Registration No.: 201901002673 (1311999-P)

ASTRAMINA GROUP BERHAD
(Incorporated in Malaysia)

REPORTS AND FINANCIAL STATEMENTS
28 FEBRUARY 2021

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REPORTS AND FINANCIAL STATEMENTS - 28 FEBRUARY 2021

CONTENTS

ASTRAMINA GROUP BERHAD
(Incorporated in Malaysia)

CORPORATE INFORMATION

DOMICILE	:	Malaysia
LEGAL FORM AND PLACE OF INCORPORATION	:	Public listed company limited by way of shares incorporated in Malaysia
REGISTERED OFFICE	:	Unit 30-01, Level 30 Tower A, Vertical Business Suite Avenue 3, Bangsar South No. 8, Jalan Kerinchi 59200 Kuala Lumpur
PRINCIPAL PLACE OF BUSINESS	:	No. 102, Jalan Metro Perdana Barat 13 Sri Edaran Industrial Park Off Jalan Kepong 52100 Kuala Lumpur

ASTRAMINA GROUP BERHAD
(Incorporated in Malaysia)

DIRECTORS' REPORT
FOR THE FINANCIAL YEAR ENDED 28 FEBRUARY 2021

The directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 28 February 2021.

PRINCIPAL ACTIVITIES

The principal activity of the Company is engaged in investment holding. The principal activities of the subsidiaries are disclosed in note 6 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

RESULTS

	Group	Company
	RM	RM
Profit for the financial year	4,926,377	73,146
	=========	=========

DIVIDEND

No dividend was paid or declared by the Company since the end of the previous financial period.

SHARES AND DEBENTURES

There was no issuance of shares or debentures during the financial year.

RESERVES AND PROVISIONS

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

SUBSIDIARIES

Details of the subsidiaries are set out in note 6 to the financial statements.

There is no qualified auditor's report on the financial statements of any subsidiaries for the financial year in which this report is made.

At the end of the financial year, none of the subsidiaries held any shares in the Company.

DIRECTORS

The directors in office during the period commencing from the beginning of the financial year to the date of this report are:

Tan Sri Dato' Wong See Wah
Dato' Foo Chi Ching
Datin Wong Muh Rong

DIRECTORS OF SUBSIDIARIES

The directors in office of the subsidiaries during the period commencing from the beginning of the financial year to the date of this report are also the directors of the Company.

DIRECTORS' INTERESTS IN SHARES

The following directors, who held office at the end of the financial year, had interests in shares in the Company and its related corporations during the financial year as follows:

	Number of ordinary shares			
	At 1.3.2020	Acquisition	Disposal	At 28.2.2021
The Company				
Tan Sri Dato' Wong See Wah				
- direct interest	62,637,755	-	-	62,637,755
Dato' Foo Chi Ching				
- direct interest	144,981,119	-	-	144,981,119
Datin Wong Muh Rong				
- direct interest	36,804,436	-	-	36,804,436

DIRECTORS' BENEFITS

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

Since the end of the previous financial period, no director of the Company has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of remuneration received or due and receivable by the directors shown in the notes to the financial statements or the fixed salary of a full-time employee of the Company) by reason of a contract made by the Company or a related corporation with a 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 except for any benefits which may be deemed to have arisen from transactions as disclosed in note 20(b) to the financial statements.

Other benefits and remuneration of the directors are disclosed in note 20(a) to the financial statements.

OTHER INFORMATION

Before the financial statements were made out, the directors took reasonable steps:

(i) to ascertain that appropriate 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 allowance for doubtful debts was not required; and

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

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

(i) which would render the amount written off for bad debts of the Group and of the Company inadequate to any substantial extent or it necessary to make an allowance for doubtful debts in respect of the financial statements; or

(ii) which would render the values attributed to the current assets in the financial statements misleading; or

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

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

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

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

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

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

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) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature 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.

AUDITORS

To the extent permitted by laws, the Company has agreed to indemnify its auditors, as part of the terms of its audit engagement, against claims by third parties arising from the audit. No payment has been made to indemnify the auditors for the current financial year.

Auditors' remuneration is set out in note 17 to the financial statements.

The auditors, Mazars PLT, Chartered Accountants, have expressed their willingness to accept re-appointment.

APPROVAL OF THE DIRECTORS' REPORT

This report is approved by the board of directors, and signed on behalf of the board of directors in accordance with a directors' resolution.

TAN SRI DATO' WONG SEE WAH Director	DATO' FOO CHI CHING Director

Seremban

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Astramina Group Berhad, which comprise the statements of financial position as at 28 February 2021 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to financial statements, including a summary of significant accounting policies, as set out on pages 11 to 55.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 28 February 2021, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. We have nothing to report in this regard.

Information Other than the Financial Statements and Auditors' Report Thereon

The directors of the Company are responsible for the other information. The other information comprises the information included in the 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 the 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.

Auditor's 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 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 the financial statements.

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

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

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

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

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Other Matter

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

MAZARS PLT
201706000496 (LLP0010622-LCA)
AF 001954
Chartered Accountants

LEE SOO ENG
03230/02/2022 J
Chartered Accountant

Kuala Lumpur

31 May 2021

ID_1402

ASTRAMINA GROUP BERHAD
(Incorporated in Malaysia)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 28 FEBRUARY 2021

	Note	2021 RM	2020 RM
ASSETS			
NON-CURRENT ASSET			
Property, plant and equipment	5	10,307,792	10,321,232
CURRENT ASSETS			
Inventories	7	2,288,256	2,299,363
Trade and other receivables	8	2,643,188	2,886,226
Short term investments	9	30,143,824	25,088,712
Cash and bank balances		1,151,323	346,104
		36,226,591	30,620,405
TOTAL ASSETS		46,534,383	40,941,637
EQUITY AND LIABILITIES			
EQUITY			
Share capital	10	30,856,331	30,856,331
Merger reserve	11	(21,416,231)	(21,416,231)
Retained earnings		27,882,029	22,955,652
		37,322,129	32,395,752
NON-CURRENT LIABILITIES			
Bank borrowings	12	6,746,539	6,768,599
Deferred tax liability	13	192,804	169,505
		6,939,343	6,938,104

	Note	2021 RM	2020 RM
CURRENT LIABILITIES			
Contract liabilities	14	-	5,801
Trade and other payables	15	2,033,773	1,354,370
Current tax liability		192,071	201,299
Bank borrowings	12	47,067	46,311
		2,272,911	1,607,781
TOTAL LIABILITIES		9,212,254	8,545,885
TOTAL EQUITY AND LIABILITIES		46,534,383	40,941,637

ASTRAMINA GROUP BERHAD
(Incorporated in Malaysia)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 28 FEBRUARY 2021
(With comparative figures for the financial period from 22 January 2019
(date of incorporation) to 29 February 2020)

