The Seal shall only be used by the authority of the Board of Directors or of a committee of the Board of Directors authorised by the Directors on their behalf. | <i>Authority of the Directors</i> |
| | (4) | The Company may execute a document by affixing the Seal to the document where the affixing of the Seal is witnessed by: | <i>Affixing the Seal</i> |
| | (a) | two (2) Directors; | |
| | (b) | one (1) Director and one (1) Secretary; or | |
| | (c) | one (1) Director and another person appointed by the Directors for that purpose. | |
| | (5) | If the Company has a sole Director, the Company may execute a document by affixing the Seal to the document where the affixing of the Seal is witnessed by: | <i>Sole Director</i> |
| | (a) | the sole Director and one (1) Secretary; or | |
| | (b) | the sole Director and another person appointed by the Director for that purpose. | |
| | (6) | (a) Any Director or the Secretary or any person so appointed by the Directors shall have power to authenticate any documents affecting the Constitution and any resolutions passed by the Company or the Directors or any committee, and any books, records, documents and accounts relating to the business of the Company, and to certify copies thereof or extracts therefrom as true copies or extracts; and where any books, records, documents or accounts are elsewhere than at the Office the local manager or other officer of the Company having the custody thereof shall be deemed to be a person appointed by the Directors as aforesaid. | <i>Authentication of documents</i> |

- (b) A document purporting to be a copy of a resolution, or an extract from the written resolutions or minutes of a meeting of the Company or of the Directors or any committee which is certified as aforesaid shall be conclusive evidence in favour of all persons dealing with the Company upon the faith thereof that such resolution has been duly passed or, as the case may be, that any written resolution or minute so extracted is a true and accurate record of the resolutions or proceedings at a duly constituted meeting to which it relates.

134. (1) The Company may have an official Seal, on which its name and registration number and the words "Common Seal" and the place where it is to be used are engraved in legible romanised characters. *Official seal for use abroad*
- (2) The Directors shall provide for the safe custody of the official Seal. *Custody*
- (3) The Directors may exercise all the powers of the Company in relation to any official Seal for use outside Malaysia and in relation to branch registers of debenture holders kept in any place outside Malaysia. *Authority of the Directors*
- (4) The Company may execute a document by affixing the official Seal to the document where the affixing of the official Seal is witnessed by: *Affixing the official Seal*
- (a) two (2) Directors;
- (b) one (1) Director and one (1) Secretary;
- (c) one (1) Director and another person appointed by the Directors for that purpose; or
- (d) two (2) persons appointed by the Directors for that purpose, and
- the person affixing official Seal shall certify in writing on the deed or document to which the official Seal is affixed the date and place it is affixed.
- (5) If the Company has a sole Director, the Company may execute a document by affixing the official Seal to the document where the affixing of the official Seal is witnessed by: *Sole Director*
- (a) the sole Director and one (1) Secretary;
- (b) the sole Director and another person appointed by the Directors for that purpose; or

- (c) two (2) persons appointed by the sole Director for that purpose, and

the person affixing official Seal shall certify in writing on the deed or document to which the official Seal is affixed the date and place it is affixed.

- (6) The Company may have an official Seal to seal: *Official seal for Securities*
- (a) Securities issued by the Company; or
- (b) documents creating or evidencing Securities so issued,
- on which its name and registration number and the words "Securities" are engraved in legible romanised characters.
- (7) The official Seal for Securities shall be executed in the manner provided in Clause 133(4) or (5).

FINANCIAL MATTERS

Financial Statements

135. (1) The Directors must cause proper accounting and other records to be kept in accordance with Section 245 of the Act and such records must be true and complete accounts of the affairs and transactions of the Company and give a true and fair view of the state of the Company's affairs and explain its transactions. *Accounting and other records*
- (2) The Directors shall from time to time, in accordance with the provisions of the Act, cause to be prepared and approved, and to be circulated to the Members, Directors and Auditors or laid before the Company in General Meeting such financial statements and consolidated financial statements (if any) and reports of Directors and Auditors. *Circulation and laying of financial statements*
- (3) No Member (who is not a Director) shall have any right of inspecting any accounting or other records of the Company except where such right is conferred by law. *Right of inspection*

Audit

136. (1) The Board shall appoint the first Auditors of the Company. *First Auditors*
- (2) For subsequent years, the Members may by an ordinary resolution: *Appointment of Auditors*
- (a) re-appoint the existing Auditors;
- (b) appoint another person as the Company's Auditors;

- (c) remove the Auditors; and/or
 - (d) if there is a vacancy in the office of the Auditors, appoint Auditors to fill the vacancy.
- (3) Appointment by Members may only take place within thirty (30) days before the due date for which the financial statements are required to be lodged with the Registrar under Section 259(1) of the Act or if the financial statements were lodged earlier than the due date, before the day on which the financial statements were lodged with the Registrar. *Period for appointing auditors*
- (4) The Auditors shall hold office in accordance with the terms of their appointment and unless otherwise resolved shall be deemed to be re-appointed each year unless: *Re-appointment of auditors*
 - (a) the deemed re-appointment is prevented by the Members under Section 270 of the Act; or
 - (b) the Members have resolved that they should not be re-appointed.
- (5) Clause 136(1) or (2) shall not apply to the Company provided that the Company satisfies the qualifying criteria for audit exemption set out in the directive issued by the Registrar pursuant to Section 267(2) of the Act from having to appoint auditors for a financial year. *Exemption*
- (6) If the Company elects to be exempted from audit, the Company must lodge its financial statements with the Registrar, unless otherwise directed by the Registrar. *Lodgement of financial statements*

Dividends

- 137. (1) A dividend may be declared by: *Declaration of dividend*
 - (a) the Directors; or
 - (b) the Members on the recommendation of the Board of Directors as it thinks appropriate.
- (2) The payment of a dividend is to those holders of such class of shares as the Directors have determined in accordance with and subject to any conditions upon which the shares have been issued. *Payment of dividend*
- (3) A dividend shall not exceed the amount recommended by the Directors. *Directors to recommend amount*

138. The Directors may authorise a distribution of dividends in accordance with Section 132 of the Act, and any dividend so authorised must be out of profits of the Company available for distribution and provided the Company is solvent. The Directors may authorise a distribution at any time and for such amounts as the Directors shall consider appropriate so long as the Directors are satisfied that the Company will be solvent for a period of twelve (12) months after the distribution is made. *Distribution only if Company is solvent*
139. (1) A dividend may be classified as:
- (a) an interim dividend if it is declared and distributed by the Company to its Members prior to the determination of final profit position of the Company for the financial year; *Interim dividend*
 - (b) a final dividend if it is the last dividend distributed by the Company to its Members after the financial statements for the financial year have been prepared and approved by the Board; and *Final dividend*
 - (c) a special dividend if it is a non-recurring distribution of the Company's assets, where the amount is larger compared to normal dividend paid out by the Company or other circumstances that the Directors think fit. *Special dividend*
- (2) The Directors may, at their discretion, declare the dividend pursuant to either Clause 137(1)(a) or (1)(b). *At Directors' discretion*
140. No dividend is to bear interest against the Company. *No interest bearing*
141. (1) The Directors may, before recommending any dividend: *Before recommending dividend*
- (a) set aside out of the profits of the Company such sums as they think proper as reserves; or
 - (b) carry forward any profits which they may think prudent not to divide, without placing the profits to reserve.
- (2) The reserves set aside under Clause 141(1)(a): *Reserves that set aside*
- (a) are, at the discretion of the Directors, to be applied for any purpose to which the profits of the Company may be properly applied; and
 - (b) may, pending any application under Clause 141(2)(a) and at the discretion of the Directors, be employed in the business of the Company or be invested in any investments (other than shares in the Company) as the Directors may from time to time think fit.

142. (1) Subject to the rights of persons (if any) entitled to shares with special rights or conditions as to dividend entitlement or to any provisions in this Constitution, all dividends must be declared and paid according to the amounts paid or credited as paid on the shares in respect of which the dividend is paid. *Dividends must be declared and paid according to the amounts paid*
- (2) An amount paid or credited as paid on a share in advance of a call shall not be taken for the purposes of this Clause to be paid or credited as paid on the share and shall not, whilst carrying interest, confer a right to participate in profits. *Amount paid on a share in advance of a call*
- (3) All dividends must be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid. *Dividend must be paid proportionately*
- (4) If any share is issued on terms providing that it ranks for dividend as from a particular date that share ranks for dividend accordingly. *Share ranks for dividend*
143. The Directors may deduct from any dividend payable to a Member all sums of money (if any) presently payable by him to the Company on account of calls or otherwise in relation to the shares of the Company. *Deduct dividend from calls*
144. (1) When declaring a dividend, the Directors or Members on the recommendation of the Directors may by ordinary resolution, direct payment of the dividend wholly or partly by the distribution of specific assets, including: *Distribution of specific assets*
- (a) paid-up shares of the Company or any other corporation;
 - (b) debentures or debenture stock of the Company or any other corporation;
 - (c) assets of the Company which the Directors think appropriate; or
 - (d) any combination of any specific assets, and
- the Directors may do all acts and things considered necessary or expedient to give effect to such a resolution.
- (2) Where a difficulty arises with regard to such a distribution directed under Clause 144(1), the Directors may, subject to the Act, do all or any of the following:
- (a) settle the distribution as they think expedient;
 - (b) fix the value for distribution of the specific assets or any part of the specific assets;

- (c) determine that cash payments be made to any Members on the basis of the value so fixed by the Directors in order to adjust the rights of all parties; and/or
- (d) vest any specific assets in trustees as the Directors think expedient.

145. (1) Any dividend, interest or other money payable in cash in respect of shares may be paid in such manner as may be determined by the Directors from time to time including: *Payment*

- (a) direct crediting the payment into the bank account of the Member as provided by the Member to the Company from time to time; or
- (b) by cheque sent through the post directed to:
 - (i) the address of the Member as shown in the Register of Members, or in the case of joint holders, to the address shown in the Register of Members as the address of the joint holder first named in the Register of Members; or
 - (ii) such other address as the holder or joint holders in writing directs or direct.

(2) Every direct transfer or cheque made under Clause 145(1) must be made payable to the order of the person to whom it is sent.

(3) Any one (1) of two (2) or more joint holders may give effectual receipts for any dividends, interest or other money payable in respect of the shares held by them as joint holders.

Capitalisation of Profits

146. (1) The Directors may, before declaring or recommending any dividend, set aside out of the profits of the Company such sums as they think proper as reserves, to be applied, at the discretion of the Directors, for any purpose for which the profits of the Company may be properly applied. *Application of profits*

(2) Pending any such application, the reserves may, at the discretion of the Directors, be used in the business of the Company or be invested in such investments as the Directors think fit. *Utilisation of reserves*

(3) The Directors may carry forward such amount of the profits remaining as they consider ought not to be distributed as dividends without transferring those profits to reserves. *Dividends*

147. (1) Subject to Clause 147(2), the Company may, upon a recommendation of the Directors and by way of a written resolution or in General Meeting, resolve that it is desirable to capitalise any sum, being the whole or a part of the amount for the time being standing to the credit of any of the Company's reserve accounts or to the credit of the profit and loss account or otherwise available for distribution to Members, and that such sum be applied, in any of the manners mentioned in Clause 147(3), for the benefit of the Members in the proportions to which those Members would have been entitled in a distribution of that sum by way of dividend. *Members' approval*
- (2) The Directors may capitalise any sum, being the whole or a part of the amount for the time being standing to the credit of any of the Company's reserve accounts or to the credit of the profit and loss account or otherwise available for distribution to Members, if such capitalisation of profits falls under the exemption list for allotment of shares or grant of rights under Section 75(2) of the Act. *Exemption*
- (3) The amount capitalised under Clause 147(1) is set free for distribution amongst the Members who would have been entitled to the amount had it been distributed by way of dividend and in the same proportions subject to the following conditions: *Capitalised amount*
- (a) the capitalised amount must not be paid in cash;
 - (b) the capitalised amount must be applied in or towards either or both of the following:
 - (i) paying up any amounts for the time being unpaid on any shares held by the Members;
 - (ii) paying up in full unissued shares or debentures of the Company to be allotted, distributed and credited as fully paid up to and amongst such Members in the same proportions.
148. The Directors shall do all things necessary to give effect to the resolution and, in particular, to the extent necessary to adjust the rights of the Members among themselves, may: *To give effect to the resolution*
- (1) issue fractional certificates or make cash payments in cases where shares or debentures becoming distributable in fractions; and
 - (2) authorise any person to enter, on behalf of all the Members entitled to the distribution into an agreement with the Company, providing:
 - (a) for the allotment to the Members respectively, credited as fully paid up, of any further shares or debentures to which they may be entitled upon the capitalisation; or

- (b) for the payment up by the Company on the Members' behalf of the amounts or any part of the amounts remaining unpaid on their existing shares by the application of their respective proportions of the profits resolved to be capitalised, and

any agreement made under such authority referred to in Clause 147(3)(b) is effective and binding on all the Members entitled to the distribution.