	Note	1.3.2020 to 28.2.2021 RM	22.1.2019 (date of incorporation) to 29.2.2020 RM
Revenue	16	17,340,571	16,910,098
Cost of sales		(9,371,992)	(8,811,852)
Gross profit		7,968,579	8,098,246
Other income and gains		1,587,320	1,576,520
Administrative and general expenses		(3,322,903)	(3,989,500)
Finance costs		(201,200)	(95,794)
Reversal of loss allowance/(Loss allowance) on trade receivables		65,838	(231,082)
Profit before tax	17	6,097,634	5,358,390
Tax expense	18	(1,171,257)	(1,407,578)
Profit and total comprehensive income for the financial year/period		4,926,377	3,950,812
Earnings per share - basic and diluted (sen)	21	1.81	2.05

ASTRAMINA GROUP BERHAD
(Incorporated in Malaysia)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 28 FEBRUARY 2021

	Note	Share capital RM	Merger reserve RM	Retained earnings RM	Total equity RM
At 22 January 2019 (date of incorporation)	10	100	-	-	100
Effect on merger of subsidiaries	10	24,416,231	(21,416,231)	19,004,840	22,004,840
Issuance of shares for cash	10	6,440,000	-	-	6,440,000
		30,856,331	(21,416,231)	19,004,840	28,444,940
Profit and total comprehensive income for the financial period		-	-	3,950,812	3,950,812
At 29 February 2020		30,856,331	(21,416,231)	22,955,652	32,395,752
Profit and total comprehensive income for the financial year		-	-	4,926,377	4,926,377
At 28 February 2021		30,856,331	(21,416,231)	27,882,029	37,322,129

ASTRAMINA GROUP BERHAD
(Incorporated in Malaysia)

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 28 FEBRUARY 2021
(With comparative figures for the financial period from 22 January 2019 (date of incorporation) to 29 February 2020)

	1.3.2020 to 28.2.2021 RM	22.1.2019 (date of incorporation) to 29.2.2020 RM
OPERATING ACTIVITIES		
Profit before tax	6,097,634	5,358,390
Adjustments for:		
Depreciation of property, plant and equipment	185,415	183,578
Dividend income	(148,838)	(176,012)
Gain on disposal of property, plant and equipment	(7,500)	(47,000)
Interest expense	201,200	95,794
Interest income	-	(294)
Inventories written off	7,057	50,687
Net gain on financial assets at fair value through profit or loss mandatorily	(1,360,384)	(1,052,346)
Net unrealised (gain)/loss on foreign exchange	(39,321)	30,880
(Reversal of loss allowance)/Loss allowance on trade receivables	(65,838)	231,082
Operating profit before working capital changes	4,869,425	4,674,759
Changes in inventories	4,050	(630,569)
Changes in receivables	382,638	795,102
Changes in payables	702,857	(647,858)
Cash generated from operations	5,958,970	4,191,434
Interest received	-	294
Tax paid	(1,157,186)	(1,240,767)
Net cash generated from operating activities	4,801,784	2,950,961
INVESTING ACTIVITIES		
Acquisition of property, plant and equipment (a)	(290,725)	(6,113,700)
Dividend received	148,838	176,012
Net subscriptions of short term investments	(3,694,728)	(9,850,495)
Proceeds from disposal of property, plant and equipment	49,500	47,000
Net cash used in investing activities	(3,787,115)	(15,741,183)

	1.3.2020 to 28.2.2021 RM	22.1.2019 (date of incorporation) to 29.2.2020 RM
FINANCING ACTIVITIES		
Drawdowns of bank borrowings	-	5,600,000
Interest paid on bank borrowings	(201,200)	(95,794)
Issuance of share capital	-	6,440,000
Repayments of bank borrowings	(21,304)	(45,206)
Net cash (used in)/generated from financing activities	(222,504)	11,899,000
NET CHANGES IN CASH AND BANK BALANCES	792,165	(891,222)
EFFECT OF EXCHANGE RATE FLUCTUATION	13,054	(6,172)
CASH AND BANK BALANCES AT THE BEGINNING OF THE FINANCIAL YEAR/DATE OF INCORPORATION	346,104	100
EFFECT ON MERGER OF SUBSIDIARIES	-	1,243,398
CASH AND BANK BALANCES AT THE END OF THE FINANCIAL YEAR/PERIOD	1,151,323	346,104

Note (a)

Additions of propery plant and equipment (note 5)	213,975	6,113,700
Downpayment for computer software (note 8)	76,750	-
	290,725	6,113,700

ASTRAMINA GROUP BERHAD
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STATEMENT OF FINANCIAL POSITION
AS AT 28 FEBRUARY 2021

	Note	2021 RM	2020 RM
ASSETS			
NON-CURRENT ASSET			
Investments in subsidiaries	6	24,416,231	24,416,231
CURRENT ASSETS			
Short term investments	9	6,597,295	6,548,484
Cash and bank balances		3,056	650
		6,600,351	6,549,134
TOTAL ASSETS		31,016,582	30,965,365
EQUITY AND LIABILITIES			
EQUITY			
Share capital	10	30,856,331	30,856,331
Retained earnings		150,251	77,105
		31,006,582	30,933,436
CURRENT LIABILITIES			
Trade and other payables	15	10,000	31,619
Current tax liability		-	310
		10,000	31,929
TOTAL EQUITY AND LIABILITIES		31,016,582	30,965,365

ASTRAMINA GROUP BERHAD
(Incorporated in Malaysia)

STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 28 FEBRUARY 2021
(With comparative figures for the financial period from 22 January 2019 (date of incorporation) to 29 February 2020)

	Note	1.3.2020 to 28.2.2021 RM	22.1.2019 (date of incorporation) to 29.2.2020 RM
Revenue		-	-
Other income and gains		172,343	138,778
Administrative and general expenses		(99,291)	(61,363)
Profit before tax	17	73,052	77,415
Tax income/(expense)	18	94	(310)
Profit and total comprehensive income for the financial year/period		73,146	77,105

ASTRAMINA GROUP BERHAD
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STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 28 FEBRUARY 2021

	Note	Share capital RM	Retained earnings RM	Total equity RM
At 22 January 2019 (date of incorporation)	10	100	-	100
Issuance of shares pursuant to the acquisition of subsidiaries	10	24,416,231	-	24,416,231
Issuance of shares for cash	10	6,440,000	-	6,440,000
		30,856,331	-	30,856,331
Profit and total comprehensive income for the financial period		-	77,105	77,105
At 29 February 2020		30,856,331	77,105	30,933,436
Profit and total comprehensive income for the financial year		-	73,146	73,146
At 28 February 2021		30,856,331	150,251	31,006,582

The accompanying notes form an integral part of the financial statements

ASTRAMINA GROUP BERHAD
(Incorporated in Malaysia)

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 28 FEBRUARY 2021
(With comparative figures for the financial period from 22 January 2019 (date of incorporation) to 29 February 2020)

	1.3.2020 to 28.2.2021 RM	22.1.2019 (date of incorporation) to 29.2.2020 RM
OPERATING ACTIVITIES		
Profit before tax	73,052	77,415
Adjustments for:		
Interest income	-	(294)
Net gain on financial assets at fair value through profit or loss mandatorily	(172,343)	(138,484)
Operating loss before working capital changes	(99,291)	(61,363)
Changes in payables	(21,619)	31,619
Cash used in operations	(120,910)	(29,744)
Interest received	-	294
Tax paid	(216)	-
Net cash used in operating activities	(121,126)	(29,450)
INVESTING ACTIVITY		
Net proceeds from disposals of/(subscriptions) of short term investments, representing net cash generated from/(used in) investing activity	123,532	(6,410,000)
FINANCING ACTIVITY		
Issuance of share capital, representing net cash generated from financing activity	-	6,440,000

	1.3.2020 to 28.2.2021 RM	22.1.2019 (date of incorporation) to 29.2.2020 RM
NET CHANGES IN CASH AND BANK BALANCES	2,406	550
CASH AND BANK BALANCES AT THE BEGINNING OF THE FINANCIAL YEAR/DATE OF INCORPORATION	650	100
CASH AND BANK BALANCES AT THE END OF THE FINANCIAL YEAR/PERIOD	3,056	650

ASTRAMINA GROUP BERHAD
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 28 FEBRUARY 2021

1. GENERAL INFORMATION

Astramina Group Berhad is a public company limited by way of shares which is incorporated and domiciled in Malaysia. The Company is listed on the LEAP Market of Bursa Malaysia Securities Berhad. The addresses of the principal place of business and registered office of the Company are disclosed in page 1.

The consolidated financial statements of the Company as at and for the financial year ended 28 February 2021 comprise the Company and its subsidiaries (collectively referred to as the "Group").

The Company is principally engaged in investment holding. The principal activities of the subsidiaries are disclosed in note 6. There have been no significant changes in the nature of these activities during the financial year.

2. BASIS OF PREPARATION

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

The financial statements are presented in Ringgit Malaysia ("RM"), which is also the functional currency of the Company.

The financial statements have been prepared on the historical cost basis, except for other measurement bases applied, including fair value, as stated in the significant accounting policies set out in note 3.

Application of amendments and new standards

In the current financial year, the Group and the Company have applied a number of amendments and new standards that became effective mandatorily for the financial periods beginning on or after 1 March 2020. The adoption of the amendments and new standards did not have significant impact on the disclosures or on the amounts reported in the financial statements.

Amendments and new standard issued that are not yet effective

The Group and the Company have not applied the following amendments and new standard that have been issued by the MASB but are not yet effective:

		Effective Date
Amendment to MFRS 16	Covid-19-Related Rent Concessions	1 April 2021 (1 June 2020)
Amendments to MFRS 4	Extension of the Temporary Exemption from Applying MFRS 9	17 August 2020
Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16	Interest Rate Benchmark Reform - Phase 2	1 January 2021
Amendments to MFRS 1, MFRS 9, MFRS 16 and MFRS 141	Annual Improvements to MFRS Standards 2018 - 2020	1 January 2022
Amendments to MFRS 3	Reference to the Conceptual Framework	1 January 2022
Amendments to MFRS 116	Property, Plant and Equipment - Proceeds before Intended Use	1 January 2022
Amendments to MFRS 137	Onerous Contracts - Cost of Fulfilling a Contract	1 January 2022
MFRS 17	Insurance Contracts	1 January 2023 (1 January 2021)
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current	1 January 2023 (1 January 2022)
Amendments to MFRS 101	Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108	Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be announced by the MASB

The adoption of the above amendments and new standard is not expected to have significant impact on the financial position and financial performance of the Group and of the Company.

3. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and of the entities controlled by the Company made up to the end of the financial year.

The Company controls an investee if and only if the Company:

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

When the Company has no majority voting rights of an investee, it considers that it has power over the investee if the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally.

The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. All intra-group balances, transactions, income and expenses are eliminated in full on consolidation. Consolidation of an investee shall begin from the date the Company obtains control of the investee and cease when the investor loses control of the investee.

Non-controlling interests are initially measured at fair value. Subsequently, non-controlling interests are the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes of Interests in Subsidiaries

The changes of interests in subsidiaries that do not result in a loss of control are treated as equity transactions between the Group and non-controlling interests. Any difference arising from equity transactions is recognised directly in equity.

When the Company loses control of a subsidiary:

- It derecognises the assets and liabilities, non-controlling interests, and other amounts previously recognised in other comprehensive income relating to the former subsidiary.

- It recognises any gain or loss in profit or loss attributable to the Group, which is calculated as the difference between (i) the aggregate of the fair value of the consideration received, if any, from the transactions, events or circumstances that resulted in the loss of control; plus any investment retained in the former subsidiary at its fair value at the date when control is lost; and (ii) the net carrying amount of assets, liabilities, goodwill and any non-controlling interests attributable to the former subsidiary at the date when control is lost.

- It recognises any investment retained in the former subsidiary at its fair value when control is lost. That fair value shall be regarded as the fair value on initial recognition of a financial asset in accordance with MFRS 9 or, when appropriate, the cost on initial recognition of an investment in an associate or joint venture.

Merger Accounting for Business Combinations under Common Control

The business combinations under common control are accounted for in accordance with merger accounting. In applying merger accounting, the financial statements incorporate the financial statement items of the combining entities or business in which the common control combination occurs as it they had been combined from the date when the combining entities or business first came under the control of the controlling party.

The net assets of the combining entities or businesses are combined using the existing book values from the controlling parties' perspective. No amount is recognised in respect of goodwill or excess of the acquirer's interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities over cost at the time of common control combination.

The consolidated statement of comprehensive income includes the results of each of the combining entities or businesses from the earliest date presented or since the date when the combining entities or businesses first came under the common control, where this is a shorter period, regardless of the date of the common control combination.

(b) Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

Depreciation is recognised to write off the depreciable amount of property, plant and equipment on a straight-line basis over their estimated useful lives. Depreciable amount is determined after deducting the residual value from the cost.

Freehold land is not depreciated. The annual depreciation rates of other items are as follows:

Leasehold land and buildings	Lease period
Building improvement	10% - 20%
Furniture, fittings and office equipment	25%
Motor vehicles	20%
Plant and machinery	25%

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Property, plant and equipment are derecognised upon disposal or when no future economic benefits are expected from their use. On disposal or retirement of an asset, the difference between the net disposal proceeds and the carrying amount is recognised in profit or loss.

(c) Investments in subsidiaries (separate financial statements)

In the Company's separate financial statements, investments in subsidiaries are measured at cost less impairment losses, if any. Impairment losses are recognised in profit or loss.