DISSOLUTION

Deregistration

149. (1) The Company may, upon the recommendation of the Directors and by way of a written resolution or in General Meeting, apply to the Registrar to strike off the name of the Company from the register pursuant to Section 550 of the Act provided that all the requirements set out in the guidelines on application for striking off of the name of the Company ("Guidelines") are first met. *Application for striking off*
- (2) Notwithstanding Clause 149(1), the Directors or Members may, in accordance with the requirements set out in the Guidelines and other directives issued by the Registrar from time to time, apply to the Registrar to strike off the name of the Company from the register under Section 550 of the Act.

Winding Up

150. Subject to the Act, the Company may be dissolved by a special resolution by way of a written resolution or in a General Meeting. If such a resolution is passed, the Members shall also be required to appoint a liquidator or liquidators for the purpose of winding up the affairs and distributing the property of the Company. *Passing of special resolution*
151. (1) If the Company is wound up, the liquidator may, with the sanction of a special resolution of the Company: *Power of liquidator*
- (a) divide amongst the Members in kind the whole or any part of the property, if any, of the Company, whether they consist of property of the same kind or not;
 - (b) set a value as the liquidator considers fair upon the property, if any referred to in Clause 151(1)(a);
 - (c) determine how the division of property, if any is to be carried out as between the Members or different classes of Members; and

- (d) vest the whole or any part of the property, if any, of the Company in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit.
- (2) No Member is compelled to accept any shares or other Securities on which there is any liability.

SECRECY

152. Save as may be expressly provided by the Act, no Member shall be entitled to enter into or upon or inspect any premises or property of the Company nor to require discovery of any information in respect of any detail of the Company's business or any matter which is or may be in the nature of a trade secret, mystery of trade or secret process which may relate to the business and/or conduct of the business of the Company and which, in the opinion of the Directors, it would be inexpedient in the interests of the Member of the Company to communicate to the public. *Secrecy*

CRUNCHY FOODS SDN. BHD.
201801016162 (1278178-M)
(Incorporated in Malaysia)

PROXY FORM

No. of shares held

I/We _____ Tel: _____
[Full name in block, NRIC/Passport/Company No.]
of _____

being member(s) of **CRUNCHY FOODS SDN. BHD.**, hereby appoint:

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

and / or* (*delete as appropriate)

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

or failing him, the Chairperson of the Meeting, as my/our proxy to vote for me/us and on my/our behalf at the General Meeting of the Company to be held at **(Venue)** on **(Date)**, **(Day)** at **(Time)** or any adjournment thereof, and to vote as indicated below:

Description of Resolution	Resolution	For	Against

Please indicate with an "X" in the space provided whether you wish your votes to be cast for or against the resolutions. In the absence of specific direction, your proxy will vote or abstain as he thinks fit.

Signed this _____ day of _____

Signature*

Member

* Manner of execution:

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

Notes:

1. A member entitled to attend and vote at the General Meeting is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to attend, participate, speak and vote in his place. A proxy may but need not be a member of the Company.
2. A member of the Company who is entitled to attend and vote at a General Meeting of the Company may appoint not more than two (2) proxies to attend, participate, speak and vote instead of the member at the meeting. If two (2) proxies are appointed, they shall only be entitled to vote on a poll and shall not be entitled to vote on a show of hands.
3. Where a member appoints more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.
4. The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the General Meeting or adjourned General Meeting at which the person named in the appointment proposes to vote:
 - (i) In hard copy form
In the case of an appointment made in hard copy form, this proxy form must be deposited at the registered office of the Company situated at (address).
 - (ii) By electronic means via facsimile
In the case of an appointment made by facsimile transmission, this proxy form must be received via facsimile at (facsimile no.).
 - (iii) By electronic means via email
In the case of an appointment made via email transmission, this proxy form must be received via email at (email address).For options (ii) and (iii), the Company may request any member to deposit original executed proxy form to its registered office before or on the day of meeting for verification purpose.
5. Any authority pursuant to which such an appointment is made by a power of attorney must be deposited at the registered office of the Company situated at (address) not less than forty-eight (48) hours before the time appointed for holding the General Meeting or adjourned General Meeting at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.
6. Please ensure ALL the particulars as required in this proxy form are completed, signed and dated accordingly.
7. Last date and time for lodging this proxy form is (time), (date) and (day).
8. Please bring an **ORIGINAL** of the following identification papers (where applicable) and present it to the registration staff for verification:
 - a. Identity card (NRIC) (Malaysian), or
 - b. Police report (for loss of NRIC) / Temporary NRIC (Malaysian), or
 - c. Passport (Foreigner).
9. For a corporate member who has appointed a representative instead of a proxy to attend this meeting, please bring the **ORIGINAL** certificate of appointment executed in the manner as stated in this proxy form if this has not been lodged at the Company's registered office earlier.

LODGER INFORMATION

Name : FONG SEAH LIH (SSM PC No. 202008000973) (MAICSA 7062297)

NRIC No : 771119-14-5836

Address : Tricor Corporate Services Sdn Bhd
Unit 30-01, Level 30, Tower A, Vertical Business Suite, Avenue 3, Bangsar South,
No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, W.P. Kuala Lumpur, Malaysia

Phone No : +603-27839152

Email : Shirley.Fong@my.tricorglobal.com/Kar.Mun.Thong@my.tricorglobal.com

Registration No.

201801016162 (1278178-M)

CRUNCHY FOODS SDN. BHD.
(Incorporated in Malaysia)

STATUTORY FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

Registration No.

201801016162 (1278178-M)

CRUNCHY FOODS SDN. BHD.
(Incorporated in Malaysia)

**DIRECTORS' REPORT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2020.

PRINCIPAL ACTIVITIES

The Company is principally involved in investment holding.

The principal activities of the subsidiaries are disclosed in Note 12 to the financial statements.

There have been no significant changes in the nature of these activities of the Company and of its subsidiaries during the financial year.

FINANCIAL RESULTS

	<u>Group</u> RM	<u>Company</u> RM
Profit before taxation	71,254,157	198,081,819
Taxation	(17,991,033)	(4,912)
	<hr/>	<hr/>
Net profit and total comprehensive income for the financial year	<u>53,263,124</u>	<u>198,076,907</u>

RESERVES AND PROVISIONS

All material transfers to or from reserves and provisions during the financial year are shown in the financial statements.

DIVIDENDS

No dividend has been paid, declared or proposed by the Company since the end of the previous financial year. The Directors do not recommend the payment of any dividend in respect of the current financial year.

ISSUE OF SHARES AND DEBENTURES

There were no shares or debentures issued by the Company during the financial year.

Registration No.

201801016162 (1278178-M)

CRUNCHY FOODS SDN. BHD.
(Incorporated in Malaysia)

DIRECTORS' REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

SHARE OPTIONS

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

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

DIRECTORS OF THE COMPANY

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

Lim Chiaw Beng Alvin
Tan Ting Luen
Wonbae Lee

DIRECTORS' BENEFITS

Since the end of the previous financial year, no Director of the Company has received nor become entitled to receive any benefit 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.

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

DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

According to the Register of Directors' Shareholdings required to be kept under Section 59 of the Companies Act 2016, none of the Directors who held office at the end of the financial year held any shares or debentures in the Company and its related corporations during the financial year.

INDEMNITY AND INSURANCE FOR DIRECTORS AND OFFICERS

There were no indemnities given to or insurance effected for any Directors and Officers of the Company in accordance with Section 289 of the Companies Act 2016.

DIRECTORS' REMUNERATION

Details of the Directors' remuneration are set out in Note 7 to the financial statements.

Registration No.

201801016162 (1278178-M)

CRUNCHY FOODS SDN. BHD.
(Incorporated in Malaysia)

DIRECTORS' REPORT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

HOLDING COMPANIES

The Directors regard Crunchy Limited and CVC Capital Partners Asia Pacific IV L.P., as the immediate and ultimate holding company respectively. The immediate holding company is incorporated in Cayman Islands and the ultimate holding company is incorporated in Jersey.

OTHER STATUTORY INFORMATION

- (a) Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps:
- (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and
 - (ii) to ensure that any current assets, other than debts, which were unlikely to realise in the ordinary course of business including the value of current assets as shown in the accounting records were written down to an amount which the current assets might be expected so to realise.
- (b) At the date of this report, the Directors are not aware of any circumstances:
- (i) which would render the amounts written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent;
 - (ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading;
 - (iii) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; and
 - (iv) not otherwise dealt with in this report or in the financial statements of the Group and of the Company, that would render any amount stated in the financial statements misleading.
- (c) At the date of this report, there does not exist:
- (i) any charges on the assets of the Group and of the Company which have arisen since the end of the financial year which secures the liabilities of any other person; or
 - (ii) any contingent liabilities in the Group and in the Company that have arisen since the end of the financial year.

Registration No.

201801016162 (1278178-M)

CRUNCHY FOODS SDN. BHD.
(Incorporated in Malaysia)

DIRECTORS' REPORT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

OTHER STATUTORY INFORMATION (CONTINUED)

- (d) No contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may affect the ability of the Group or of the Company to meet their obligations when they fall due.
- (e) In the opinion of the Directors:
 - (i) the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and
 - (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

LIST OF DIRECTORS OF SUBSIDIARIES

Pursuant to Section 253 of the Companies Act 2016, the list of Directors of the subsidiaries during the financial year and up to the date of this report is as follows:

Chong Yew Kai
Guy-Pierre Girin
Lim Chiaw Beng Alvin
Rodney Wong Kai Heng
Tan Ting Luen
Vaidyanath Swamy
Wonbae Lee

SUBSIDIARIES

Details of the subsidiaries are set out in Note 12 to the financial statements.

AUDITORS' REMUNERATION

Details of auditors' remuneration are set out in Note 7 to the financial statements.

Registration No.

201801016162 (1278178-M)

CRUNCHY FOODS SDN. BHD.
(Incorporated in Malaysia)

DIRECTORS' REPORT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

AUDITORS

The auditors, PricewaterhouseCoopers PLT (LLP0014401-LCA & AF 1146), have expressed their willingness to accept re-appointment as auditors.

This report was approved by the Board of Directors on 11 MAY 2021 .

Signed on behalf of the Board of Directors:



TAN TING LUEN
DIRECTOR



LIM CHIAW BENG ALVIN
DIRECTOR

Selangor Darul Ehsan

Registration No.

201801016162 (1278178-M)

CRUNCHY FOODS SDN. BHD.
(Incorporated in Malaysia)

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

We, Tan Ting Luen and Lim Chiaw Beng Alvin, being two of the Directors of Crunchy Foods Sdn. Bhd., do hereby state that, in the opinion of the Directors, the accompanying financial statements set out on pages 11 to 72 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2020 and financial performance of the Group and of the Company for the financial year ended 31 December 2020 in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Signed on behalf of the Board of Directors in accordance with a resolution of the Board of Directors dated **11 MAY 2021**.



TAN TING LUEN
DIRECTOR



LIM CHIAW BENG ALVIN
DIRECTOR

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

I, Chong Yew Kai, the Officer primarily responsible for the financial management of Crunchy Foods Sdn. Bhd., do solemnly and sincerely declare that the financial statements set out on pages 11 to 72 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.



CHONG YEW KAI

Subscribed and solemnly declared by the abovenamed at Klang in the state of Selangor Darul Ehsan, Malaysia on

11 MAY 2021

Before me:

COMMISSIONER FOR OATHS





INDEPENDENT AUDITORS' REPORT
TO THE MEMBER OF CRUNCHY FOODS SDN. BHD.
(Incorporated in Malaysia)
Registration No. 201801016162 (1278178-M)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our opinion

In our opinion, the financial statements of Crunchy Foods Sdn. Bhd. ("the Company") and its subsidiaries ("the Group") give a true and fair view of the financial position of the Group and of the Company as at 31 December 2020, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

What we have audited

We have audited the financial statements of the Group and of the Company, which comprise the statements of financial position as at 31 December 2020 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 11 to 72.

Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the "Auditors' responsibilities for the audit of the financial statements" section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and other ethical responsibilities

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



INDEPENDENT AUDITORS' REPORT
TO THE MEMBER OF CRUNCHY FOODS SDN. BHD. (CONTINUED)
(Incorporated in Malaysia)
Registration No. 201801016162 (1278178-M)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Information other than the financial statements and auditors' report thereon

The Directors of the Company are responsible for the other information. The other information comprises the Directors' Report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

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

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

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

Responsibilities of the Directors for the financial statements

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

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

Auditors' responsibilities for the audit of the financial statements

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



INDEPENDENT AUDITORS' REPORT
TO THE MEMBER OF CRUNCHY FOODS SDN. BHD. (CONTINUED)
(Incorporated in Malaysia)
Registration No. 201801016162 (1278178-M)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Auditors' responsibilities for the audit of the financial statements (continued)

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

- (a) 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.
- (b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- (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 Group's or on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- (e) Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- (f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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



INDEPENDENT AUDITORS' REPORT
TO THE MEMBER OF CRUNCHY FOODS SDN. BHD. (CONTINUED)
(Incorporated in Malaysia)
Registration No. 20180106162 (1278178-M)

OTHER MATTERS

This report is made solely to the member 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.

A stylized, handwritten signature in black ink, appearing to read 'PricewaterhouseCoopers PLT'.

PRICEWATERHOUSECOOPERS PLT
LLP0014401-LCA & AF 1146
Chartered Accountants

A stylized, handwritten signature in black ink, appearing to read 'HERBERT CHUA GUAN HENG'.

HERBERT CHUA GUAN HENG
03483/01/2022 J
Chartered Accountant

Kuala Lumpur
11 MAY 2021

CRUNCHY FOODS SDN. BHD.
(Incorporated in Malaysia)

**STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**

		<u>Group</u>		<u>Company</u>	
		<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
		RM	RM	RM	RM
Revenue	6	418,908,362	400,287,713	74,900,000	24,340,000
Cost of sales		(250,505,209)	(240,970,692)	-	-
Gross profit		168,403,153	159,317,021	74,900,000	24,340,000
Other operating income		1,685,991	766,757	129,341,920	236,926,614
Administrative expenses		(51,908,409)	(50,063,017)	(153,240)	(233,378)
Selling and distribution costs		(40,076,554)	(40,621,075)	-	-
Other operating expenses		(30,650)	(35,271)	-	-
Profit from operations	7	78,073,531	69,364,415	204,088,680	261,033,236
Finance costs	8	(8,943,001)	(16,843,473)	(6,027,311)	(13,854,278)
Finance income	9	2,123,627	2,161,531	20,450	8,456
Profit before taxation		71,254,157	54,682,473	198,081,819	247,187,414
Taxation	10	(17,991,033)	(14,876,029)	(4,912)	(1,610)
Net profit and total comprehensive income for the financial year		53,263,124	39,806,444	198,076,907	247,185,804

CRUNCHY FOODS SDN. BHD.
(Incorporated in Malaysia)

**STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020**

		<u>Group</u>		<u>Company</u>	
	<u>Note</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
		RM	RM	RM	RM
NON-CURRENT ASSETS					
Property, plant and equipment	11	145,446,945	142,633,165	-	-
Intangible assets	13	823,077,617	822,997,062	-	-
Right-of-use assets	14	-	13,345	-	-
Investment in a subsidiary	12	-	-	1,378,750,793	1,249,408,873
Deferred tax assets	15	5,789,975	5,377,257	-	-
		<u>974,314,537</u>	<u>971,020,829</u>	<u>1,378,750,793</u>	<u>1,249,408,873</u>
CURRENT ASSETS					
Inventories	16	41,902,400	25,123,460	-	-
Trade and other receivables	17	61,283,441	66,816,603	40,083	40,083
Derivatives financial assets	21	403,000	-	-	-
Tax recoverable		1,410,863	-	-	-
Deposits, bank and cash balances	18	115,859,942	114,092,205	613,025	528,518
		<u>220,859,646</u>	<u>206,032,268</u>	<u>653,108</u>	<u>568,601</u>
LESS: CURRENT LIABILITIES					
Trade and other payables	19	100,880,234	87,897,391	66,356	61,692
Amount owing to immediate holding company	20	1,140,500	1,140,500	1,140,500	1,140,500
Borrowings	22	851,870	13,822,102	595,684	11,601,972
Lease liabilities	14	-	13,546	-	-
Tax liabilities		2,013,025	2,609,295	-	-
		<u>104,885,629</u>	<u>105,482,834</u>	<u>1,802,540</u>	<u>12,804,164</u>
NET CURRENT ASSETS /(LIABILITIES)		<u>115,974,017</u>	<u>100,549,434</u>	<u>(1,149,432)</u>	<u>(12,235,563)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,090,288,554</u>	<u>1,071,570,263</u>	<u>1,377,601,361</u>	<u>1,237,173,310</u>

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**STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020 (CONTINUED)**

		<u>Group</u>		<u>Company</u>	
	<u>Note</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
		RM	RM	RM	RM
EQUITY AND LIABILITIES					
Equity attributable to equity holder of the Group and of the Company:					
Share capital	23	684,964,000	684,964,000	684,964,000	684,964,000
Retained earnings		109,697,744	56,434,620	536,725,486	338,648,579
TOTAL EQUITY		794,661,744	741,398,620	1,221,689,486	1,023,612,579
NON-CURRENT LIABILITIES					
Borrowings	22	255,401,765	288,798,149	155,911,875	213,560,731
Deferred tax liabilities	15	40,225,045	41,373,494	-	-
		295,626,810	330,171,643	155,911,875	213,560,731
TOTAL EQUITY AND NON-CURRENT LIABILITIES		1,090,288,554	1,071,570,263	1,377,601,361	1,237,173,310

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**STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**

	Share capital RM	Distributable retained earnings RM	Total equity RM
<u>Group</u>			
Balance as of 1 January 2020	684,964,000	56,434,620	741,398,620
Net profit and total comprehensive income for the financial year	-	53,263,124	53,263,124
Balance as of 31 December 2020	684,964,000	109,697,744	794,661,744
Balance as of 1 January 2019	684,964,000	16,628,176	701,592,176
Net profit and total comprehensive income for the financial year	-	39,806,444	39,806,444
Balance as of 31 December 2019	684,964,000	56,434,620	741,398,620
<u>Company</u>			
Balance as of 1 January 2020	684,964,000	338,648,579	1,023,612,579
Net profit and total comprehensive income for the financial year	-	198,076,907	198,076,907
Balance as of 31 December 2020	684,964,000	536,725,486	1,221,689,486
Balance as of 1 January 2019	684,964,000	91,462,775	776,426,775
Net profit and total comprehensive income for the financial year	-	247,185,804	247,185,804
Balance as of 31 December 2019	684,964,000	338,648,579	1,023,612,579

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STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

	<u>Group</u>		<u>Company</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
	RM	RM	RM	RM
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before taxation	71,254,157	54,682,473	198,081,819	247,187,414
<u>Adjustments for:</u>				
Amortisation for right-of-use assets	13,345	15,562	-	-
Amortisation for intangible assets	626	-	-	-
Property, plant and equipment				
- depreciation	14,658,972	12,882,265	-	-
- write-off	79,759	10,944	-	-
- (gain)/loss on disposal	(44,451)	203,629	-	-
Finance costs	8,943,001	16,843,473	6,027,311	13,854,278
Finance income	(2,123,627)	(2,161,531)	(20,450)	(8,456)
Inventories written down	35,963	442,660	-	-
Fair value gain of investment in a subsidiary	-	-	(129,341,920)	(236,926,614)
Loss allowance on receivables	716,194	101,559	-	-
Inventories written off	801,836	903,565	-	-
Unrealised gain on derivative financial assets	(403,000)	-	-	-
Unrealised loss on foreign exchange	457,165	142,791	90	36
Operating profit before working capital changes	94,389,940	84,067,390	74,746,850	24,106,658
<u>Changes in working capital:</u>				
Inventories	(17,616,739)	(145,661)	-	-
Trade and other receivables	4,912,371	1,375,975	-	(39,583)
Trade and other payables	13,017,115	5,278,361	4,664	18,518
Cash from operations	94,702,687	90,576,065	74,751,514	24,085,593
Tax paid	(21,559,333)	(18,583,740)	(4,912)	(1,610)
Net cash flow from operating activities	73,143,354	71,992,325	74,746,602	24,083,983

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STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

	<u>Group</u>		<u>Company</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
	RM	RM	RM	RM
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received	2,123,627	2,161,531	20,450	8,456
Proceeds from disposal of property, plant and equipment	107,332	53,263	-	-
Purchase of property, plant and equipment	(17,615,392)	(20,869,600)	-	-
Deposits (placed)/drawdown with licensed banks with maturity period grater 3 months	(53,905,214)	358,576	-	-
Purchase of trademark	(81,181)	-	-	-
Net cash flow from investing activities	(69,370,828)	(18,296,230)	20,450	8,456
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from borrowings	36,000,000	34,000,000	-	-
Repayment of borrowings	(76,000,000)	(11,200,000)	(63,785,714)	(9,400,000)
Finance costs paid	(15,309,351)	(18,217,288)	(10,896,741)	(15,294,413)
Repayment of lease liabilities	(13,812)	(16,166)	-	-
Net cash flow from financing activities	(55,323,163)	4,566,546	(74,682,455)	(24,694,413)
NET MOVEMENT IN CASH AND CASH EQUIVALENTS	(51,550,637)	58,262,641	84,597	(601,974)
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR	112,919,391	54,683,959	528,518	1,130,528
EFFECTS OF EXCHANGE DIFFERENCES	(586,840)	(27,209)	(90)	(36)
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR (Note 18)	60,781,914	112,919,391	613,025	528,518

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**STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTINUED)**

Reconciliation of changes in liabilities arising from financing activities

Group

	<u>Borrowings</u> RM	<u>Lease liabilities</u> RM	<u>Total</u> RM
<u>2020</u>			
As at 1 January 2020	302,620,251	13,546	302,633,797
<u>Cash flows from financing activities:</u>			
Proceeds from borrowings	36,000,000	-	36,000,000
Repayment of borrowings	(76,000,000)	-	(76,000,000)
Repayment of lease liabilities	-	(13,812)	(13,812)
Finance costs paid*	(15,283,378)	-	(15,283,378)
<u>Non-cash changes:</u>			
Finance costs	8,916,762	266	8,917,028
At 31 December 2020	<u>256,253,635</u>	<u>-</u>	<u>256,253,635</u>
* Excludes financing restructuring costs			
<u>2019</u>			
As at 31 December 2018	281,194,871	-	281,194,871
Effects of adoption of MFRS 16	-	16,369	16,369
As at 1 January 2019	<u>281,194,871</u>	<u>16,369</u>	<u>281,211,240</u>
<u>Cash flows from financing activities:</u>			
Proceeds from borrowings	34,000,000	-	34,000,000
Repayment of borrowings	(11,200,000)	-	(11,200,000)
Repayment of lease liabilities	-	(16,166)	(16,166)
Finance costs paid	(18,217,288)	-	(18,217,288)
<u>Non-cash changes:</u>			
Finance costs	16,842,668	805	16,843,473
Addition of lease during the year	-	12,538	12,538
At 31 December 2019	<u>302,620,251</u>	<u>13,546</u>	<u>302,633,797</u>

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STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

Reconciliation of changes in liabilities arising from financing activities (continued)

Company

	<u>Borrowings</u> RM
<u>2020</u>	
As at 1 January 2020	225,162,703
<u>Cash flows from financing activities:</u>	
Repayment of borrowings	(63,785,714)
Finance costs paid*	(10,870,768)
<u>Non-cash changes:</u>	
Finance costs	6,001,338
At 31 December 2020	<u>156,507,559</u>
* Excludes financing restructuring costs	
<u>2019</u>	
As at 1 January 2019	236,002,838
<u>Cash flows from financing activities:</u>	
Repayment of borrowings	(9,400,000)
Finance costs paid	(15,294,413)
<u>Non-cash changes:</u>	
Finance costs	13,854,278
At 31 December 2019	<u>225,162,703</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**

1 GENERAL INFORMATION

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

The Company is a principally involved in investment holding.

The principal activities of the subsidiary companies are disclosed in Note 12 to the financial statements.

There have been no significant changes in the nature of these activities of the Company or its subsidiaries during the financial year.

The registered office of the Company is located at Unit 30-01, Level 30, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur.

The principal place of business of the Company is located at Lot 9366, Batu 7, Simpang 3, Tongkang Pecah, 83010 Batu Pahat, Johor.

The Company is a subsidiary company of Crunchy Limited, a company incorporated in Cayman Islands.

The financial statements were authorised by the Board of Directors for issuance in accordance with a resolution of the Directors dated **11 MAY 2021**.