On disposal, the difference between the net disposal proceeds and the carrying amount of the investment disposed is recognised in profit or loss.

(d) Impairment of non-financial assets

Tangible assets are assessed at each reporting date to determine whether there is any indication of impairment.

If such an indication exists, the asset's recoverable amount is estimated. The recoverable amount is the higher of an asset's fair value less cost to sell and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Recoverable amounts are estimated for individual assets or, if it is not possible, for the cash-generating unit to which the asset belongs.

An impairment loss is recognised whenever the carrying amount of an asset or a cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in profit or loss except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

Any reversal of an impairment loss as a result of a subsequent increase in recoverable amount should not exceed the carrying amount that would have been determined (net of amortisation or depreciation, if applicable) had no impairment loss been previously recognised for the asset.

(e) Inventories

Inventories are measured at the lower of cost and net realisable value. Cost is determined on the first-in-first-out basis.

Cost comprises direct materials, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Net realisable value represents the estimated selling price in the ordinary course of business, less selling and distribution costs and all other estimated cost to completion.

(f) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognised when an entity becomes a party to the contractual provisions of an instrument.

Financial assets and financial liabilities are initially recognised at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities on initial recognition.

Financial Assets

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

Subsequent Measurement

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

- at amortised cost (debt instruments); or
- at fair value through other comprehensive income ("FVTOCI"), with recycling of cumulative gains and losses (debt instruments); or
- designated at FVTOCI, without recycling of cumulative gains and losses (equity instruments); or
- at fair value through profit or loss ("FVTPL").

The Group and the Company have financial assets at amortised cost and FVTPL.

Financial Assets at Amortised Cost

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

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

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

Financial Assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI are measured at FVTPL, including but not limited to:

- Debt instruments that are designated as at FVTPL, if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.
- Derivative instruments.

Financial assets at FVTPL are measured at fair value, with fair value gains or losses recognised in profit or loss to the extent they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial assets.

Impairment of Financial Assets

Loss allowance is recognised for expected credit losses ("ECL") for all debt instruments not held at FVTPL, i.e. financial assets at amortised cost or FVTOCI, receivables, lease receivables, contract assets, loan commitments and financial guarantee contracts.

ECL is based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that are expected to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial asset.

Management measures the loss allowance of trade receivables at an amount equal to their lifetime ECL (i.e. simplified approach). The ECL on these financial assets is estimated based on historical credit loss experience, and where appropriate, adjusted for forward-looking factors specific to the trade receivables and the economic environment.

For all other financial assets at amortised cost, where credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECL is provided for credit losses that result from default events that are possible within twelve months after the reporting date. For those credit exposures for which there has been a significant increase in the likelihood or risk of a default occurring since initial recognition (instead of on evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring), a loss allowance is required for credit losses expected over the remaining life of the financial assets.

Derecognition of Financial Assets

A financial asset is derecognised only when the contractual rights to the cash flows from the financial asset are expired; or when the financial asset is transferred and substantially all the risks and rewards of ownership of the financial asset are transferred to another party.

If the entity neither transfers nor retains substantially all the risks and rewards of ownership and continues to control a transferred financial asset, the entity recognises its retained interest in the financial asset and an associated liability for amounts it may have to pay. If the entity retains substantially all the risks and rewards of ownership of a transferred financial asset, the entity continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the financial asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss. On derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the reserve is reclassified to profit or loss. On derecognition of an investment in equity instrument classified at FVTOCI, the cumulative gain or loss previously accumulated in the reserve is transferred to retained earnings.

Financial Liabilities and Equity Instruments

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

Financial Liabilities

All financial liabilities are subsequently measured at FVTPL or at amortised cost.

The Group and the Company have financial liabilities at amortised cost only.

Financial Liabilities at Amortised Cost

These financial liabilities are subsequently measured at amortised cost using the effective interest method.

Effective Interest Method

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

Derecognition of Financial Liabilities

Financial liabilities are derecognised when, and only when, the obligations under the liabilities are discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

When an existing financial liability is replaced by another financial liability from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as derecognition of the original liability and the recognition of a new liability.

Equity Instrument

Equity instruments issued are recognised at the proceeds received. Costs incurred directly attributable to the issuance of the equity instruments are accounted for as a deduction from equity.

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

(g) Provisions

Provisions are recognised when the Group and the Company have a present obligation (legal or constructive) as a result of a past event, when it is probable that the Group and the Company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, a provision represents the present value of estimated future those cash flows.

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

(h) Borrowing costs

Borrowing costs incurred on assets under development that take a substantial period of time for completion are capitalised into the carrying value of the assets. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sales are in progress and the expenditures and borrowing costs are incurred and ceases when the asset is completed or during extended periods when active development is interrupted.

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

(i) Revenue

Revenue from a contract with a customer is recognised when control of the goods or services are transferred to the customer. Revenue is measured based on the consideration specified in the contract to which the entity expects to be entitled in exchange for transferring the goods or services to the customer, excluding amounts collected on behalf of third parties.

If a contract with a customer contains more than one performance obligation, the total consideration is allocated to each performance obligation based on the relative stand-alone selling prices of the goods or services promised in the contract.

Sales of Goods

Revenue from sales of goods is recognised at the point in time when control of the goods is transferred to a customer, generally upon delivery of goods.

In measuring the revenue for the sales of goods, the effects of variable consideration, the existence of significant financing component, non-cash consideration, and consideration payable to the customer, etc. are taken into consideration.

Other Income

- Interest income is recognised using the effective interest method.

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

(j) Foreign currencies

Transactions in currencies other than the functional currency ("foreign currencies") are recognised at the prevailing exchange rate on the date of the transaction. At the reporting date, monetary items denominated in foreign currencies are translated at the prevailing exchange rate on that date.

Non-monetary items which are measured in terms of historical costs denominated in foreign currencies are translated at the prevailing exchange rate on the date of the transaction. Non-monetary items which are measured at fair values denominated in foreign currencies are translated at the prevailing exchange rate on the date when the fair values were determined.

Exchange differences are recognised in profit or loss, except for:

- Exchange differences on borrowings denominated in foreign currency relating to an asset under construction, which are included in the cost of that asset when the exchange difference is regarded as an adjustment to interest costs on those foreign currency borrowings.

- Exchange differences on amounts receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur in the foreseeable future (i.e. form part of the net investment in that foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on disposal or partial disposal of the net investment.

(k) Income tax

The income tax expense represents the aggregate of current tax and deferred tax.

Current tax and deferred tax are recognised in profit or loss. Current tax and deferred tax are recognised in other comprehensive income or directly in equity, if the tax relates to items that are recognised in other comprehensive income or directly in equity. Where deferred tax arises from a business combination, the tax effect is included in the accounting for the business combination.