2 BASIS OF PREPARATION

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

The financial statements have been prepared under the historical cost convention, unless otherwise indicated in the summary of significant accounting policies.

The preparation of financial statements in conformity with MFRS requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported period. It also requires Directors to exercise their judgement in the process of applying the Group's and the Company's accounting policies. Although these estimates and judgement are based on the Directors' best knowledge of current events and actions, actual results may differ. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

2 BASIS OF PREPARATION (CONTINUED)

(i) Standards and amendments to published standards that are effective

The Group and the Company have applied the following standards and amendments for the first time for the financial year beginning on 1 January 2020:

- The Conceptual Framework for Financial Reporting (Revised 2018)
- Amendments to MFRS 101 and MFRS 108 'Definition of Material'
- Amendments to MFRS 3 'Definition of a Business'
- Amendments to MFRS 9, MFRS 139 and MFRS 7 'Interest Rate Benchmark Reform'

The amendments listed above did not have any impact on the current periods or any prior period and are not likely to affect future periods.

(ii) Amendments to published standards that have been issued but not yet effective

A number of amendments to published standards are effective for financial year beginning on or after 1 January 2020, as set out below:

- Amendments to MFRS 16 'COVID-19-Related Rent Concession' (effective 1 June 2020) grant an optional exemption for lessees to account for a rent concession related to COVID-19 in the same way as they would if they were not lease modifications. In many cases, this will result in accounting for the concession as a variable lease payment in the period(s) in which the event or condition that triggers the reduced payment occurs. The amendment, however, do not make any changes to lessor accounting.

The exemption only applies to rent concessions occurring as a direct consequences of the COVID-19 pandemic and only if all of the following conditions are met:

- (a) the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- (b) any reduction in lease payments affects only payments due on or before 30 June 2021; and
- (c) there is no substantive change to other terms and conditions of the lease.

The amendments shall be applied retrospectively.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

2 BASIS OF PREPARATION (CONTINUED)

(ii) Amendments to published standards that have been issued but not yet effective (continued)

A number of amendments to published standards are effective for financial year beginning on or after 1 January 2020, as set out below: (continued)

- Annual Improvements to MFRS 9 'Fees in the 10% test for derecognition of financial liabilities' (effective 1 January 2022) clarifies that only fees paid or received in between the borrower and the lender, including the fees paid or received on each other's behalf, are included in the cash flow of the new loan when performing the 10% test.

The Company shall apply the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the Company first applies the amendment.

The amendments shall be applied prospectively.

- Amendments to MFRS 3 'Reference to Conceptual Framework' (effective 1 January 2022) replace the reference to Framework for Preparation and Presentation of Financial Statements with 2018 Conceptual Framework. The amendments did not change the current accounting for business combinations on acquisition date.

The amendments provide an exception for the recognition of liabilities and contingent liabilities should be in accordance with the principles of MFRS 137 'Provisions, contingent liabilities and contingent assets' and IC Interpretation 21 'Levies' when falls within their scope. It also clarifies that contingent assets should not be recognised at the acquisition date.

The amendments shall be applied prospectively.

- Amendments to MFRS 116 'Proceeds before intended use' (effective 1 January 2022) prohibit an entity from deducting from the cost of a property, plant and equipment the proceeds received from selling items produced by the property, plant and equipment before it is ready for its intended use. The sales proceeds should instead be recognised in profit or loss.

The amendments also clarify that testing whether an asset is functioning properly refers to assessing the technical and physical performance of the property, plant and equipment.

The amendments shall be applied retrospectively.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

2 BASIS OF PREPARATION (CONTINUED)

(ii) Amendments to published standards that have been issued but not yet effective (continued)

A number of amendments to published standards are effective for financial year beginning on or after 1 January 2020, as set out below: (continued)

- Amendments to MFRS 137 'onerous contracts – cost of fulfilling a contract' (effective 1 January 2022) clarify that direct costs of fulfilling a contract include both the incremental cost of fulfilling the contract as well as an allocation of other costs directly related to fulfilling contracts. The amendments also clarify that before recognising a separate provision for an onerous contract, impairment loss that has occurred on assets used in fulfilling the contract should be recognised.

The amendments shall be applied retrospectively.

- Amendments to MFRS 101 'Classification of liabilities as current or non-current' (effective from 1 January 2023) clarify that a liability is classified as non-current if an entity has a substantive right at the end of the reporting period to defer settlement for at least 12 months after the reporting period.

A liability is classified as current if a condition is breached at or before the reporting date and a waiver is obtained after the reporting date. A loan is classified as non-current if a covenant is breached after the reporting date.

The amendments shall be applied retrospectively.

The adoption of the new standards and amendments are not expected to have any significant impact on the financial statements or accounting policies, as they cover areas that are not material and/or relevant to the Group and the Company.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Unless otherwise stated, the following accounting policies have been used consistently in dealing with items which are considered material in relation to the financial statements. These policies have been consistently applied to all the financial years presented, unless otherwise stated.

(a) Basis of Consolidation

(i) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis of Consolidation (continued)

(i) Subsidiaries (continued)

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement and fair value of any pre-existing equity interest in the subsidiary. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recognised as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the profit or loss.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date, any gains or losses arising from such remeasurement are recognised in the profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with MFRS 9 in the profit or loss. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

Inter-company transactions, balances and unrealised gains on transactions between companies within the Group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Property, plant and equipment

Property, plant and equipment are initially stated at cost. They are subsequently stated at historical cost less accumulated depreciation and impairment losses. The cost of an item of property, plant and equipment initially recognised includes its purchase price, import duties, non-refundable purchase taxes and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Cost also include borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset. Refer to accounting policy Note 3(k) on borrowing costs.

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

Gains or losses on disposals are determined by comparing the net proceeds with the carrying amount and are included in profit or loss.

Freehold land is not amortised as it has unlimited useful life. All other property, plant and equipment are depreciated using the straight line method to allocate the cost of assets less their residual values over their estimated useful lives, summarises as follows:

	<u>Depreciation rate</u>
Buildings	2%
Plants and machineries	5% - 10%
Furniture, fittings and office equipment	5% - 33%
Motor vehicles	20%

Depreciation on asset under construction commences when the assets are ready for their intended use.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of the reporting period.

At each reporting date, the Group assesses whether there is any indication of impairment. If such indications exist, an analysis is performed to assess whether the carrying amount of the asset is fully recoverable. A write down is made if the carrying amount exceeds the recoverable amount (see accounting policy Note 3(e) on impairment of non-financial assets).

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Investment in a subsidiary in separate financial statements

In the Company's separate financial statements, investments in a subsidiary is carried at fair value through profit or loss. On disposal of investment in a subsidiary, the difference between the disposal proceeds and the carrying amount of the investment are recognised in profit or loss.

The amount due from a subsidiary of which the Company does not expect repayment in the foreseeable future is considered as part of the Company's investment in a subsidiary.

(d) Intangible assets

(i) Goodwill and brand

Goodwill and brand arise from a business combination and represents the excess of the aggregate of the fair value of consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of any previous equity interest in the acquiree over the fair value of the net identifiable assets acquired and liabilities assumed. If the fair value of consideration transferred, the amount of non-controlling interest and the fair value of previously held interest in the acquiree are less than the fair value of the net identifiable assets of the acquiree, the resulting gain is recognised in profit or loss.

(ii) Trademarks

Separately acquired trademarks are shown at historical cost. Trademarks have a finite useful life and are carried at cost less accumulated amortisation and accumulated losses.

(iii) Subsequent expenditure

Subsequent expenditure on capitalised intangible assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.

(iv) Amortisation

Goodwill and brand are not amortised but they are tested for impairment annually or more frequently if events or changes in circumstances indicate that they might be impaired, and are carried at cost less accumulated impairment losses.

Intangible assets with definite useful lives (i.e. trademark) are amortised from the date that they are available for use. Amortisation of intangible assets is charged to the profit or loss on a straight-line basis over the estimated useful lives of intangible assets.

The estimated useful life of trademark is 10 years.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows which are largely independent of the cash inflows from other assets or group of assets (cash generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

The impairment loss is charged to the profit or loss unless it reverses a previous revaluation in which case it is charged to the revaluation surplus. Impairment losses on goodwill are not reversed. In respect of other assets, any subsequent increase in recoverable amount is recognised in profit or loss unless it reverses an impairment loss on a revalued asset in which case it is taken to revaluation surplus reserve.

(f) Inventories

Inventories, consisting of trading merchandise, are valued at the lower of cost and net realisable value. Cost is determined on the "first-in, first-out" method. The cost of trading goods comprises the original purchase price plus the cost incurred in bringing the inventories to their present location.

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

(g) Trade and other receivables

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. Other receivables generally arise from transactions outside the usual operating activities of the Group. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, where they are recognised at fair value plus transaction costs. Other receivables are recognised initially at fair value plus transaction costs. Transaction costs include transfer taxes and duties.

After recognition, trade and other receivables are subsequently measured at amortised cost using the effective interest method, less loss allowance. Refer to accounting policy Note 3(r) on impairment of financial assets.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Cash and cash equivalents

For the purpose of the statements of cash flows, cash and cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes. Cash and cash equivalents comprise cash on hand, deposits held at call with financial institutions, other short term, highly liquid investments with original maturities of 3 months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(i) Share capital

Classification

Ordinary shares are classified as equity.

Dividends distribution

Liability is recognised for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the Group, on or before the end of the reporting period but not distributed at the end of the reporting period.

Distribution to holders of an equity instrument is recognised directly in equity.

(j) Trade and other payables

Trade and other payables are liabilities to pay for goods or services provided to the Group and the Company prior to the end of the financial year which are unpaid.

Trade and other payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade and other payables are recognised initially at fair value net of transaction costs incurred, which include transfer taxes and duties. Trade and other payables are subsequently measured at amortised cost using the effective interest method.

(k) Borrowings and borrowing costs

Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method.

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3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Borrowings and borrowing costs (continued)

Borrowings (continued)

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is capitalised as prepayment until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of the borrowings that has been 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 within finance costs.

Where the terms of borrowings are renegotiated and the entity issues equity instruments to a creditor to extinguish all or part of the borrowings (debt for equity swap), a gain or loss is recognised in profit or loss, which is measured as the difference between the carrying amount of the borrowings and the fair value of the equity instruments issued.

Borrowings are classified as current liabilities unless the Group and the Company have an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the costs of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

(l) Employee benefits

Short-term employee benefits

Wages, salaries, paid annual leave and sick leave, bonuses, and non-monetary benefits that are expected to be settled wholly within 12 months after the end of the financial period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

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3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(l) Employee benefits (continued)

Post-employment benefits - defined contribution plan

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity (a fund) and has no legal or constructive obligations to pay further contributions or to make direct benefit payments to employees if the fund does not hold sufficient assets to pay all employees benefits relating to employee service in the current and prior financial periods.

The defined contribution plan of the Group relates to the contribution to the Employee Provident Fund ("EPF"), the national defined contribution plan.

The Group's contributions to defined contribution plans are charged to profit or loss in the period to which they relate. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits at the earlier of the following dates: (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the Group recognises costs for a restructuring that is within the scope of MFRS 137 and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

(m) Current and deferred income tax

Tax expense for the financial period comprises current and deferred tax. The income tax expense or credit for the financial period is the tax payable on the current year's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. Tax expense is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company and its subsidiaries, joint ventures and associates operate and generate taxable income.

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3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) Current and deferred income tax (continued)

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities. This liability is measured using the single best estimate of the most likely outcome.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the amounts attributed to assets and liabilities for tax purposes and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is determined using tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses or unused tax credits can be utilised.

Deferred and income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

(n) Provisions

Provisions are recognised when:

- the Group has a present legal or constructive obligation as a result of past events;
- it is probable that an outflow of resources will be required to settle the obligation; and
- a reliable estimate of the amount can be made.

Where the Group expects a provision to be reimbursed by another party, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as finance cost expense.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(o) Contingent assets and contingent liabilities

The Group does not recognise contingent assets and liabilities but discloses its existence in the financial statements.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in the extremely rare case where there is a liability that cannot be recognised because it cannot be measured reliably. However, contingent liabilities do not include financial guarantee contracts.

A contingent asset is a possible asset that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group. The Group does not recognise contingent assets but discloses its existence where inflows of economic benefits are probable, but not virtually certain.

(p) Foreign currencies

Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The financial statements are presented in Ringgit Malaysia ("RM"), which is the Group's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where the items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation using the year-end exchange rates of the monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in profit or loss within finance cost. All other foreign exchange gains and losses are presented in profit or loss on a net basis within other operating expenses.