Current Tax

Current tax is the expected income tax payable on the taxable profit for the period, estimated using the tax rates enacted or substantially enacted by the reporting date.

A provision is recognised for those matters for which the tax determination is uncertain but it is considered probable that there will be a future payment to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable.

Deferred Tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, which is accounted using the liability method.

A deferred tax liability is recognised for all taxable temporary differences. A deferred tax asset is only recognised for deductible temporary differences and unutilised tax credit to the extent that it is probable that taxable profit will be available in future against which the deductible temporary differences and unutilised tax credit can be utilised.

No deferred tax is recognised for temporary differences arising from the initial recognition of: (i) goodwill, or (ii) an asset or liability (which is not in a business combination) at the time of the transaction that affects neither accounting profit nor taxable profit.

Deferred taxes are measured based on tax consequences that would follow from the manner in which the asset or liability is expected to be recovered or settled, and based on the tax rates enacted or substantially enacted at the reporting date that are expected to apply to the financial year when the asset is realised or when the liability is settled.

(l) Employee benefits

Short Term Benefits

Wages, salaries, paid leave, bonuses and non-monetary benefits are recognised as an expense in the financial year in which the associated services are rendered by employees.

Defined Contribution Plan

The Group makes monthly contributions to the Employees Provident Fund ("EPF") which is a defined contribution plan. The obligation of the Group is limited to the amount that it agrees to contribute to the EPF. The contributions to the EPF are recognised as an expense when the employees have rendered service entitling them to the contribution.

(m) Fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

All assets and liabilities, for which fair value is measured or disclosed, are categorised within the fair value hierarchy set out below based on the inputs that are significant to the fair value measurement. Fair value measurement is derived from:

Level 1: Unadjusted quoted prices in active markets (for identical assets or liabilities).

Level 2: Inputs (other than quoted prices included within Level 1) are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Valuation techniques that include unobservable inputs (not based on observable market data).

(n) Segmental reporting

Segmental reporting in the financial statements is presented on the same basis as it is used by management internally for evaluating operating segment performance and in deciding how to allocate resources to each reporting segment. Operating segments are distinguishable components of the Group that engage in business activities from which they may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's results are reviewed regularly by the chief operating decision maker to decide how to allocate resources to the segment and assess its performance, and for which discrete financial information is available.

Segment revenue, expenses, assets and liabilities are those amounts resulting from operating activities of a segment that are directly attributable to the segment and a relevant portion that can be allocated on a reasonable basis to the segment.

Segment revenue, expenses, assets and liabilities are determined before intra-group balances and intra-group transactions are eliminated as part of the consolidation process, except to the extent that such intra-group balances and transactions are between group entities within a single segment.

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

Segment capital expenditure is the total cost incurred during the financial year to acquire property, plant and equipment and tangible assets other than goodwill.

(o) Earnings per ordinary share

The Company presents basic and diluted earnings per share ("EPS") data for its ordinary shares. Basic EPS is calculated by dividing the profit attributable to common controlling shareholders by the weighted average number of ordinary shares in issue.

Diluted EPS is calculated by dividing the profit attributable to common controlling shareholders by the weighted average number of ordinary shares in issue, adjusted for the dilutive effects of all potential ordinary shares to be issued. Diluted EPS is not applicable as the combining entities do not have potential dilutive equity instruments that would give a diluted effect to the basic EPS.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATIONS

The preparation of the financial statements requires management to exercise judgement in the process of applying the accounting policies. It also requires the use of accounting estimates and assumptions that affect the reported assets, liabilities, income and expenses.

Although these estimates are based on management's best knowledge of current events and actions, historical experiences and various other factors (including expectations for future events that are believed to be reasonable under the circumstances), actual results may ultimately differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the financial year in which the estimate is revised and in any future financial periods affected.

Key Estimation Uncertainty

The key assumptions concerning the future and other key sources associated with estimation uncertainty as at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial periods, are as follows:

Inventories

Inventories are stated at the lower of cost and net realisable value. The Group estimates the net realisable value of inventories based on an assessment of expected sales prices less the estimated costs necessary to make the sale.

Inventories are reviewed on a regular basis and the Group will write down excess or obsolete inventories based primarily on historical trends and management estimates of expected and future product demand and related pricing.

Demand levels, technological advances and pricing competition could change from time to time. If such factors result in an adverse effect on the Group products, the Group might be required to reduce the value of its inventories.

Trade Receivables

Management assesses the ECL for trade receivables at each reporting date. Credit losses are the difference between the contractual cash flows that are due to the Group and the cash flows that it actually expects to receive. Management applies simplified approach of MFRS 9 *Financial Instruments* in assessing the impairment of trade receivables.

In determining the ECL, management uses its historical credit loss experience for trade receivables to estimate the ECL. Management is not only required to consider historical information that is adjusted to reflect the effects of current conditions and information that provides objective evidence that trade receivables are impaired in relation to incurred losses, but management is also considering, when applicable, reasonable and supportable information that may include forecasts of future economic conditions when estimating the ECL, on an individual and collective basis. The need to consider forward-looking information means that management exercises considerable judgement as to how changes in macroeconomic factors will affect the ECL on trade receivables.

The ECL on trade receivables as at the reporting date is mainly based upon the historical credit loss experience.

5. PROPERTY, PLANT AND EQUIPMENT

Group

2021	Freehold land RM	Leasehold land and buildings RM	Furniture, fittings and office equipment RM	Plant and machinery RM	Motor vehicles RM	Building improvement RM	Total RM
Cost							
At the beginning of the financial year	6,098,832	4,200,000	392,408	399,484	165,239	427,860	11,683,823
Additions	-	-	15,693	11,040	187,242	-	213,975
Disposals	-	-	-	-	(44,000)	-	(44,000)
At the end of the financial year	6,098,832	4,200,000	408,101	410,524	308,481	427,860	11,853,798
Accumulated depreciation							
At the beginning of the financial year	-	268,938	366,372	376,417	132,192	218,672	1,362,591
Charge for the financial year	-	58,474	17,213	16,038	63,695	29,995	185,415
Disposals	-	-	-	-	(2,000)	-	(2,000)
At the end of the financial year	-	327,412	383,585	392,455	193,887	248,667	1,546,006
Carrying amount							
At the end of the financial year	6,098,832	3,872,588	24,516	18,069	114,594	179,193	10,307,792