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3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(q) Revenue

Sales of goods

Revenue is measured based on the consideration specified in a contract with a customer in exchange for transferring goods to a customer, excluding amounts collected on behalf of third parties, net of pricing allowance, other trade discounts and price promotions to customers. The Group recognises revenue when (or as) it transfers control over a product to customer. An asset is transferred when (or as) the customer obtains control of the asset.

The Group transfers control of a good at a point in time unless one of the following overtime criteria is met:

- (a) the customer simultaneously receives and consumes the benefits provided as the Group performs;
- (b) the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- (c) the Group's performance does not create an asset with an alternative use and the Group has an enforceable right to payment for performance completed to date.

The Group is primarily engaged in manufacture and trading of biscuits, foodstuffs and confectionery. Revenue of the Group is recognised at a point in time when it transfers control of the products to the customers.

The Group has a range of credit terms which are typically short term, in line with market practice without any financing component.

Dividend income

Dividend income is recognised in profit or loss on the date that the Company's right to receive payment is established.

Other income

Other income earned by the Group is recognised on the following basis:

- Interest income

Interest income from deposits at licensed financial institutions are recognised on an accrual basis, using the effective interest method.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

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NOTES TO THE FINANCIAL STATEMENTS
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3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(r) Financial assets

(i) Classification

The Group and the Company classify its financial assets in the following measurement categories:

- those to be measured subsequently at fair value through profit or loss, and
- those to be measured at amortised cost

(ii) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group and the Company commit to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group and the Company have transferred substantially all the risks and rewards of ownership.

(iii) Measurement

At initial recognition, the Group and the Company measure a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss ("FVTPL"), including the transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss.

Financial assets with embedded derivative are considered in entirety when determining whether their cash flows are solely payment of principal and interest ("SPPI").

Debt instruments

Subsequent measurement of debt instruments depends on the Group's and the Company's business model for managing the asset and the cash flow characteristics of the asset. The Group and the Company classify its debt instrument when and only when its business model for managing those assets changes.

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3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(r) Financial assets (continued)

(iii) Measurement (continued)

Debt instruments (continued)

There are two measurement categories into which the Group and the Company classify its debt instruments:

(a) Amortised cost

Assets that are held for collection of contractual cash flows where those cash flows represent SPPI are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.

(b) Fair value through profit or loss ("FVTPL")

Assets that do not meet the criteria for amortised cost are measured at FVTPL. The Group may also irrevocably designate financial assets at FVTPL if doing so significantly reduces or eliminates a mismatch created by assets and liabilities being measured on different bases. Fair value changes is recognised in profit or loss in the period which it arises.

(iv) Subsequent measurement – impairment

Impairment for debt instruments

The Group and the Company assess on a forward looking basis the expected credit loss ("ECL") associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

The Group and the Company have the following type of financial instrument that is subject to the ECL model:

- trade and other receivables

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3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(r) Financial assets (continued)

(iv) Subsequent measurement – impairment (continued)

Impairment for debt instruments (continued)

While cash and cash equivalents are also subject to the impairment requirements of MFRS 9, the identified impairment loss was immaterial.

ECL represents a probability-weighted estimate of the difference between present value of cash flows according to contract and present value of cash flows the Group and the Company expect to receive, over the remaining life of the financial instrument.

The measurement of ECL reflects:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money; and
- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The ECL approach can be classified into the categories below:

- General 3-stage approach for other receivables that are non-trade in nature

At each reporting date, the Group and the Company measure ECL through loss allowance at an amount equal to 12 month ECL if credit risk on a financial instrument or a group of financial instruments has not increased significantly since initial recognition. For all other financial instruments, a loss allowance at an amount equal to lifetime ECL is required. Note 5(c)(ii) sets out the measurement details of ECL.

- Simplified approach for trade receivables

The Group applies the MFRS 9 simplified approach to measure ECL which uses a lifetime ECL for all trade receivables and contract assets. Note 5(c)(i) sets out the measurement details of ECL.

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3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(r) Financial assets (continued)

(iv) Subsequent measurement – impairment (continued)

Significant increase in credit risk

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportable forward-looking information. The following indicators are incorporated:

- external credit rating (as far as available)
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations
- actual or expected significant changes in the operating results of the debtor
- significant increases in credit risk on other financial instruments of the same debtor
- significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements
- significant changes in the expected performance and behaviour of the debtor, including changes in the payment status of debtor in the group and changes in the operating results of the debtor.

Macroeconomic information (such as market interest rates or growth rates) is incorporated.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30 days past due in making a contractual payment.

Definition of default and credit-impaired financial assets

The Group defines a financial instrument as default, which is fully aligned with the definition of credit-impaired, when it meets one or more of the following criteria:

- Quantitative criteria

The Group defines a financial instrument as default, when the counterparty fails to make contractual payment within 90 days of when they fall due.

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3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(r) Financial assets (continued)

(iv) Subsequent measurement – impairment (continued)

Definition of default and credit-impaired financial assets (continued)

The Group defines a financial instrument as default, which is fully aligned with the definition of credit-impaired, when it meets one or more of the following criteria: (continued)

- Qualitative criteria

The debtor meets unlikeliness to pay criteria, which indicates the debtor is in significant financial difficulty. The Group considers the following instances:

- the debtor is in breach of financial covenants
- concessions have been made by the lender relating to the debtor's financial difficulty
- it is becoming probable that the debtor will enter bankruptcy or other financial reorganization
- the debtor is insolvent

Financial instruments that are credit-impaired are assessed on an individual basis.

- Individual assessment

Trade and other receivables which are in default or credit-impaired are assessed individually.

(v) Write-off

Trade receivables

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group.

Impairment losses on trade receivables are presented as net impairment losses within other operating (expenses)/income. Subsequent recoveries of amounts previously written off are credited against the same line item.

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3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(r) Financial assets (continued)

(v) Write-off (continued)

Other receivables

The Group and the Company write off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery. The assessment of no reasonable expectation of recovery is based on unavailability of debtor's sources of income or assets to generate sufficient future cash flows to repay the amount. The Group and the Company may write off financial assets that are still subject to enforcement activity.

(s) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount presented in the statements of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy.

(t) Financial liabilities

Financial liabilities are recognised on the statement of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument. Financial liabilities comprise trade and other payables.

Financial liabilities are recognised initially at fair value plus directly attributable transactions costs.

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

(u) Derivative financial instruments

The Group enters into derivative financial instruments such as foreign exchange forward contracts to manage its exposure to foreign currency risk.

Derivatives are initially recognised at fair value at the date of the derivative contract is entered into and are subsequently remeasured to fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

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3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(u) Derivative financial instruments (continued)

A derivative with a positive fair value is recognised as a financial asset; a derivative with a negative fair value is recognised as a financial liability. A derivative is presented as a non-current asset or non-current liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

(v) Leases – Accounting by lessee

Leases are recognised as right-of-use ('ROU') asset and a corresponding liability at the date on which the leased asset is available for use by the Group (i.e. the commencement date).

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of properties for which the Group is a lessee, it has elected the practical expedient provided in MFRS 16 not to separate lease and non-lease components. Both components are accounted for as a single lease component and payments for both components are included in the measurement of lease liabilities.

Lease term

In determining the lease term, the Group considers all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not to be terminated).

The Group reassess the lease term upon the occurrence of a significant event or change in circumstances that is within the control of the Group and affects whether the Group is reasonably certain to exercise an option not previously included in the determination of lease term, or not to exercise an option previously included in the determination of lease term. A revision in lease term results in remeasurement of the lease liabilities. See accounting policy below on reassessment of lease liabilities.

ROU assets

ROU assets are initially measured at cost comprising the following:

- The amount of the initial measurement of lease liabilities;
- Any lease payments made at or before the commencement date less any incentive received;
- Any initial direct costs; and
- Decommissioning or restoration costs.

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NOTES TO THE FINANCIAL STATEMENTS
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3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(v) Leases – Accounting by lessee (continued)

ROU assets (continued)

ROU assets that are not investment properties are subsequently measured at cost, less accumulated depreciation and impairment loss (if any). The ROU assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the ROU asset is depreciated over the underlying asset's useful life. In addition, the ROU assets are adjusted for certain remeasurement of the lease liabilities.

Lease liabilities

Lease liabilities are initially measured at the present value of the lease payments that are not paid at that date. The lease payments include the following:

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

Lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing is used. This is the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the ROU in a similar economic environment with similar term, security and conditions.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Variable lease payments that depend on sales are recognised in profit or loss in the period in which the condition that triggers those payments occurs.

The Group presents the lease liabilities as a separate line item in the statement of financial position. Interest expense on the lease liabilities is presented within the finance cost in profit or loss in the statement of comprehensive income.

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**NOTES TO THE FINANCIAL STATEMENTS
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3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(v) Leases – Accounting by lessee (continued)

Reassessment of lease liabilities

The Group is also exposed to potential future increases in variable lease payments that depend on an index or rate, which are not included in the lease liabilities until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liabilities is remeasured and adjusted against the ROU assets.

Short term leases

Short-term leases are leases with a lease term of 12 months or less. Payments associated with short-term leases of office space and forklifts are recognised on a straight-line bases as an expense in profit or loss.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

In the process of applying the Group's accounting policies, management makes estimates and judgements that can significantly affect the amount recognised in the financial statements. These estimation and judgement include:

(a) Impairment assessment of goodwill and brand

The Directors performed impairment assessment on the Group's goodwill and brand by comparing the carrying amount of the cash-generating unit to its recoverable amount. The recoverable amount is determined using the fair value less cost-to-sell ("FVLCTS") method. The FVLCTS method is computed using the Market Approach based on the Enterprise Value ("EV")/Earnings before interest, taxes, depreciation and amortisation ("EBITDA") multiples of comparable companies. Refer to the details of the impairment assessment performed in Note 13 to the financial statements.

While the Directors are of the opinion that the bases and assumptions used in the estimation of the recoverable amounts are reasonable, changes on these bases and assumptions could impact the Group's financial position and results.

(b) Trade support accruals

The Group estimates trade supports accruals using either the expected value method or the most likely amount method depending on which method better predicts the amount of consideration to which the customers will be entitled.

The expected value method is used for contracts with more than one threshold due to the complexity and the activities agreed with the individual customer during the financial year.

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NOTES TO THE FINANCIAL STATEMENTS
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4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

In the process of applying the Group's accounting policies, management makes estimates and judgements that can significantly affect the amount recognised in the financial statements. These estimation and judgement include: (continued)

(b) Trade support accruals (continued)

Trade support accruals consist primarily of trade discounts and sales volume rebates which are recognised based on agreed trading terms and trade activities with trade customers and distributors. Volume and activity related discounts are typically associated with certain sales target based on specific timeframes to be achieved by the customers and distributors. These trade supports represent variable considerations to be included in the transaction price which the Group estimates using either expected value method or the most likely amount method depending on which method better predicts the amount of consideration based on the terms of the contracts.

5 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group and the Company are exposed to a variety of financial risks: market risk (including foreign exchange risk and interest rate risk), credit risk, liquidity risk and capital risk, in the normal course of the business. The Group and the Company have formulated risk management policies whose principal objective is to minimise the Group's and the Company's exposure to risk and/or costs associated with financing, investing and operating activities of the Group and the Company.

Various risk management policies are made and approved by the Directors for application in day-to-day operations for controlling and managing risks associated with financial instruments.

(a) Market risk

(i) Foreign currency exchange risk

The Group is exposed to foreign currency risk on sales and purchases that are denominated in a currency other than its functional currency. The currencies giving rise to this risk are primarily U.S. Dollar ("USD"), Singapore Dollar ("SGD") and Chinese renminbi ("RMB").

The Company is not exposed to any significant foreign currency exchange risk.

Risk management objectives, policies and processes for managing the risk

The Group uses derivative financial instruments such as foreign currency forward contracts to manage its exposure to foreign currency risk. The foreign currency forward contracts are subject to the same risk management policies. However, they are accounted for as held for trading, with gain or losses recognised in profit or loss.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTINUED)****5 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)****(a) Market risk (continued)****(i) Foreign currency exchange risk (continued)**Exposure to foreign currency risk

The Group's exposures to foreign currency risk at the end of the reporting period, expressed in the Group's currency units, is as follows:

	<u>USD</u> RM	<u>SGD</u> RM	<u>Group</u> <u>RMB</u> RM
<u>At 31 December 2020</u>			
Trade receivables	9,765,010	1,470,096	8,673,037
Cash and cash equivalents	17,249,053	118,282	-
Trade payables	(1,772,702)	(118,485)	-
Foreign currency forward contracts	16,643,000	-	-
	<u>41,884,361</u>	<u>1,469,893</u>	<u>8,673,037</u>
<u>At 31 December 2019</u>			
Trade receivables	8,107,266	2,069,759	8,652,146
Cash and cash equivalents	4,461,187	137,330	-
Trade payables	(763,507)	(81,034)	-
	<u>11,804,946</u>	<u>2,126,055</u>	<u>8,652,146</u>

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5 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(a) Market risk (continued)

(i) Foreign currency exchange risk (continued)

Sensitivity

The Group is primarily exposed to changes in USD/RM, SGD/RM and RMB/RM exchange rates. The sensitivity on post-tax profit to changes in the exchange rates arises mainly from U.S. Dollars ("USD"), Singapore Dollar ("SGD") and Chinese renminbi ("RMB") denominated financial instruments for the Group, holding all other variables constant, are as follow:

	<u>Increase/(decrease) to post-tax profit</u>	
	<u>Group</u>	
	<u>2020</u>	<u>2019</u>
	<u>RM</u>	<u>RM</u>
<u>USD</u>		
Strengthens by 1% (2019: 1%)	318,321	89,718
Weakens by 1% (2019: 1%)	(318,321)	(89,718)
<u>SGD</u>		
Strengthens by 1% (2019: 1%)	11,171	16,158
Weakens by 1% (2019: 1%)	(11,171)	(16,158)
<u>RMB</u>		
Strengthens by 5% (2019: 2%)	329,575	131,513
Weakens by 5% (2019: 2%)	(329,575)	(131,513)

(ii) Interest rate risk

The Group and the Company are exposed to cash flow interest rate risk arising from the following:

Deposits with licensed banks

The deposits are subject to interest rate risk and are placed with the financial institutions at prevailing interest rates. Management continuously monitors the exposure to changes in interest rates with respect to deposits with licensed banks. Accordingly, management is of the view that the effects to the changes in interest rates are insignificant and would not have a material impact to the financial condition or results of operations.

Borrowings

Borrowings at variable interest rates expose the Group and the Company to interest rate risk which is partially offset by interest income earned by the Group and the Company's deposit placement at variable rates. The Group's and the Company's borrowings are denominated in Ringgit Malaysia ("RM").

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5 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(a) Market risk (continued)

(ii) Interest rate risk (continued)

Borrowings

At the reporting date, if the interest rates on borrowings had been 1% higher/lower with all other variables held constant, this would have the following impact on profit or loss and equity for the financial year:

(Increase)/decrease in profit after taxation and increase/(decrease) in equity:

	<u>Group</u> <u>2020</u> RM	<u>Company</u> <u>2020</u> RM
Borrowings denominated in RM		
- Increase of 100 basis points	1,997,280	1,229,789
- Decrease of 100 basis points	(1,997,280)	(1,229,789)
	<u>2019</u> RM	<u>2019</u> RM
Borrowings denominated in RM		
- Increase of 100 basis points	2,301,280	1,714,560
- Decrease of 100 basis points	(2,301,280)	(1,714,560)

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5 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(b) Liquidity risk

All the financial liabilities of the Group and the Company at the end of the reporting date based on undiscounted contractual payments are as set out below:

<u>Group</u>	<u>Contractual interest rate % per annum</u>	<u>Less than than 1 year RM</u>	<u>Between 1 and 2 years RM</u>	<u>Between 2 and 5 years RM</u>	<u>More than 5 years RM</u>	<u>Total RM</u>
<u>At 31 December 2020</u>						
Trade and other payables (exclude payroll liabilities)	-	99,647,065	-	-	-	99,647,065
Amount owing to immediate holding company	-	1,140,500	-	-	-	1,140,500
Borrowings	4.73	12,434,735	12,434,735	230,104,204	73,312,144	328,285,818
		113,222,300	12,434,735	230,104,204	73,312,144	429,073,383
<u>At 31 December 2019</u>						
Trade and other payables (exclude payroll liabilities)	-	86,902,734	-	-	-	86,902,734
Amount owing to immediate holding company	-	1,140,500	-	-	-	1,140,500
Borrowings	6.15	32,622,200	31,761,200	92,917,600	246,236,000	403,537,000
Lease liabilities	5.89	13,812	-	-	-	13,812
		120,679,246	31,761,200	92,917,600	246,236,000	491,594,046

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5 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(b) Liquidity risk (continued)

All the financial liabilities of the Group and the Company at the end of the reporting date based on undiscounted contractual payments are as set out below: (continued)

<u>Company</u>	<u>Contractual interest rate % per annum</u>	<u>Less than than 1 year RM</u>	<u>Between 1 and 2 years RM</u>	<u>Between 2 and 5 years RM</u>	<u>More than 5 years RM</u>	<u>Total RM</u>
<u>At 31 December 2020</u>						
Other payables	-	66,356	-	-	-	66,356
Amount owing to immediate holding company	-	1,140,500	-	-	-	1,140,500
Borrowings	4.81	7,785,714	7,785,714	185,171,427	-	200,742,855
		<u>8,992,570</u>	<u>7,785,714</u>	<u>185,171,427</u>	<u>-</u>	<u>201,949,711</u>
<u>At 31 December 2019</u>						
Other payables	-	61,692	-	-	-	61,692
Amount owing to immediate holding company	-	1,140,500	-	-	-	1,140,500
Borrowings	6.16	25,646,960	24,923,160	72,776,680	174,633,200	297,980,000
		<u>26,849,152</u>	<u>24,923,160</u>	<u>72,776,680</u>	<u>174,633,200</u>	<u>299,182,192</u>

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5 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(c) Credit risk

The Group's exposure to credit risk arises primarily from trade receivables. The Group has an informal credit policy in place and the exposure to credit risk is monitored on an on-going basis through periodic review of the ageing of its receivables. Credit evaluations are performed on all contract customers. The Group closely monitors its customers' financial strength to reduce the risk of loss.

The Group monitors the credit quality of the trade receivables individually based on the respective projects. Management regards any receivables having significant balances past due or more than 30 days to be deemed as having higher credit risk and as such, more focus are placed on such debts.

Measurement of Expected Credit Loss ("ECL")

(i) Trade receivables using simplified approach

The expected loss rates for trade receivables is assessed on an individual debtor basis. The Group measures the loss allowance for trade receivables by estimating the likelihood that the debtor would not be able to repay during the contractual period, the extent of contractual cash flows that will not be collected if default happens and the outstanding amount that is exposed to default risk. The historical loss rates are adjusted to reflect current and forward looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. No significant changes to estimation techniques or assumptions were made during the reporting period.

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5 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(c) Credit risk (continued)

Measurement of Expected Credit Loss ("ECL") (continued)

(ii) Other receivables using general 3-stage approach

The Group uses four categories other receivables which reflect their credit risk and how the loss allowance is determined for each of those categories. A summary of the assumptions underpinning the Group's ECL model is as follows:

Category	Definition of category	Basis for recognising ECL
Performing (Stage 1)	Debtors have a low risk of default and a strong capacity to meet contractual cash flows.	12 month ECL
Under Performing (Stage 2)	Debtors for which there is a significant increase in credit risk or significant increase in credit risk is presumed if interest and/or principal repayments are 90 days past due based on historical experience.	Lifetime ECL
Not Performing (Stage 3)	Interest and/or principal repayments are 120 days past due or there is evidence indicating the asset is credit-impaired.	Lifetime ECL (credit impaired)
Write-off	There is evidence indicating that there is no reasonable expectation of recovery based on unavailability of debtor's sources of income or assets to generate sufficient future cash flows to repay the amount.	Asset is written off

Based on the above, loss allowance is measured on either 12 month ECL or lifetime ECL, by considering the likelihood that the debtor would not be able to repay during the contractual period, the percentage of contractual cash flows that will not be collected if default happens and the outstanding amount that is exposed to default risk.

The maximum exposure to credit risk for debt instruments at amortise cost other than trade receivables are represented by the carrying amounts recognised in the statement of financial position.

(iii) Cash and cash equivalents

While cash and cash equivalents are also subject to the impairment requirements of MFRS 9, the identified impairment loss was immaterial.

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5 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(c) Credit risk (continued)

Credit risk concentration profile

At the reporting date, the Group has no significant concentration of credit risk in its trade receivables.

The deposits placed with licensed banks are not concentrated to any particular group but widely dispersed across various licensed financial institutions. The Directors are of the view that the possibility of non-performance by these financial institutions is remote on the basis of their financial strength.

Reconciliation on loss allowance

The details of the movement in loss allowance of trade receivables is disclosed in the Note 17 to the financial statements.

Maximum exposure to credit risk

(i) Trade receivables using simplified approach

The grouping of trade receivables for ECL assessment is as below:

	<u>2020</u>	<u>Group</u> <u>2019</u>
	RM	RM
Assessed individually	21,004,845	20,327,648
Assessed collectively	40,069,605	45,309,275
Total trade receivables	<u>61,074,450</u>	<u>65,636,923</u>

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5 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(c) Credit risk (continued)

Maximum exposure to credit risk (continued)

(i) Trade receivables using simplified approach (continued)

<u>Group</u>	<u>Current</u>	<u>1-30 days past due</u>	<u>More than 30 days past due</u>	<u>More than 60 days past due</u>	<u>Total</u>
<u>2020</u>					
Expected loss rate	-*	2%	32%	100%	
<u>RM</u>					
Gross carrying amount					
– Trade receivables (assessed collectively)	36,505,142	2,071,835	1,439,250	53,378	40,069,605
Loss allowance	(37,954)	(38,193)	(455,900)	(53,378)	(585,425)
	<u>36,467,188</u>	<u>2,033,642</u>	<u>983,350</u>	<u>-</u>	<u>39,484,180</u>
Gross carrying amount					
– Trade receivables (assessed individually)	9,881,033	5,870,920	2,970,967	2,281,925	21,004,845
Loss allowance	-	-	-	(366,635)	(366,635)
Carrying amount (net of loss allowance)	<u>46,348,221</u>	<u>7,904,562</u>	<u>3,954,317</u>	<u>1,915,290</u>	<u>60,122,390</u>

* Less than 1%

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5 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(c) Credit risk (continued)

Maximum exposure to credit risk (continued)

(i) Trade receivables using simplified approach (continued)

<u>Group</u>	<u>Current</u>	<u>1-30 days past due</u>	<u>More than 30 days past due</u>	<u>More than 60 days past due</u>	<u>Total</u>
<u>2019</u>					
Expected loss rate	-*	-	-	53%	
<u>RM</u>					
Gross carrying amount					
– Trade receivables (assessed collectively)	41,376,182	1,513,203	2,011,878	408,012	45,309,275
Loss allowance	(17,992)	-	-	(217,874)	(235,866)
	<u>41,358,190</u>	<u>1,513,203</u>	<u>2,011,878</u>	<u>190,138</u>	<u>45,073,409</u>
Gross carrying amount					
– Trade receivables (assessed individually)	<u>12,477,627</u>	<u>6,763,845</u>	<u>1,086,176</u>	<u>-</u>	<u>20,327,648</u>
Carrying amount (net of loss allowance)	<u>53,835,817</u>	<u>8,277,048</u>	<u>3,098,054</u>	<u>190,138</u>	<u>65,401,057</u>

* Less than 1%

(ii) Other receivables using general 3-stage approach

Other receivables have a low risk of default and a strong capacity to meet contractual cash flows. There is no loss allowance recognised in the current financial year.

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5 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(d) Capital risk management

The Group's and the Company's capital management objectives are to ensure the Group's and the Company's ability to continue as a going concern and maximise shareholders' value. The Group and the Company are committed towards optimising its capital structure. The Group and the Company consider total equity as capital. Implementation of optimal capital structure includes balancing between debt and equity by putting in place appropriate dividend and financing policies which influence the level of debt and equity. The Group and the Company are in compliance with all externally imposed capital requirements.

(e) Fair value of financial instruments

Due to the short-term nature of the current financial assets and liabilities and the interest rates which approximates the prevailing market rates for the borrowings, the carrying amounts of the Group and the Company are considered to approximate their fair values at the reporting date.

6 REVENUE

	<u>Group</u>		<u>Company</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
	RM	RM	RM	RM
Revenue from contracts with customers: (Note 6(a))				
- Sales of goods	418,908,362	400,287,713	-	-
Revenue from other sources:				
- Dividend income	-	-	74,900,000	24,340,000
	<u>418,908,362</u>	<u>400,287,713</u>	<u>74,900,000</u>	<u>24,340,000</u>

The Group recognises sales of goods at a point in time.