Group 2020	Freehold land RM	Leasehold land and buildings RM	Furniture, fittings and office equipment RM	Plant and machinery RM	Motor vehicles RM	Building improvement RM	Total RM
Cost							
At 22 January 2019 (date of incorporation)	-	-	-	-	-	-	-
Effect on merger of subsidiaries	-	4,200,000	379,340	399,484	355,380	426,060	5,760,264
Additions	6,098,832	-	13,068	-	-	1,800	6,113,700
Disposals	-	-	-	-	(190,141)	-	(190,141)
At the end of the financial period	6,098,832	4,200,000	392,408	399,484	165,239	427,860	11,683,823
Accumulated depreciation							
At 22 January 2019 (date of incorporation)	-	-	-	-	-	-	-
Effect on merger of subsidiaries	-	205,591	344,196	362,022	286,531	170,814	1,369,154
Charge for the financial period	-	63,347	22,176	14,395	35,802	47,858	183,578
Disposals	-	-	-	-	(190,141)	-	(190,141)
At the end of the financial period	-	268,938	366,372	376,417	132,192	218,672	1,362,591

Group 2020	Freehold land RM	Leasehold land and buildings RM	Furniture, fittings and office equipment RM	Plant and machinery RM	Motor vehicles RM	Building improvement RM	Total RM
Carrying amount							
At the end of the financial period	6,098,832	3,931,062	26,036	23,067	33,047	209,188	10,321,232
	========	========	========	========	========	========	========

(a) Carrying amount of freehold land amounting to RM6,098,832 pledged to a licensed bank as security for banking facilities granted to the Group as disclosed in note 12.

6. INVESTMENTS IN SUBSIDIARIES

Company	2021 RM	2020 RM
Unquoted shares, at cost	24,416,231	24,416,231
	=========	=========

The details of the subsidiaries are as follows:

Name of subsidiaries	Effective ownership and voting interest 2021 %	2020 %	Principal place of business and place of incorporation	Principal activities
Astramina Sdn. Bhd. ("Astramina")	100	100	Malaysia	Trading of food ingredients
Seasonings Specialities Sdn. Bhd. ("Seasonings")	100	100	Malaysia	Manufacturing and selling of food ingredients

7. INVENTORIES

Group	2021 RM	2020 RM
Raw materials	1,559,031	1,559,021
Packaging materials	31,924	30,626
Finished goods	131,788	122,005
Trading goods	565,513	587,711
	--------------	--------------
	2,288,256	2,299,363
	=========	=========

8. TRADE AND OTHER RECEIVABLES

Group	2021 RM	2020 RM
Receivables from contracts with customers (a)	2,503,350	3,020,543
Loss allowance (b)	-	(231,082)
	2,503,350	2,789,461
Prepayments	-	18,220
Sundry deposits	63,088	35,880
Goods and Services Tax ("GST") recoverable	-	42,665
Downpayment for computer software	76,750	-
	2,643,188	2,886,226

(a) Customers are granted credit periods ranged from 30 to 120 days. For major established customers, the credit periods may be extended based on the discretion of management.

(b) Management applies simplified approach (i.e. lifetime expected credit losses) in measuring the loss allowance for trade receivables. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the trade receivables and an analysis of the trade receivables' current financial position, adjusted for factors that are specific to the trade receivables, general economic conditions of the industry in which the trade receivables operate and an assessment of both the current as well as the forecast direction of conditions as at the end of the reporting period.

Management writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, i.e. when the trade receivable has been placed under liquidation or has entered into bankruptcy proceedings.

There have been no significant changes in the estimation techniques or significant assumptions made during the financial year.

The movements in loss allowance for trade receivables are as follows:

Group	2021 RM	2020 RM
At the beginning of the financial year/22 January 2019 (date of incorporation)	231,082	-
Allowance	-	231,082
Reversal	(65,838)	-
Written off	(165,244)	-
At the end of the financial year/period	-	231,082

The risk profile and aging analysis of trade receivables are as follows:

	Gross carrying amount RM	Individual impairment RM	Net carrying amount RM
2021			
Group			
Not past due	1,175,462	-	1,175,462
1 to 30 days past due	681,779	-	681,779
31 to 60 days past due	321,028	-	321,028
61 to 90 days past due	214,719	-	214,719
Over 90 days past due	110,362	-	110,362
	2,503,350	-	2,503,350
2020			
Group			
Not past due	1,191,440	-	1,191,440
1 to 30 days past due	839,272	-	839,272
31 to 60 days past due	406,982	-	406,982
61 to 90 days past due	221,844	-	221,844
Over 90 days past due	361,005	(231,082)	129,923
	3,020,543	(231,082)	2,789,461

9. SHORT TERM INVESTMENTS

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Unit trust funds	30,143,824	25,088,712	6,597,295	6,548,484

10. SHARE CAPITAL

Group and Company	Number of ordinary shares	Amount RM
At 22 January 2019 (date of incorporation)	1,000	100
Issuance of shares pursuant to the acquisition of subsidiaries		
- Astramina	129,150,010	12,915,001
- Seasonings	115,012,300	11,501,230
	244,162,310	24,416,231
Issuance of shares for cash	28,000,000	6,440,000
At 29 February 2020/28 February 2021	272,163,310	30,856,331

11. MERGER RESERVE

The merger reserve arises as and when the common control business combination takes place, it comprises the difference between the total consideration paid by the Company and nominal value of the subsidiaries' share capital.

12. BANK BORROWINGS

Group	2021 RM	2020 RM
<u>Non-current</u>		
Term loans	6,746,539	6,768,599
<u>Current</u>		
Term loans	47,067	46,311
	6,793,606	6,814,910

The term loans are secured by the freehold land as disclosed in note 5. The term loans bear effective interest rate at 4.00% (29.2.2020: 4.00%) per annum.

Changes in bank borrowings arising from financing activities pertain to drawdowns and repayments are presented in the consolidated statement of cash flows.

13. DEFERRED TAX LIABILITY

Group	2021 RM	2020 RM
At the beginning of the financial year/22 January 2019 (date of incorporation)	169,505	-
Effect on merger of subsidiaries	-	97,490
Recognised in profit or loss	23,299	72,015
At the end of the financial year/period	192,804	169,505

The deferred tax liability arose from:

Temporary differences between carrying amount and tax written down value of property, plant and equipment	212,960	190,654
Others	(20,156)	(21,149)
	192,804	169,505

14. CONTRACT LIABILITIES

Group	2021 RM	2020 RM
Consideration received in advance	-	5,801

15. TRADE AND OTHER PAYABLES

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Trade payables (a)	1,178,154	820,417	-	-
Other payables	259,264	260,225	-	23,119
Accruals	596,355	273,728	10,000	8,500
	2,033,773	1,354,370	10,000	31,619

(a) The credit terms granted to the Group ranged from 30 to 90 days.

16. REVENUE

Group	1.3.2020 to 28.2.2021 RM	22.1.2019 (date of incorporation) to 29.2.2020 RM
Revenue from contracts with customers		
Manufacturing and selling of food ingredients	10,973,765	9,670,064
Trading of food ingredients	6,366,806	7,240,034
	17,340,571	16,910,098

Analysis of revenue from contracts with customers

(a) Geographical Areas

Domestic	15,109,957	14,401,011
Export	2,230,614	2,509,087
	17,340,571	16,910,098

(b) Timing of Revenue Recognition

At a point in time	17,340,571	16,910,098

17. PROFIT BEFORE TAX

Profit before tax is stated after charging/(crediting):

	Group		Company	
	1.3.2020 to 28.2.2021 RM	22.1.2019 (date of incorporation) to 29.2.2020 RM	1.3.2020 to 28.2.2021 RM	22.1.2019 (date of incorporation) to 29.2.2020 RM
Auditors' remuneration - statutory audit	40,000	40,000	6,000	6,000
Cost of inventories recognised as an expense	9,202,561	8,729,504	-	-

	Group		Company	
	1.3.2020 to 28.2.2021 RM	22.1.2019 (date of incorporation) to 29.2.2020 RM	1.3.2020 to 28.2.2021 RM	22.1.2019 (date of incorporation) to 29.2.2020 RM
Depreciation of property, plant and equipment	185,415	183,578	-	-
Dividend income	(148,838)	(176,012)	-	-
Gain on disposal of property, plant and equipment	(7,500)	(47,000)	-	-
Interest expense on bank borrowings	201,200	95,794	-	-
Interest income from fixed deposits	-	(294)	-	(294)
Inventories written off	7,057	50,687	-	-
Net gain on financial assets at fair value through profit or loss mandatorily	(1,360,384)	(1,052,346)	(172,343)	(138,484)
Net realised loss/(gain) on foreign exchange	227,726	(87,751)	-	-
Net unrealised (gain)/loss on foreign exchange	(39,321)	30,880	-	-
	========	========	========	========

18. TAX EXPENSE/(INCOME)

	Group		Company	
	1.3.2020 to 28.2.2021 RM	22.1.2019 (date of incorporation) to 29.2.2020 RM	1.3.2020 to 28.2.2021 RM	22.1.2019 (date of incorporation) to 29.2.2020 RM
Current tax				
Current year/period	1,199,739	1,244,855	-	310
(Over)/Underprovision	(51,781)	90,708	(94)	-
	-------------	--------------	--------------	--------------
	1,147,958	1,335,563	(94)	310
	-------------	--------------	--------------	--------------

	Group		Company	
	1.3.2020 to 28.2.2021 RM	22.1.2019 (date of incorporation) to 29.2.2020 RM	1.3.2020 to 28.2.2021 RM	22.1.2019 (date of incorporation) to 29.2.2020 RM
Deferred tax				
Current year/period	17,169	37,086	-	-
Underprovision	6,130	34,929	-	-
	23,299	72,015	-	-
Tax expense/(income)	1,171,257	1,407,578	(94)	310

The difference between tax expense/(income) and the amount of tax determined by multiplying the profit before tax to the applicable tax rate, is analysed as follows:

	Group		Company	
	1.3.2020 to 28.2.2021 RM	22.1.2019 (date of incorporation) to 29.2.2020 RM	1.3.2020 to 28.2.2021 RM	22.1.2019 (date of incorporation) to 29.2.2020 RM
Profit before tax	6,097,634	5,358,390	73,052	77,415
Taxation at statutory rate:				
- of 17%	-	102,000	-	-
- of 24%	1,463,432	1,142,014	17,532	18,580
Non-deductible expenses	135,823	254,738	19,154	6,057
Non-taxable income	(382,347)	(216,811)	(36,686)	(24,327)
(Over)/Underprovision	(45,651)	125,637	(94)	-
Tax expense/(income)	1,171,257	1,407,578	(94)	310

19. EMPLOYEE BENEFITS EXPENSES

Group	1.3.2020 to 28.2.2021 RM	22.1.2019 (date of incorporation) to 29.2.2020 RM
Salaries, wages and other benefits	1,898,486	1,819,704
EPF	205,289	217,051
	2,103,775	2,036,755

20. RELATED PARTY DISCLOSURES

In addition to the related party transactions disclosed elsewhere in the financial statements, the significant related party transactions during the financial year were as follows:

(a) Key management personnel compensation

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. Key management personnel comprise the directors (whether executive or otherwise) of the Group.

Group	1.3.2020 to 28.2.2021 RM	22.1.2019 (date of incorporation) to 29.2.2020 RM
<u>Directors</u>		
Salaries and other benefits	479,367	350,000
EPF	60,800	66,500
	540,167	416,500

(b) Transaction with related parties in which a director has substantial interest

Group	1.3.2020 to 28.2.2021 RM	22.1.2019 (date of incorporation) to 29.2.2020 RM
Advisor fee paid	-	108,176
Management fees received	17,600	15,840
	=========	=========
Company		
Management fees paid	800	960
	=========	=========

21. EARNINGS PER SHARE

Group	1.3.2020 to 28.2.2021 RM	22.1.2019 (date of incorporation) to 29.2.2020 RM
Profit for the financial year/period (RM)	4,926,377	3,950,812
Weighted average number of ordinary shares	272,163,310	192,514,821
Basic EPS (sen)	1.81	2.05

Basic and diluted EPS are equal as the Company does not have any potential dilutive ordinary shares outstanding as at the end of the reporting period.

22. FINANCIAL INSTRUMENTS

(a) Classification of financial instruments

Group	2021 RM	2020 RM
(i) Financial assets at amortised cost		
Trade and other receivables	2,566,438	2,825,341
Cash and bank balances	1,151,323	346,104
	3,717,761	3,171,445
(ii) Financial assets at FVTPL		
Short term investments	30,143,824	25,088,712
Company		
(i) Financial asset at amortised cost		
Cash and bank balances	3,056	650
(ii) Financial asset at FVTPL		
Short term investments	6,597,295	6,548,484
Group		
(i) Financial liabilities at amortised cost		
Trade and other payables	2,033,773	1,354,370
Bank borrowings	6,793,606	6,814,910
	8,827,379	8,169,280
Company		
(i) Financial liability at amortised cost		
Trade and other payables	10,000	31,619

(b) Fair value of financial instruments

Financial assets measured at fair value on recurring basis

Fair value of short term investments are determined by reference to their quoted closing prices as at the reporting date.

The fair value of short term investments is categorised as Level 1 of the fair value hierarchy.

Financial assets and financial liabilities that are not measured at fair value on a recurring basis

Fair value of non-derivatives is determined using discounted cash flow method.

The carrying amounts of these financial instruments as at the end of the reporting period approximate or are at their fair value due to the short term or interest-bearing nature of these financial instruments.

23. FINANCIAL RISK MANAGEMENT

The Group and the Company are exposed to a variety of financial risks.

The Group and the Company monitor its financial position closely with an objective to minimise potential adverse effects on its financial performance. There have been no significant changes in the Group's and the Company's exposure to financial risks or the manner in which these risks are managed and measured. The Group's and the Company's policies for managing each of these risks are summarised below:

(a) Credit risk

Credit risk is the risk of loss that may arise from the possibility that a counterparty may be unable to meet the terms of a contract in which the Group has a gain position.