(a) Disaggregation of revenue from contracts with customers:

	<u>Group</u>		<u>Company</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
	RM	RM	RM	RM
Geographical region:				
- Local sales	296,219,866	280,274,410	-	-
- Export sales	122,688,496	120,013,303	-	-
	<u>418,908,362</u>	<u>400,287,713</u>	<u>-</u>	<u>-</u>

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7 PROFIT FROM OPERATIONS

Profit from operations is arrived at after taking into account the following charges/(credits):

	<u>Group</u>		<u>Company</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
	RM	RM	RM	RM
Amortisation of right-of-use assets	13,345	15,562	-	-
Auditors' remuneration:				
- current year	233,400	218,400	26,000	26,000
- under-accrual in prior financial year	15,000	-	-	-
Employee benefit expenses	65,675,255	60,357,920	-	-
Fair value gain of investment in a subsidiary	-	-	(129,341,920)	(236,926,614)
Allowance for inventories written down	35,963	442,660	-	-
Loss/(gain) on foreign exchange				
- unrealised	457,165	142,791	90	36
- realised	(384,436)	(82,150)	-	-
Property, plant and equipment				
- depreciation	14,658,972	12,882,265	-	-
- write-off	79,759	10,944	-	-
- (gain)/loss on disposal	(44,451)	203,629	-	-
Loss allowance on receivables	716,194	101,559	-	-
Inventories written off	801,836	903,565	-	-
Rental income	(480,000)	(480,000)	-	-
Short term lease expenses:				
- premises	284,222	176,412	-	-
- forklift	74,248	69,773	-	-
Unrealised gain on derivative financial assets	(403,000)	-	-	-
Consultancy fee	624,342	306,579	-	-
	<u>58,199,683</u>	<u>52,880,135</u>	<u>-</u>	<u>-</u>
	<u>5,036,221</u>	<u>4,697,321</u>	<u>-</u>	<u>-</u>
	<u>2,439,351</u>	<u>2,780,464</u>	<u>-</u>	<u>-</u>
	<u>65,675,255</u>	<u>60,357,920</u>	<u>-</u>	<u>-</u>
	<u>58,199,683</u>	<u>52,880,135</u>	<u>-</u>	<u>-</u>
	<u>5,036,221</u>	<u>4,697,321</u>	<u>-</u>	<u>-</u>
	<u>2,439,351</u>	<u>2,780,464</u>	<u>-</u>	<u>-</u>
	<u>65,675,255</u>	<u>60,357,920</u>	<u>-</u>	<u>-</u>

Employee benefits expense, as shown above, includes the remuneration of the Directors and other key management personnel.

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7 PROFIT FROM OPERATIONS (CONTINUED)

The Directors' remuneration and key management personnel are as follows:

	<u>Group</u>		<u>Company</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
	RM	RM	RM	RM
Directors:				
- Salaries and other emoluments	2,524,487	1,954,572	-	-
- Defined contribution plan	302,884	233,933	-	-
	<u>2,827,371</u>	<u>2,188,505</u>	<u>-</u>	<u>-</u>
Other key management personnel:				
- Salaries, allowances and bonus	4,127,578	5,195,792	-	-
- Defined contribution plan	477,614	527,456	-	-
	<u>4,605,192</u>	<u>5,723,248</u>	<u>-</u>	<u>-</u>
	<u>7,432,563</u>	<u>7,911,753</u>	<u>-</u>	<u>-</u>

Other key management personnel comprise persons other than Directors of the Group, having authority and responsibility for planning, directing and controlling the activities of the Group either direct or indirectly.

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8 FINANCE COSTS

	<u>Group</u>		<u>Company</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
	RM	RM	RM	RM
Interest expenses on:				
- borrowings	8,916,762	16,842,668	6,001,338	13,854,278
- lease liabilities	266	805	-	-
Financing restructuring costs	25,973	-	25,973	-
	<u>8,943,001</u>	<u>16,843,473</u>	<u>6,027,311</u>	<u>13,854,278</u>

9 FINANCE INCOME

	<u>Group</u>		<u>Company</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
	RM	RM	RM	RM
Interest income from deposits with licensed banks	<u>2,123,627</u>	<u>2,161,531</u>	<u>20,450</u>	<u>8,456</u>

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10 TAXATION

	<u>Group</u>		<u>Company</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
	RM	RM	RM	RM
Current Malaysia income tax:				
- current financial year	20,578,659	20,505,873	4,376	1,602
- (over)/under provision in prior financial years	(1,026,459)	(5,861,176)	536	8
	19,552,200	14,644,697	4,912	1,610
Deferred tax (Note 15):				
- origination or reversal of temporary differences	(1,561,167)	231,332	-	-
Tax expense	17,991,033	14,876,029	4,912	1,610

The explanation of the relationship between taxation and profit before taxation is as follows:

	<u>Group</u>		<u>Company</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
	RM	RM	RM	RM
Profit before taxation	71,254,157	54,682,473	198,081,819	247,187,414
Tax calculated at Malaysian tax rate of 24% (2019: 24%)	17,100,998	13,123,794	47,539,637	59,324,979
Tax effects in respect of:				
- expenses not deductible for tax purposes	3,464,402	5,132,142	1,482,800	3,380,610
- income not subject to tax	(414,685)	-	(49,018,061)	(62,703,987)
- expenses qualified for double deduction	-	(8,713)	-	-
- (over)/under provision in prior financial years	(1,026,459)	(5,861,176)	536	8
- green investment tax allowance	(1,011,029)	-	-	-
- derecognition of previously recognised temporary differences	(122,194)	2,489,982	-	-
Tax expense	17,991,033	14,876,029	4,912	1,610

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11 PROPERTY, PLANT AND EQUIPMENT

<u>Group</u>	<u>Freehold land</u> RM	<u>Buildings</u> RM	<u>Plant and machineries</u> RM	<u>Furniture, fittings and office equipment</u> RM	<u>Motor vehicles</u> RM	<u>Capital work-in progress</u> RM	<u>Total</u> RM
<u>Cost</u>							
At 1 January 2020	12,706,769	42,949,081	84,136,569	4,128,478	1,185,088	16,815,917	161,921,902
Additions	124,430	221,922	8,687,035	676,135	218,000	7,687,870	17,615,392
Disposal	-	-	(1,287,051)	(4,600)	(120,000)	-	(1,411,651)
Write-off	-	-	(621,334)	(245,562)	-	-	(866,896)
Reclassifications	-	2,185,774	13,948,150	3,031	-	(16,136,955)	-
At 31 December 2020	12,831,199	45,356,777	104,863,369	4,557,482	1,283,088	8,366,832	177,258,747
<u>Less: Accumulated depreciation</u>							
At 1 January 2020	-	1,616,051	16,308,595	1,236,597	127,494	-	19,288,737
Charge for the financial year	-	1,063,360	12,190,533	1,005,993	399,086	-	14,658,972
Disposals	-	-	(1,271,850)	(2,920)	(74,000)	-	(1,348,770)
Write-off	-	-	(592,267)	(194,870)	-	-	(787,137)
At 31 December 2020	-	2,679,411	26,635,011	2,044,800	452,580	-	31,811,802
<u>Net book value</u>							
At 31 December 2020	12,831,199	42,677,366	78,228,358	2,512,682	830,508	8,366,832	145,446,945

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11 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

<u>Group</u>	<u>Freehold land</u> RM	<u>Buildings</u> RM	<u>Plant and machineries</u> RM	<u>Furniture, fittings and office equipment</u> RM	<u>Motor vehicles</u> RM	<u>Capital work-in progress</u> RM	<u>Total</u> RM
<u>Cost</u>							
At 1 January 2019	12,649,358	41,221,499	81,191,312	3,719,238	1,465,018	2,118,437	142,364,862
Additions	57,411	973,278	2,391,251	643,518	215,000	16,589,142	20,869,600
Disposal	-	-	(583,352)	(191,294)	(494,930)	-	(1,269,576)
Write-off	-	-	-	(42,984)	-	-	(42,984)
Reclassifications	-	754,304	1,137,358	-	-	(1,891,662)	-
At 31 December 2019	12,706,769	42,949,081	84,136,569	4,128,478	1,185,088	16,815,917	161,921,902
<u>Less: Accumulated depreciation</u>							
At 1 January 2019	-	596,139	6,093,405	502,830	258,822	-	7,451,196
Charge for the financial year	-	1,019,912	10,559,232	939,519	363,602	-	12,882,265
Disposal	-	-	(344,042)	(173,712)	(494,930)	-	(1,012,684)
Write-off	-	-	-	(32,040)	-	-	(32,040)
At 31 December 2019	-	1,616,051	16,308,595	1,236,597	127,494	-	19,288,737
<u>Net book value</u>							
At 31 December 2019	12,706,769	41,333,030	67,827,974	2,891,881	1,057,594	16,815,917	142,633,165

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12 INVESTMENT IN A SUBSIDIARY

			Company	
			2020	2019
			RM	RM
<u>Unquoted shares, at fair value</u>				
As at 1 January			1,249,408,873	1,012,482,259
Fair value adjustment			129,341,920	236,926,614
As at 31 December			1,378,750,793	1,249,408,873

<u>Name of Company</u>	<u>County of incorporation</u>	<u>Issued and fully paid-up share capital</u> RM	<u>Effective percentage of ownership</u>		<u>Principal activities</u>
			2020	2019	
			%	%	
<u>Direct subsidiary</u>					
Munchy Food Industries Sdn. Bhd.	Malaysia	46,000,000	100	100	Manufacture and sale of confectionary products
<u>Indirect subsidiary</u>					
Munchworld Marketing Sdn. Bhd.	Malaysia	1,840,000	100	100	Trading of biscuits foodstuffs and confectionary products

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13 INTANGIBLE ASSETS

	<u>Brand</u> (Note a) RM	<u>Goodwill</u> (Note b) RM	<u>Trademarks</u> RM	<u>Total</u> RM
<u>Group</u>				
<u>Cost</u>				
As at 1 January 2019/ 31 December 2019/ 1 January 2020	109,800,000	713,197,062	-	822,997,062
Additions	-	-	81,181	81,181
At 31 December 2020	109,800,000	713,197,062	81,181	823,078,243
<u>Less: Accumulated amortisation</u>				
As at 1 January 2019/ 31 December 2019/ 1 January 2020	-	-	-	-
Charge for the financial year	-	-	626	626
At 31 December 2020	-	-	626	626
<u>Net book value</u>				
At 31 December 2020	109,800,000	713,197,062	80,555	823,077,617
At 31 December 2019	109,800,000	713,197,062	-	822,997,062

Notes:

(a) Brand

Brand relates to "Munchy's" brand for its biscuits which are widely recognised in Malaysia. Brand has an indefinite useful life as it is expected to contribute to net cash inflows indefinitely. Brand will not be amortised but will be tested for impairment annually.

(b) Goodwill

Goodwill mainly arose from the acquisition of Munchy Food Industries Sdn Bhd's business. The goodwill has indefinite useful lives and is attributable mainly to the biscuits manufacturing business. Goodwill will not be amortised but will be tested for impairment annually.

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13 INTANGIBLE ASSETS (CONTINUED)

Impairment assessment for brand and goodwill

Brand and goodwill are allocated to the Group's biscuits manufacturing business, which is the cash generating unit ("CGU") identified for the purpose of the impairment assessment.

The recoverable amount of the biscuits manufacturing CGU was determined using the fair value less cost-to-sell ("FVLCTS") method. The FVLCTS method is computed using the Market Approach based on the Enterprise Value ("EV")/Earnings before interest, taxes, depreciation and amortisation ("EBITDA") multiples of comparable companies.

The key assumptions used to derive the recoverable amount of the CGU are as follows:

- Maintainable EBITDA based on the EBITDA for financial year ended 31 December 2020 after adjusting for certain one-off items; and
- EV/EBITDA multiple of 14 times (2019: 14 times)

Based on management's assessment, no impairment is required on the biscuits manufacturing GCU. The Directors believe that there are no reasonably possible changes in any of the key assumptions used that would cause the carrying amount of the CGU to materially exceed the recoverable amount.

14 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

(a) Right-of-use assets

	<u>Office premises</u> RM
<u>Group</u>	
<u>Cost</u>	
At 1 January 2019	16,369
Additions	12,538
At 31 December 2019 / 1 January 2020 / 31 December 2020	<u>28,907</u>
<u>Less: Accumulated amortisation</u>	
At 1 January 2019	-
Charge for the financial year	15,562
At 31 December 2019 / 1 January 2020	15,562
Charge for the financial year	13,345
At 31 December 2020	<u>28,907</u>
<u>Carrying amount</u>	
At 31 December 2020	-
At 31 December 2019	<u><u>13,345</u></u>

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14 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONTINUED)

(b) Lease liabilities

	<u>2020</u> RM	<u>2019</u> RM
<u>Group</u>		
Presented as:		
- Current	-	13,546
- Non-current	-	-
	<u>-</u>	<u>13,546</u>
	<u>-</u>	<u>13,546</u>

15 DEFERRED TAX ASSETS/(LIABILITIES)

Deferred tax assets and liabilities are off-set when there is a legally enforceable right to set off current tax assets against current tax liabilities against the current tax liabilities and when the deferred taxes relate to the same tax authority. The following amounts determined after appropriate offsetting are shown in the statement of financial position:

	<u>2020</u> RM	<u>2019</u> RM
<u>Group</u>		
Deferred tax assets	5,789,975	5,377,257
Deferred tax liabilities	(40,225,045)	(41,373,494)
Net deferred tax liabilities	<u>(34,435,070)</u>	<u>(35,996,237)</u>
Deferred tax assets (before offsetting)		
- inventories	170,528	161,897
- lease liabilities	-	3,251
- trade and other receivable	228,494	84,742
- trade and other payable	8,154,718	7,140,786
	<u>8,553,740</u>	<u>7,390,676</u>
Offsetting	<u>(2,763,765)</u>	<u>(2,013,419)</u>
Deferred tax assets (after offsetting)	<u>5,789,975</u>	<u>5,377,257</u>
Deferred tax liabilities (before offsetting)		
- property, plant and equipment	(16,636,810)	(17,031,710)
- right-of-use assets	-	(3,203)
- intangible assets	(26,352,000)	(26,352,000)
	<u>(42,988,810)</u>	<u>(43,386,913)</u>
Offsetting	<u>2,763,765</u>	<u>2,013,419</u>
Deferred tax liabilities (after offsetting)	<u>(40,225,045)</u>	<u>(41,373,494)</u>

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15 DEFERRED TAX ASSETS/(LIABILITIES) (CONTINUED)

The movement in deferred tax balances during the financial year is as follows:

	<u>2020</u>	<u>Group</u> <u>2019</u>
	RM	RM
Ast the beginning of the financial year	(35,996,237)	(35,764,905)
Recognised in profit or loss (Note 10):		
- property, plant and equipment	394,900	1,216,749
- right-of-use assets	3,203	(3,203)
- inventories	8,631	106,238
- derivatives financial liabilities	-	(4,332)
- lease liabilities	(3,251)	3,251
- trade and other receivables	143,752	(2,036,600)
- trade and other payables	1,013,932	486,565
	1,561,167	(231,332)
At the end of the financial year	<u>(34,435,070)</u>	<u>(35,996,237)</u>

16 INVENTORIES

	<u>2020</u>	<u>Group</u> <u>2019</u>
	RM	RM
Trading merchandise	<u>41,902,400</u>	<u>25,123,460</u>
Recognised in profit or loss:		
- Allowance for inventories written down	35,963	442,660
- Inventories written off	801,836	903,565
- Inventories recognised as cost of sales	<u>197,750,683</u>	<u>193,546,836</u>

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17 TRADE AND OTHER RECEIVABLES

		<u>Group</u>		<u>Company</u>	
	<u>Note</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
		RM	RM	RM	RM
<u>Trade</u>					
Trade receivables	17.1	61,074,450	65,636,923	-	-
Less: Loss allowance	17.2	(952,060)	(235,866)	-	-
		<u>60,122,390</u>	<u>65,401,057</u>	<u>-</u>	<u>-</u>
<u>Non-trade</u>					
Other receivables		459,263	727,881	-	-
Refundable deposits		235,031	265,665	500	500
Prepayments		466,757	422,000	39,583	39,583
		<u>61,283,441</u>	<u>66,816,603</u>	<u>40,083</u>	<u>40,083</u>

17.1 Trade receivables

Credit terms of trade receivables granted by the Group range from 1 to 90 days (2019: 1 to 90 days).

17.2 Reconciliation of loss allowance

	<u>Group</u>	
	<u>2020</u>	<u>2019</u>
	RM	RM
At 1 January	235,866	3,776,958
Loss allowance recognised (Note 7)	716,194	101,559
Bad debts written off	-	(3,642,651)
At 31 December	<u>952,060</u>	<u>235,866</u>

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18 CASH AND CASH EQUIVALENTS

	<u>Group</u>		<u>Company</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
	RM	RM	RM	RM
Cash and bank balances	23,281,914	6,226,392	613,025	18,518
Deposits with licensed banks	92,578,028	107,865,813	-	510,000
Cash and bank balances	115,859,942	114,092,205	613,025	528,518
Less: Deposit with licensed banks with maturity period greater than 3 months	(55,078,028)	(1,172,814)	-	-
Cash and cash equivalents	60,781,914	112,919,391	613,025	528,518

The effective interest rates for short-term and fixed deposits with licensed banks of the Group range from 1.25% to 4.20% (2019: 1.40% to 4.30%) per annum.

The average maturity of deposits with licensed banks of the Group at the end of the financial year range from 8 to 366 days (2019: 1 to 365 days). Included in deposits with licensed banks of the Group are deposits with maturity period greater than 3 months of RM55,078,028 (2019: RM1,172,814).

19 TRADE AND OTHER PAYABLES

	<u>Group</u>		<u>Company</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
	RM	RM	RM	RM
<u>Trade</u>				
Trade payables	37,514,830	27,913,612	-	-
Trade support accruals	33,587,191	33,286,112	-	-
	71,102,021	61,199,724	-	-
<u>Non-trade</u>				
Other payables	8,615,953	9,516,456	66,356	61,692
Accrued expenses	21,162,260	17,181,211	-	-
	100,880,234	87,897,391	66,356	61,692

Trade payables are unsecured, interest-free and carry credit period ranging from 30 days to 60 days (2019: 30 days to 60 days).

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20 SIGNIFICANT RELATED PARTY DISCLOSURES

Identity of related parties

For the purposes of these financial statements, parties are considered to be related to the Group and 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 or common significant influence. Related parties may be individuals or other entities.

The relationship of related parties are identified as below:

<u>Name of Company</u>	<u>Country of incorporation</u>	<u>Classes of related parties</u>
CVC Capital Partners Asia Pacific IV LP.	Jersey	Ultimate holding company
Crunchy Limited	Cayman Islands	Immediate holding company
Munchy Food Industries Sdn. Bhd.	Malaysia	Direct subsidiary
Munchworld Marketing Sdn. Bhd.	Malaysia	Indirect subsidiary
GPG Associates Consulting Asia Pte Ltd*	Singapore	Company in which a director has financial interests

* A Director of the Company, Guy-Pierre Girin, has financial interests in GPG Associates Consulting Asia Pte Ltd and thus this company is deemed to be the related party to the Company.

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20 SIGNIFICANT RELATED PARTY DISCLOSURES (CONTINUED)

Significant related party transactions and balances with related parties other than those disclosed elsewhere in the financial statements, all of which are carried out on terms and conditions negotiated and agreed between the parties, are as follows:

	<u>Group</u>		<u>Company</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
	RM	RM	RM	RM
<u>Significant related party transactions</u>				
<u>A related party:</u>				
Consultancy fee	(624,342)	(306,579)	-	-
<u>A subsidiary company:</u>				
Dividend income	-	-	74,900,000	24,340,000

The above transactions are carried out on terms and conditions negotiated and agreed between the parties.

	<u>Group</u>		<u>Company</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
	RM	RM	RM	RM
<u>Significant financial year end related party balances</u>				
<u>Amount owing to immediate holding company</u>				
- non-trade	(1,140,500)	(1,140,500)	(1,140,500)	(1,140,500)

Amount owing to immediate holding company is unsecured, interest-free and repayable on demand.

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21 DERIVATIVES FINANCIAL ASSETS

	<u>2020</u> RM	<u>Group</u> <u>2019</u> RM
Foreign exchange forward contracts:		
- United States Dollar	403,000	-

The Group's derivatives comprise solely of Currency Exchange Forward Contracts inceptioned to hedge its foreign currency exposures arising mainly from export sales in USD. These Currency Exchange Forward Contracts generally have a maturity period of less than 7 months and their fair values are classified under current assets by way of marking-to-market.

22 BORROWINGS

	<u>2020</u> RM	<u>Group</u> <u>2019</u> RM	<u>2020</u> RM	<u>Company</u> <u>2019</u> RM
Current (secured):				
Term loans				
- Facility A	851,870	13,822,102	595,684	11,601,972
Non-current (secured):				
Term loans				
- Facility A	185,810,452	254,798,149	155,911,875	213,560,731
- Facility B	20,892,917	14,000,000	-	-
Revolving credit	48,698,396	20,000,000	-	-
	<u>255,401,765</u>	<u>288,798,149</u>	<u>155,911,875</u>	<u>213,560,731</u>
Total borrowings	<u>256,253,635</u>	<u>302,620,251</u>	<u>156,507,559</u>	<u>225,162,703</u>
Maturity of borrowings:				
- Not later than 1 year	851,870	13,822,102	595,684	11,601,972
- Between 1 and 2 years	-	13,648,593	-	11,547,640
- Between 2 and 5 years	185,810,452	241,149,556	155,911,875	202,013,091
- More than 5 years	69,591,313	34,000,000	-	-
	<u>256,253,635</u>	<u>302,620,251</u>	<u>156,507,559</u>	<u>225,162,703</u>

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22 BORROWINGS (CONTINUED)

The weighted average interest rates per annum of the borrowings at the end of financial year/period are as follows:

	<u>Group</u>		<u>Company</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
	% per annum	% per annum	% per annum	% per annum
Borrowings	4.73	6.15	4.81	6.16

- (a) The outstanding term loan with principal amount of RM193 million from Facility A is secured and repayable in full on the maturity date on 8 June 2025. During the financial year, the Group and the Company has made an advance repayment of RM76 million and RM63.8 million respectively.
- (b) The revolving credit facility amounting to RM49 million is repayable at the same time the Facilities A and B have been repaid in full.
- (c) The outstanding term loan with principal amount of RM21 million from Facility B is repayable in full on the expiry of the tenure of 7 years from initial utilisation on 12 December 2019.

23 SHARE CAPITAL

	<u>Group</u>		<u>Company</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
	RM	RM	RM	RM
<u>Issued and paid up ordinary shares with no par value:</u>				
At 1 January/31 December	1,000,000	1,000,000	1,000,000	1,000,000
<u>Preference shares:</u>				
At 1 January/31 December	683,964,000	683,964,000	683,964,000	683,964,000
Total share capital	684,964,000	684,964,000	684,964,000	684,964,000

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23 SHARE CAPITAL (CONTINUED)

The preference shares carry the following terms and conditions:

- preference shareholders shall be entitled to dividends at the discretion of the Board of Directors of the Company;
- preference shareholders shall not have any right to participate in the profits or assets of the Company;
- preference shares shall be converted into ordinary shares at the conversion price of RM1 per share on the eighth anniversary of the issue date (i.e. 8 June 2026), unless earlier converted or extended by extraordinary resolution between the Company and the preference shareholders; and
- preference shareholders shall have the rights to receive notices of, and attend, speak and vote at, meetings of shareholders of Company.

24 CAPITAL COMMITMENTS

The Group has the following capital commitments in respect of the acquisition of property, plant and equipment:

	<u>2020</u>	<u>Group</u> <u>2019</u>
	RM	RM
Contracted but not provided for	15,610,312	2,058,024

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25 FINANCIAL INSTRUMENTS BY CATEGORY

The table below provides an analysis of financial instruments by category:

	<u>Group</u>		<u>Company</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
	RM	RM	RM	RM
<u>Financial assets at amortised cost:</u>				
Trade and other receivables (exclude prepayments)	60,816,684	66,394,603	500	500
Deposits, bank and cash balances	115,859,942	114,092,205	613,025	528,518
	<u>176,676,626</u>	<u>180,486,808</u>	<u>613,525</u>	<u>529,018</u>
<u>Financial assets at fair value through profit or loss:</u>				
Derivative financial assets	403,000	-	-	-
	<u>177,079,626</u>	<u>180,486,808</u>	<u>613,525</u>	<u>529,018</u>
<u>Financial liabilities at amortised cost:</u>				
<u>Non-current:</u>				
Borrowings	255,401,765	288,798,149	155,911,875	213,560,731
<u>Current:</u>				
Trade and other payable (exclude payroll liabilities)	99,647,065	86,902,734	66,356	61,692
Amount owing to holding company	1,140,500	1,140,500	1,140,500	1,140,500
Borrowings	851,870	13,822,102	595,684	11,601,972
Lease liabilities	-	13,546	-	-
	<u>357,041,200</u>	<u>390,677,031</u>	<u>157,714,415</u>	<u>226,364,895</u>