Management has a credit policy in place to ensure that transactions are conducted with creditworthy counterparties.

Exposure to credit risk arising from sales made on credit terms is managed through the application of credit approvals, credit limits and monitoring procedures on an ongoing basis. If necessary, the Group may obtain collaterals from counterparties as a means of mitigating losses in the event of default.

The Group seeks to invest its cash safely by depositing them or investing with licensed financial institutions.

As at the reporting date, the Group did not have any significant exposure to any individual customer or counterparty or any major concentration of credit risk related to any financial assets.

As at the reporting date, the maximum exposure to credit risk arising from financial assets is represented by the carrying amounts in the consolidated statement of financial position.

(b) Liquidity risk

Liquidity risk is the risk that the Group and the Company will not be able to meet their financial obligations as they fall due.

The Group and the Company maintain a level of cash and bank balances and bank facilities deemed adequate by management to ensure, as far as possible, that they will have sufficient liquidity to meet their liabilities when they fall due.

The table below summarises the maturity profile of the Group's financial liabilities as at the reporting date based on contractual undiscounted repayment obligations:

Group	On demand or within one year RM	One to five years RM	More than five years RM	Total RM
2021				
Trade and other payables	2,033,773	-	-	2,033,773
Bank borrowings	207,683	2,722,242	7,336,714	10,266,639
	2,241,456	2,722,242	7,336,714	12,300,412
2020				
Trade and other payables	1,354,370	-	-	1,354,370
Bank borrowings	95,656	2,590,185	7,772,957	10,458,798
	1,450,026	2,590,185	7,772,957	11,813,168

The Company's financial liabilities are due within next twelve months or repayable on demand.

(c) Foreign currency risk

The Group is exposed to foreign currency risk on cash and bank balances, sales and purchases that are denominated in a currency other than RM. The currencies giving rise to this risk are Swiss France ("CHF") and United States Dollar ("USD"). Foreign currency risk is monitored closely on an ongoing basis to ensure that the net exposure is at an acceptable level.

The Group's exposure to foreign currency risk, based on carrying amounts as at the reporting date, is as follows:

	Denominated in	
In RM	CHF	USD
Group		
2021		
Trade receivables	-	7,160
Cash and bank balances	-	330,730
Trade and other payables	(56,559)	(665,098)
Net exposure	(56,559)	(327,208)
2020		
Trade receivables	-	84,406
Cash and bank balances	-	51,670
Trade and other payables	(48,991)	(531,631)
Net exposure	(48,991)	(395,555)

Sensitivity analysis for foreign currency exchange risk

A 10% strengthening or weakening of RM against the foreign currencies as at the reporting date would increase or decrease profit before tax by RM38,000 (22.1.2019 (date of incorporation) to 29.2.2020: RM44,000), with all other variables remaining constant.

The sensitivity analysis is unrepresentative of the inherent foreign currency risk as the financial year end exposure does not reflect the exposure during the financial year.

(d) Interest rate risk

The Group is exposed to interest rate risk which is the risk that a financial instrument's fair value or future cash flows will fluctuate as a result of changes in market interest rates.

Exposure to interest rate risk is primarily related to the Group's interest-bearing borrowings.

The Group's exposure to interest rate risk is not significant.

24. CAPITAL COMMITMENTS

Capital commitments of the Group in respect of the property, plant and equipment not provided for as at the end of the financial year are as follows:

Group	2021 RM	2020 RM
Approved and contracted for	230,250	-
	========	========

25. CAPITAL MANAGEMENT

The Group's objective when managing capital is to maintain a strong capital base and safeguard the Group's ability to continue as a going concern while maximising shareholders' returns.

Management actively and regularly reviews and manages its capital structure and when necessary, obtains borrowings to ensure optimal capital structure and shareholders' returns. The overall strategy of the Group remains unchanged throughout the financial year.

The capital structure of the Group comprises equity, i.e. issued capital, retained earnings and bank borrowings.

The Group is not subject to any externally imposed capital requirement.

26. SEGMENTAL INFORMATION

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The board of directors is the chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments.

Segment revenue represents revenue derived from (i) manufacturing and selling of food ingredients ("Manufacturing") and (ii) trading of food ingredients ("Trading").

Segment results include items directly attributable to each segment, and those items that can be allocated to each segment on a reasonable basis.

No analysis of Group's assets and liabilities by operating segments is presented as it is not regularly provided to the chief operating decision-maker.

Group	Manufacturing RM	Trading RM	Total RM
1.3.2020 to 28.2.2021			
Revenue	10,973,765	6,366,806	17,340,571
Segment results	6,935,357	1,033,222	7,968,579
Unallocated income and expenses			(1,870,945)
Profit before tax			6,097,634
Tax expense			(1,171,257)
Profit for the financial year			4,926,377
22.1.2019 (date of incorporation) to 29.2.2020			
Revenue	9,670,064	7,240,034	16,910,098
Segment results	6,948,738	1,149,508	8,098,246
Unallocated income and expenses			(2,739,856)
Profit before tax			5,358,390
Tax expense			(1,407,578)
Profit for the financial period			3,950,812

Geographical segments

Revenue from external customers attributed to Malaysia and other geographical areas, i.e. the location of the customers from which the Group derived revenue:

Group	1.3.2020 to 28.2.2021 RM	22.1.2019 (date of incorporation) to 29.2.2020 RM
Malaysia	15,109,957	14,401,011
Others	2,230,614	2,509,087
	17,340,571	16,910,098

No geographical information for non-current assets is disclosed, as the Group operates predominantly in Malaysia.

27. AUTHORISATION FOR ISSUE OF THE FINANCIAL STATEMENTS

The financial statements were authorised for issue by the board of directors on 31 May 2021.

ASTRAMINA GROUP BERHAD
(Incorporated in Malaysia)

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

We, Tan Sri Dato’ Wong See Wah and Dato’ Foo Chi Ching, being two of the directors of Astramina Group Berhad, do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 11 to 55 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 28 February 2021, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Signed on behalf of the board of directors in accordance with a directors’ resolution.

TAN SRI DATO’ WONG SEE WAH
Director

DATO’ FOO CHI CHING
Director

Seremban

ASTRAMINA GROUP BERHAD
(Incorporated in Malaysia)

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

I, Dato' Foo Chi Ching, being the director primarily responsible for the financial management of Astramina Group Berhad, do solemnly and sincerely declare that, to the best of my knowledge and belief, the accompanying financial statements set out on pages 11 to 55 are correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1960.

Subscribed and solemnly declared
by the abovenamed
Dato' Foo Chi Ching
at Seremban
in the State of Negeri Sembilan
on 31 May 2021

DATO' FOO CHI CHING

Before me: