汉联机构有限公司 (502606-H)
HARN LEN CORPORATION BHD.

CONTENTS

FINANCIAL STATEMENTS 2018

DIRECTORS' REPORT

The directors of **HARN LEN CORPORATION BHD.** hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended December 31, 2018.

PRINCIPAL ACTIVITIES

The Company is principally involved in the cultivation of oil palms, operation of a palm oil mill, property investment and investment holding.

The subsidiaries are principally involved in the cultivation of oil palms, operation of a palm oil mill, investment holding, property investment, transportation services and palm oil estate and plantation management. The information on the name, place of incorporation, principal activities and percentage of issued share capital held by the Company in each subsidiary is as disclosed in Note 13 to the financial statements.

RESULTS OF OPERATIONS

The results of operations of the Group and of the Company for the financial year are as follows:

	The Group RM	**The Company RM**
Loss for the year attributable to		
Owners of the Company	(21,172,039)	(17,745,672)
Non-controlling interests	(1,314,545)	-
	(22,486,584)	(17,745,672)

In the opinion of the directors, the results of operations of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature.

DIVIDEND

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

DIRECTORS' REPORT (Cont'd)

RESERVES AND PROVISIONS

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

ISSUE OF SHARES AND DEBENTURES

The Company has not issued any new shares or debentures during the financial year.

TREASURY SHARES

During the financial year, the Company repurchased 3,100 units of its own shares through purchase on Bursa Malaysia Securities Berhad, as disclosed in Note 23 to the financial statements. The total amount paid for the acquisition of the shares was RM2,052 and this has been deducted from equity. The repurchase transaction were financed by internally generated funds and the average price paid for the shares was RM0.66 per share. The repurchased shares are held as treasury shares in accordance with Section 127(4)(b).

SHARE OPTIONS

No options have been granted by the Company to any parties during the financial year to take up 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. At the end of the financial year, there were no unissued shares of the Company under options.

SIGNIFICANT AND SUBSEQUENT EVENTS

The significant events during the year and subsequent events are disclosed in Note 31 and 32.

OTHER STATUTORY INFORMATION

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

(a) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and

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

DIRECTORS' REPORT (Cont'd)

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

(a) which would render the amount written off for bad debts or the amount of the provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent, or

(b) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or

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

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

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

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

(b) 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 substantially affect the ability of the Group and of the Company to meet their obligations when they fall due.

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

DIRECTORS

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

Puan Sri Datin Chan Pui Leorn
Low Quek Kiong
Low Kueck Shin
Low Kwek Lee
Low Kuek Kong
Low Kok Yong
Low Kok Yaow
Lee Chon Sing
Loh Wann Yuan
Law Piang Woon
Brig. Jen. (B) Dato' Ali bin Haji Musa
Mohamed Akwal bin Sultan Mohamad

DIRECTORS' REPORT (Cont'd)

DIRECTORS' INTERESTS

The shareholdings in the Company of those who were directors as at the end of the financial year, as recorded in the Register of Directors' Shareholdings kept by the Company under Section 59 of the Companies Act, 2016 in Malaysia, are as follows:

	No. of ordinary shares			
	Balance at January 1, 2018	Bought	Sold	Balance at December 31, 2018
Shares in the Company				
Registered in the name of directors				
Direct interest				
Puan Sri Datin Chan Pui Leorn	550,000	-	-	550,000
Low Quek Kiong	75,000	-	-	75,000
Low Kok Yong	720,000	-	-	720,000
Lee Chon Sing	1	-	-	1
Loh Wann Yuan	1	-	-	1

	No. of ordinary shares			
	Balance at January 1, 2018	Bought	Sold	Balance at December 31, 2018
Deemed interest				
Puan Sri Datin Chan Pui Leorn	119,229,608*[1]	5,042,000	(10,500,000)	113,771,608*[1]
Low Quek Kiong	119,704,608*[2]	5,042,000	(10,500,000)	114,246,608*[2]
Low Kueck Shin	119,779,608*[3]	5,042,000	(10,500,000)	114,321,608*[3]
Low Kwek Lee	119,779,608*[3]	5,042,000	(10,500,000)	114,321,608*[3]
Low Kuek Kong	119,779,608*[3]	5,042,000	(10,500,000)	114,321,608*[3]
Low Kok Yong	119,059,608*[4]	5,042,000	(10,500,000)	113,601,608*[4]
Low Kok Yaow	119,779,608*[3]	5,042,000	(10,500,000)	114,321,608*[3]
Shares in the subsidiary company, Harn Len Pelita Bengunan Sdn. Bhd.				
Deemed interest				
Puan Sri Datin Chan Pui Leorn	2,854,083	-	-	2,854,083
Low Quek Kiong	2,854,083	-	-	2,854,083
Low Kueck Shin	2,854,083	-	-	2,854,083
Low Kwek Lee	2,854,083	-	-	2,854,083
Low Kuek Kong	2,854,083	-	-	2,854,083
Low Kok Yong	2,854,083	-	-	2,854,083
Low Kok Yaow	2,854,083	-	-	2,854,083

*[1] By virtue of her interests in Low Nam Hui United Holdings Sdn. Bhd., Low Nam Hui & Sons Sdn. Bhd., LNH Enterprise Sdn. Bhd., Yong Yaow Properties Sdn. Bhd., Seri Cemerlang Plantation (Pahang) Sdn. Bhd. and Shande Ancestral Park Berhad and the shares held by her immediate family members, the late Tan Sri Dato' Low Nam Hui, Low Quek Kiong, Low Kok Yong and Low Siew Eng pursuant to Section 8 of the Companies Act, 2016.

DIRECTORS' REPORT (Cont'd)

*[2] By virtue of his interests in Low Nam Hui United Holdings Sdn. Bhd., Low Nam Hui & Sons Sdn. Bhd., LNH Enterprise Sdn. Bhd., Yong Yaow Properties Sdn. Bhd., Seri Cemerlang Plantation (Pahang) Sdn. Bhd. and Shande Ancestral Park Berhad and the shares held by his immediate family members, the late Tan Sri Dato' Low Nam Hui, Puan Sri Datin Chan Pui Leorn, Low Kok Yong and Low Siew Eng pursuant to Section 8 of the Companies Act, 2016.

*[3] By virtue of their interests in Low Nam Hui United Holdings Sdn. Bhd., Low Nam Hui & Sons Sdn. Bhd., LNH Enterprise Sdn. Bhd., Yong Yaow Properties Sdn. Bhd., Seri Cemerlang Plantation (Pahang) Sdn. Bhd. and Shande Ancestral Park Berhad and the shares held by their immediate family members, the late Tan Sri Dato' Low Nam Hui, Puan Sri Datin Chan Pui Leorn, Low Quek Kiong, Low Kok Yong and Low Siew Eng pursuant to Section 8 of the Companies Act, 2016.

*[4] By virtue of his interests in Low Nam Hui United Holdings Sdn. Bhd., Low Nam Hui & Sons Sdn. Bhd., LNH Enterprise Sdn. Bhd., Seri Cemerlang Plantation (Pahang) Sdn. Bhd, Yong Yaow Properties Sdn. Bhd. and Shande Ancestral Park Berhad and the shares held by his immediate family members, the late Tan Sri Dato' Low Nam Hui, Puan Sri Datin Chan Pui Leorn, Low Quek Kiong and Low Siew Eng pursuant to Section 8 of the Companies Act, 2016.

DIRECTORS' BENEFITS

Since the end of the previous financial year, none of the directors of the Company has received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of remuneration received or due and receivable by directors or the fixed salary of a full-time employee of the Company as disclosed in Note 8 to the financial statements) by reason of a contract made by the Company or a related corporation with the director or with a firm of which he is a member, or with a company in which he has a substantial financial interest except for any benefit which may be deemed to have arisen by virtue of the transactions between the Company and its related companies and certain companies in which certain directors of the Company are also directors and/or substantial shareholders as disclosed in Note 20 to the financial statements.

During and at the end of the financial year, no arrangement subsisted to which the Company was a party whereby directors of the Company might acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

INDEMNITY AND INSURANCE FOR DIRECTORS AND OFFICERS

The Company maintains directors' liability for purposes of Section 289 of the Companies Act, 2016, throughout the year which provides appropriate insurance cover for the directors of the Company. The amount of insurance premium paid during the year amounted to RM40,423.

There were no indemnity given to or insurance effected for auditors of the Company in accordance with Section 289 of the Companies Act, 2016.

DIRECTORS' REPORT (Cont'd)

AUDITORS

The auditors, Deloitte PLT, have indicated their willingness to continue in office.

AUDITORS' REMUNERATION

The amount paid as remuneration of the auditors for the financial year ended December 31, 2018 is as disclosed in Note 8 to the financial statements.

Signed on behalf of the Board, as approved by the Board
in accordance with a resolution of the Directors,

LOW QUEK KIONG

LOW KUECK SHIN

Johor Bahru
29 April 2019

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HARN LEN CORPORATION BHD.
(Incorporated in Malaysia)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Harn Len Corporation Bhd., which comprise the statements of financial position as at December 31, 2018 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 13 to 91.

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 December 31, 2018, and of their financial performance and their cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our 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' *Code of Ethics for Professional Accountants* ("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 MEMBERS OF HARN LEN CORPORATION BHD. (Cont'd)

(Incorporated in Malaysia)

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters	
Adoption of new and revised MFRS	**How the key audit matter was addressed in our audit**

The Group and the Company had adopted the revised standard on agriculture, MFRS 141, Agriculture: Bearer Plants (Amendments to Malaysian Financial Reporting Standards ("MFRS") 116 "Property, plant and equipment" and MFRS 141 "Agriculture") issued under the MFRS framework.
 	
Under the revised accounting standard, bearer plants are classified as property, plant and equipment, and plantation development expenditure and replanting expenditures are capitalised at cost and depreciated on a straight-line basis over a useful life of 25 years, from the date of maturity.
 	
The produce of the bearer plants of the Group and the Company comprise of fresh fruit bunches ("FFB") prior to harvest. The FFB will be carried at fair value on the adoption of MFRS 141.
 	
The changes in accounting policy has been applied retrospectively and comparatives were restated accordingly.
	We have performed the following procedures:
	
	- Obtained management's assessment of the impact arising from the changes in accounting policy;
	
	- Compared the property, plant and equipment under the existing accounting policy and the revised accounting policy;
	
	- Tested the reasonableness of management's key assumptions and judgements exercised in performing the following:
	
	  - Economic life and useful life of the bearer plants;
	  - Reliability of date collated;
	  - Appropriateness of the cost components which are eligible for capitalisation as bearer plants; and
	  - Checked that the disclosures in the financial statements are in accordance with the requirements as set out in MFRS 108 "*Accounting Policies, Change in Accounting Estimates and Errors*".

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HARN LEN CORPORATION BHD. (Cont'd)
(Incorporated in Malaysia)

Going concern

The financial statements of the Group and Company for the financial year ended December 31, 2018, have been prepared on a going concern basis.

During and as at the end of the financial year, the Group and the Company:

- incurred a net loss of RM22,486,584 and RM17,745,672 respectively;
- had current liabilities that exceeded their current assets by RM130,984,255 and RM92,214,442 respectively; and
- entered into settlement agreements with certain trade creditors. The amounts outstanding that exceeded credit terms of the Group and of the Company by RM57,457,992 and RM14,452,123 respectively.

These events and conditions cast significant doubt on the Group's and the Company's ability to continue as a going concern

The preparation of the financial statements as a going concern basis was considered to be a key audit matter. Evaluating the above events and conditions and the actions taken by the directors to address them involves considerable judgement with respect to the key assumptions used in their assessment and the feasibility of the management's plan for future action. It is also of relevance to our audit that we consider whether the directors have provided adequate disclosures in the financial statements about the events and conditions that may cast significant doubt on the Group's and the Company's abilities to continue as a going concern in order to achieve a fair presentation.

Note 3 to the financial statements discloses the management's plans to deal with the events and conditions that may cast significant doubt on the Group's and the Company's abilities to continue as going concerns.

How the key audit matter was addressed in our audit

We analysed the cash flows and profit forecasts prepared by the management and performed the following:

- evaluated the reliability of the underlying data;
- assessed the reasonableness of the key assumptions used;
- performed a retrospective review by comparing the prior year forecasts to actual outcomes, to assess the reasonableness and accuracy of the cash flows and profit forecasts;
- performed a sensitivity analysis of the key assumptions used; and
- assessed the adequacy of cash flows to support the operations of the Group and of the Company.

We read the agreements relating to bank borrowings and assessed whether any covenants had been breached.

We reviewed and challenged basis and assumptions used by management in executing their future plan.

We performed a subsequent events review to the date of our report to identify events or conditions that may otherwise affect the Group's and the Company's abilities to continue as a going concern.

We assessed the appropriateness of disclosures made in the Group's and the Company's financial statements in respect of the events and conditions identified that may cast significant doubt on the Group's and the Company's abilities to continue as a going concern and the management's plans to deal with these events or conditions.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HARN LEN CORPORATION BHD. (Cont'd)
(Incorporated in Malaysia)

Information Other than the Financial Statements and Auditors' Report Thereon

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

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

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

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

Responsibilities of the Directors for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with 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 MEMBERS OF HARN LEN CORPORATION BHD. (Cont'd)
(Incorporated in Malaysia)

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 director's 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 going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's 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 auditor's 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, related safeguards.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HARN LEN CORPORATION BHD. (Cont'd)

(Incorporated in Malaysia)

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

1. As stated in Note 33 to the financial statements, the Group and the Company adopted Malaysian Financial Reporting Standards on January 1, 2018 with a transition date of January 1, 2017. These standards were applied retrospectively by the directors to the comparative information in these financial statements, including the statements of financial position of the Group and of the Company as at December 31, 2017 and January 1, 2017, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year ended December 31, 2017 and related disclosures. We were not engaged to report on the restated comparative information and it is unaudited. Our responsibilities as part of our audit of the financial statements of the Group and of the Company for the year ended December 31, 2018, in these circumstances, included obtaining sufficient appropriate audit evidence that the opening balances as at January 1, 2018 do not contain misstatements that materially affect the financial position as at December 31, 2018 and the financial performance and cash flows for the year then ended.

2. 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.

DELOITTE PLT (LLP0010145-LCA)
Chartered Accountants (AF 0080)

CHAN CHONG WEY
Partner - 02884/07/2019 J
Chartered Accountant

Johor Bahru
29 April 2019

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED DECEMBER 31, 2018

	Note	The Group 2018 RM	The Group 2017 (Restated)* RM	The Company 2018 RM	The Company 2017 (Restated)* RM
Revenue	5	185,732,150	324,977,832	39,578,691	41,709,648
Cost of goods sold	5	(144,837,699)	(246,195,156)	(34,593,255)	(32,236,551)
Gross profit	5	40,894,451	78,782,676	4,985,436	9,473,097
Other income		1,316,350	19,485,504	314,968	14,184,794
Administrative expenses		(35,067,788)	(34,995,810)	(18,841,450)	(21,519,504)
Distribution expenses		(16,417,886)	(22,636,664)	(1,405,359)	(1,463,107)
Other expenses		(9,476)	(19,350,808)	-	(12,936,268)
Finance income		10,496	9,523	2,226,602	2,115,358
Finance costs	7	(10,458,404)	(6,843,360)	(5,864,747)	(3,548,515)
(Loss) Profit before tax	8	(19,732,257)	14,451,061	(18,584,550)	(13,694,145)
Income tax (expense) credit	9	(2,754,327)	(8,053,697)	838,878	(3,347,000)
(Loss) Profit for the year		(22,486,584)	6,397,364	(17,745,672)	(17,041,145)
Other comprehensive income, net of tax		-	-	-	-
Total comprehensive (loss) income for the year		(22,486,584)	6,397,364	(17,745,672)	(17,041,145)
(Loss) Profit attributable to:					
Owners of the Company		(21,172,039)	6,119,092	(17,745,672)	(17,041,145)
Non-controlling interests	24	(1,314,545)	278,272	-	-
		(22,486,584)	6,397,364	(17,745,672)	(17,041,145)
(Loss) Profit per share					
Basic (sen)	10	(12.22)	3.43		

* The comparative information has been restated as a result of the transition from FRSs to MFRSs.

The accompanying Notes form an integral part of the Financial Statements.

STATEMENTS OF FINANCIAL POSITION AS AT DECEMBER 31, 2018

	Note	The Group 31.12.2018 RM	The Group 31.12.2017 RM (Restated)*	The Group 01.01.2017 RM (Restated)*	The Company 31.12.2018 RM	The Company 31.12.2017 RM (Restated)*	The Company 01.01.2017 RM (Restated)*
ASSETS							
Non-current Assets							
Property, plant and equipment	11	441,248,978	426,310,620	421,749,990	168,486,852	167,707,015	168,644,160
Investment properties	12	57,607,024	43,276,932	39,353,185	23,560,230	38,771,747	20,448,403
Investments in subsidiaries	13	-	-	-	141,734,320	105,616,498	117,124,150
Amount owing from subsidiaries	20	-	-	-	7,360,184	8,311,414	3,762,515
Prepaid lease payment	14	14,687,295	-	-	14,687,295	-	-
Goodwill on consolidation	15	5,794,799	5,794,799	5,794,799	-	-	-
Deferred tax assets	16	-	1,704,041	4,253,354	-	-	2,464,000
Total Non-current Assets		519,338,096	477,086,392	471,151,328	355,828,881	320,406,674	312,443,228
Current Assets							
Biological assets	17	1,373,627	1,440,393	2,818,050	366,779	678,799	449,965
Inventories	18	4,885,288	9,893,128	7,414,030	676,237	4,288,514	1,336,250
Trade receivables	19	1,192,846	3,560,749	4,945,661	975,202	568,025	1,636,863
Other receivables, deposits and prepaid expenses	19	18,449,584	53,826,496	8,892,193	14,490,878	30,401,722	6,664,263
Amount owing from affiliated companies	20	1,724,042	327,164	323,710	297,190	327,164	249,982
Tax recoverable		590,537	983,022	912,514	-	44,122	44,122
Cash and bank balances	21	1,435,981	4,914,879	3,474,684	906,182	1,779,285	1,377,899
Assets classified as held for sale	22	18,430,400	-	-	18,430,400	-	-
Total Current Assets		48,082,305	74,945,831	28,780,842	36,142,868	38,087,631	11,759,344
Total Assets		567,420,401	552,032,223	499,932,170	391,971,749	358,494,305	324,202,572

STATEMENTS OF FINANCIAL POSITION AS AT DECEMBER 31, 2018 (Cont'd)

	Note	The Group 31.12.2018 RM	The Group 31.12.2017 RM (Restated)*	The Group 01.01.2017 RM (Restated)*	The Company 31.12.2018 RM	The Company 31.12.2017 RM (Restated)*	The Company 01.01.2017 RM (Restated)*
EQUITY AND LIABILITIES							
Capital and Reserves							
Share capital	23	198,380,013	198,380,013	185,477,159	198,380,013	198,380,013	185,477,159
Reserves	23	97,117,626	118,291,717	129,900,289	28,527,840	46,275,564	81,044,373
Equity attributable to owners of the Company		295,497,639	316,671,730	315,377,448	226,907,853	244,655,577	266,521,532
Non-controlling interests	24	(10,919,248)	(9,604,703)	(9,882,975)	-	-	-
Total Equity		284,578,391	307,067,027	305,494,473	226,907,853	244,655,577	266,521,532
Non-current Liabilities							
Deferred tax liabilities	16	20,981,446	21,710,000	20,854,000	-	883,000	-
Retirement benefits	25	-	897,000	848,000	-	897,000	848,000
Loans and borrowings	26	82,794,004	69,749,407	66,667,198	36,706,586	27,553,375	18,923,275
Total Non-current Liabilities		103,775,450	92,356,407	88,369,198	36,706,586	29,333,375	19,771,275
Current Liabilities							
Trade payables	27	68,257,315	73,922,580	34,999,255	16,358,011	16,304,769	14,303,401
Other payables and accrued expenses	27	36,504,793	24,437,751	24,688,173	11,777,401	5,430,529	6,305,629
Amount owing to subsidiaries	20	-	-	-	66,943,174	46,740,321	1,077,700
Amount owing to affiliated companies	20	16,789,051	345,609	157,554	15,570,691	79,429	32,719
Amount owing to a director	20	510,288	-	-	510,288	-	-
Tax liabilities		385,763	2,900	637	-	-	-
Loans and borrowings	26	56,619,350	53,899,949	46,222,880	17,197,745	15,950,305	16,190,316
Total Current Liabilities		179,066,560	152,608,789	106,068,499	128,357,310	84,505,353	37,909,765
Total Liabilities		282,842,010	244,965,196	194,437,697	165,063,896	113,838,728	57,681,040
Total Equity and Liabilities		567,420,401	552,032,223	499,932,170	391,971,749	358,494,305	324,202,572

* The comparative information has been restated as a result of the transition from FRSs to MFRSs.

The accompanying Notes form an integral part of the Financial Statements.

STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2018

		Attributable to owners of the Company							
			Non-distributable			Distributable			
	Note	Share Capital RM	Share Premium RM	Treasury Shares RM	Capital Reserve RM	Retained Earnings RM	Total RM	Non-controlling Interests RM	Total Equity RM
The Group									
Balance at January 1, 2017									
As previously stated		185,477,159	6,634,854	(5,044,265)	6,268,000	119,648,220	312,983,968	(10,307,545)	302,676,423
Effect of changes in accounting policy	32	-	-	-	-	2,393,480	2,393,480	424,570	2,818,050
As restated		185,477,159	6,634,854	(5,044,265)	6,268,000	122,041,700	315,377,448	(9,882,975)	305,494,473
Total comprehensive income for the year		-	-	-	-	6,119,092	6,119,092	278,272	6,397,364
Purchase of treasury shares	23	-	-	(4,824,810)	-	-	(4,824,810)	-	(4,824,810)
Transfer arising from "no par value" regime		12,902,854	(6,634,854)	-	(6,268,000)	-	-	-	-
Balance at December 31, 2017		198,380,013	-	(9,869,075)	-	128,160,792	316,671,730	(9,604,703)	307,067,027
Total comprehensive loss for the year		-	-	-	-	(21,172,039)	(21,172,039)	(1,314,545)	(22,486,584)
Purchase of treasury shares	23	-	-	(2,052)	-	-	(2,052)	-	(2,052)
Balance at December 31, 2018		198,380,013	-	(9,871,127)	-	106,988,753	295,497,639	(10,919,248)	284,578,391

The accompanying Notes form an integral part of the Financial Statements.

STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2018 (Cont'd)

		Attributable to owners of the Company					
		Non-distributable				Distributable	
	Note	Share Capital RM	Share Premium RM	Treasury Shares RM	Capital Reserve RM	Retained Earnings RM	Total Equity RM
The Company							
Balance at January 1, 2017							
As previously stated		185,477,159	6,634,854	(5,044,265)	6,268,000	72,735,819	266,071,567
Effect of changes in accounting policy	33	-	-	-	-	449,965	449,965
As restated		185,477,159	6,634,854	(5,044,265)	6,268,000	73,185,784	266,521,532
Total comprehensive loss for the year		-	-	-	-	(17,041,145)	(17,041,145)
Purchase of treasury shares	23	-	-	(4,824,810)	-	-	(4,824,810)
Transfer arising from "nor par value" regime		12,902,854	(6,634,854)	-	(6,268,000)	-	-
Balance at December 31, 2017		198,380,013	-	(9,869,075)	-	56,144,639	244,655,577
Total comprehensive loss for the year		-	-	-	-	(17,745,672)	(17,745,672)
Purchase of treasury shares	23	-	-	(2,052)	-	-	(2,052)
Balance at December 31, 2018		198,380,013	-	(9,871,127)	-	38,398,967	226,907,853

The accompanying Notes form an integral part of the Financial Statements.

STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2018

	Note	The Group 2018 RM	The Group 2017 RM	The Company 2018 RM	The Company 2017 RM
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES					
(Loss) Profit before tax		(19,732,257)	14,451,061	(18,584,550)	(13,694,145)
Adjustments for:					
Bad debts written off		-	17,946,268	-	12,936,268
Depreciation of property, plant and equipment		21,977,178	20,332,038	5,178,216	5,384,374
Finance costs		10,458,404	6,843,360	5,864,747	3,548,515
Amortisation of investment properties		642,179	521,248	536,443	436,035
Oil palm seedling written off		921,612	105,168	5,594	65,317
Charge for retirement benefits		63,720	49,000	63,720	49,000
Reversal of retirement benefits		(960,720)	-	(960,720)	-
Provision for severance pay		1,500,000	-	1,500,000	-
Property, plant and equipment written off		60,080	147,000	-	147,000
Loss (Gain) on fair value of biological assets		66,766	1,377,657	312,020	(228,834)
Finance income		(10,496)	(9,523)	(2,226,602)	(2,115,358)
Impairment loss on:					
Amount owing from affiliated company		235,008	1,575	-	-
Trade receivables		-	22,681	-	22,681
Property, plant and equipment		471,570	-	471,570	-
Reversal of impairment loss on trade receivables		-	(21,394)	-	(21,394)
Gain on disposal of:					
Investment property		9,476	-	-	-
Investment in subsidiary		-	(18,448,746)	-	(13,600,000)
Investment property arising from compulsory land acquisition		-	(6,216,800)	-	-
Operating Profit (Loss) Before Working Capital Changes		15,702,520	37,100,593	(7,839,562)	(7,070,541)

STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2018 (Cont'd)

	Note	The Group 2018 RM	The Group 2017 RM	The Company 2018 RM	The Company 2017 RM
Movements in Working Capital:					
(Increase) Decrease in:					
Inventories		4,086,228	(2,584,267)	3,606,683	(3,017,581)
Trade receivables		2,367,903	(540,476)	(407,177)	1,067,551
Other receivables, deposits and prepaid expenses		35,386,912	(30,839,673)	15,910,844	(10,137,459)
Amount owing from affiliated company		(1,631,886)	(5,028)	29,974	(77,182)
(Decrease) Increase in:					
Trade payables		(5,665,265)	38,923,325	53,242	2,001,368
Other payables and accrued expenses		9,263,556	18,264,914	4,846,872	(875,100)
Amount owing to subsidiaries		-	-	13,036,261	41,933
Amount owing to affiliated companies		2,490,512	188,055	1,538,332	46,710
Cash Generated From (Used In) Operations		62,000,480	60,507,443	30,775,469	(18,020,301)
Income tax paid		(2,121,938)	(5,971,719)	-	-
Income tax refunded		-	1,255,094	-	-
Net Cash From (Used In) Operating Activities		59,878,542	55,790,818	30,775,469	(18,020,301)
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES					
Acquisition of:					
Property, plant and equipment	30(ii)	(31,524,409)	(33,244,739)	(6,429,623)	(4,594,229)
Investment properties		(6,185,326)	(18,759,379)	(3,755,326)	(18,759,379)
Prepaid lease payment		(734,365)	-	(734,365)	-
Subsidiary		(14,699,708)	-	(14,700,000)	-
Proceeds from disposal of investment property		2,400,000	-	-	-
Interest received		10,496	9,523	2,226,602	2,115,358
Changes in pledged deposits		(10,496)	(9,523)	(10,496)	(9,523)
Advances from subsidiaries		-	-	-	39,643,173
Net Cash (Used In) From Investing Activities		(50,743,808)	(52,004,118)	(23,403,208)	18,395,400

STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2018 (Cont'd)

		The Group		The Company	
		2018	2017	2018	2017
	Note	RM	RM	RM	RM
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES					
Interest paid		(11,120,729)	(7,095,468)	(5,864,747)	(3,548,546)
Repayment of finance lease payables		(3,034,143)	(3,602,921)	(369,743)	(512,003)
Drawdown of term loans		7,000,000	10,800,000	-	10,800,000
Repayment of term loans		(6,501,126)	(1,702,624)	(1,975,987)	(1,131,459)
Amount owing to a director		510,288	-	510,288	-
Repurchase of treasury shares		(2,052)	(4,824,810)	(2,052)	(4,824,810)
Net utilisation (repayment) of bank overdrafts		523,634	4,069,795	(553,619)	(766,418)
Net Cash (Used In) From Financing Activities		(12,624,128)	(2,356,028)	(8,255,860)	16,764
NET INCREASE (DECREASE) IN CASH AND BANK BALANCES		(3,489,394)	1,430,672	(883,599)	391,863
CASH AND BANK BALANCES AT BEGINNING OF THE YEAR		4,546,840	3,116,168	1,411,246	1,019,383
CASH AND BANK BALANCES AT END OF THE YEAR	30(i)	1,057,446	4,546,840	527,647	1,411,246

The accompanying Notes form an integral part of the Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2018

1. GENERAL INFORMATION

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

The Company is principally involved in the cultivation of oil palms, operation of a palm oil mill, property investment and investment holding.

The subsidiaries are principally involved in the cultivation of oil palms, operation of a palm oil mill, investment holding, property investment, transportation services and palm oil estate and plantation management. The information on the name, place of incorporation, principal activities and percentage of issued share capital held by the Company in each subsidiary is as disclosed in Note 13.

The registered office and the principal place of business of the Company is located at 6th Floor, Johor Tower, No. 15, Jalan Gereja, 80100 Johor Bahru, Johor, Malaysia.

The financial statements of the Group and of the Company are presented in Ringgit Malaysia ("RM").

The financial statements of the Group and of the Company were authorised by the Board of Directors for issuance in accordance with a resolution of the directors on 29 April 2019.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

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

2.1 Adoption of MFRS

The financial statements of the Group and of the Company for the financial year ended December 31, 2018 have been prepared in accordance with MFRS for the first time. In previous years, these financial statements were prepared in accordance with Financial Reporting Standards ("FRS").

The transition to MFRS, is accounted for in accordance with MFRS 1 *First-time Adoption of Malaysian Financial Reporting Standards*, with January 1, 2017 as the date of transition. An opening statement of financial position as at the date of transition has been prepared based on the accounting policies as described in Note 3.

The changes in accounting policies as a consequence of the transition to MFRS and the reconciliation of the effects of the transition to MFRS are presented in Note 33.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2018 (Cont'd)

2.2 **Standards and Interpretations in issue but not yet effective**

As at the date of authorisation for issue of these financial statements, the new and revised Standards and Interpretation ("IC Int.") relevant to the Group and to the Company which were in issue but not yet effective and not early adopted by the Group and the Company are as listed below:

MFRS 16	Leases[1]
MFRS 17	Insurance Contracts[3]
Amendments to MFRS 3	Definition of a Business[2]
Amendments to MFRS 9	Prepayment features with Negative Compensation[1]
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[4]
Amendments to MFRS 101 and MFRS 108	Definition of Material[2]
Amendments to MFRS 119	Plan Amendment, Curtailment or Settlement[1]
Amendments to MFRS 128	Long-term interests in Associates and Joint Ventures[1]
IC Int. 23	Uncertainty over Income Tax Payments[1]
Amendments to MFRSs	Annual Improvements to MFRSs 2015 – 2017 Cycle[1]

1 Effective for annual periods beginning on or after January 1, 2019, with earlier application permitted.
2 Effective for annual periods beginning on or after January 1, 2020, with earlier application permitted.
3 Effective for annual periods beginning on or after January 1, 2021, with earlier application permitted.
4 Effective for annual periods beginning on or after a date to be determined.

The directors anticipate that the adoption of the abovementioned Standards and Interpretation which are in issue but not yet effective, at the date of these report will have no material impact on the financial statements in the period of initial application except as disclosed below:

MFRS 16 Leases

General impact of application of MFRS 16 *Leases*

MFRS 16 provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements for both lessors and lessees. MFRS 16 will supersede the current lease guidance including MFRS 117 *Leases* and the related IC Int. when it becomes effective. The date of initial application of MFRS 16 for the Group and the Company will be January 1, 2019.

Impact of the new definition of a lease

The Group and the Company will make use of the practical expedient available on transition to MFRS 16 not to reassess whether a contract is or contains a lease. Accordingly, the definition of a lease in accordance with MFRS 117 and IC Interpretation 4 will continue to apply to those leases entered or modified before January 1, 2019.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2018 (Cont'd)

The change in definition of a lease mainly relates to the concept of control. MFRS 16 distinguishes between leases and service contracts on the basis of whether the use of an identified asset is controlled by the customer. Control is considered to exist if the customer has:

- The right to obtain substantially all of the economic benefits from the use of an identified asset; and
- The right to direct the use of that asset.

The Group and the Company will apply the definition of a lease and related guidance set out in MFRS 16 to all lease contracts entered into or modified on or after January 1, 2019 (whether it is a lessor or a lessee in the lease contract).

<u>Impact on Lessee Accounting</u>

Operating leases

MFRS 16 will change how the Group and the Company account for leases previously classified as operating leases, which were previously off-balance sheet.

On initial application of MFRS 16, for all leases, the Group and the Company will:

- Recognise right-of-use assets and lease liabilities in the statement of financial position, initially measured at the present value of the future lease payments;
- Recognise depreciation of right-of-use assets and interest on lease liabilities in the statement of profit or loss; and
- Separate the total amount of cash paid into a principal portion (presented within financing activities) and interest (presented within operating activities) in the statement of cash flows.

Lease incentives (e.g. rent-free period) will be recognised as part of the measurement of the right-of-use assets and lease liabilities whereas under MFRS 117 they resulted in the recognition of a lease liability incentive, amortised as a reduction of rental expenses on a straight-line basis.

Under MFRS 16, right-of-use assets will be tested for impairment in accordance with MFRS 136 *Impairment of Assets*. This will replace the previous requirement to recognise a provision for onerous lease contracts.

For short-term leases (lease term of 12 months or less) and leases of low-value assets (such as personal computers and office furniture), the Group and the Company will opt to recognise a lease expense on a straight-line basis as permitted by MFRS 16.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2018 (Cont'd)

Finance leases

The main differences between MFRS 16 and MFRS 117 with respect to assets formerly held under a finance lease is the measurement of the residual value guarantees provided by the lessee to the lessor. MFRS 16 requires that the Group and the Company recognise as part of its lease liability only the amount expected to be payable under a residual value guarantee, rather than the maximum amount guaranteed as required by MFRS 117. On initial application the Group and the Company will present equipment previously included in property plant and equipment within the line item for right-of-use assets and the lease liability, previously presented within borrowing, will be presented in a separate line for lease liabilities.

The directors of the Group and the Company anticipate that the application of MFRS 16 in the future may have material impact on amounts reported and disclosures made in the Group's and the Company's financial statements. However, it is not practicable to provide a reasonable estimate of the effect of MFRS 16 until the Group and the Company complete a detailed review.

3. SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of the Group and of the Company have been prepared under the historical cost convention unless otherwise indicated in the accounting policies stated below:

Going Concern

During and as at the end of the financial year ended December 31, 2018, the Group and the Company:

i. incurred a net loss of RM22,486,584 and RM17,745,672 respectively;
ii. had current liabilities that exceeded their current assets by RM130,984,255 and RM92,214,442 respectively; and
iii. entered into settlement agreements with certain of their trade creditors. The amounts outstanding that exceeded credit terms of the Group and of the Company amounted to RM57,457,992 and RM14,452,123 respectively.

These events or conditions cast significant doubt on the Group's and the Company's ability to continue as going concerns. However, the financial statements of the Group and of the Company have been drawn up on the basis of accounting principles applicable to a going concern. The basis presumes that the Group's and the Company's business operations will be profitable in the foreseeable future and consequently, the realization of assets and the settlement of the liabilities will occur in the ordinary course of business.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2018 (Cont'd)

In making the assessment whether the Group and the Company are able to continue as going concerns, the Board of Directors ("Board") has prepared appropriate plans to address the effect of those events or conditions:

i. Prepared the Group's cash flows and profit forecasts for the year ending December 31, 2019 and evaluated the adequacy of the cash flows to support the operations of the Group. The forecasts were reviewed by the Board to ensure the reliability of the underlying data and the reasonableness of the key assumptions used;
ii. Planned disposal of assets as disclosed in Note 22 and 32(ii);
iii. Cessation of its hotel operations as disclosed in Note 32(i); and
iv. Proposed implementation of cost rationalisation which would include the reduction of staff costs, operational costs and capital expenditure.

The proceeds from the planned disposal of assets as disclosed in Note 32(ii) will be used to repay trade payables, short term bank borrowings and to fund the Group and the Company working capital requirements.

The Board foresees a challenging year ahead for the Group and will exercise particular caution in major decisions that may require significant cash outflows. Notwithstanding, the Board will focus on its cost rationalisation efforts and leverage measures to enhance efficiency and productivity in order to steer the Group towards growth and profitability.

Basis of Consolidation

Subsidiaries

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

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

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

Business combinations

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

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

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2018 (Cont'd)

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

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

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

When a business combination is achieved in stages, the Group's previously held interests in the acquired entity are remeasured to its acquisition-date fair value and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

Acquisitions of non-controlling interests

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

Loss of control

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

Non-controlling interests

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

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2018 (Cont'd)

Transactions eliminated on consolidation

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

Functional and Presentation Currency

The financial statements of the Group and the Company are presented in Ringgit Malaysia ("RM"), which is the Group's and the Company's functional currency and presentation currency.

Property, Plant and Equipment

Recognition and measurement

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

Cost includes expenditures that are directly attributable to the acquisition of the asset and any other costs directly attributable to bringing the asset to working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. The cost of self-constructed assets also includes the cost of materials and direct labour. For qualifying assets, borrowing costs are capitalised in accordance with the accounting policy on borrowing costs. Cost also may include transfers from equity of any gain or loss on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Bearer plants (oil palms) that are used in the production or supply of agriculture produce for more than one period and have remote likelihood of being sold as agriculture produce. New planting expenditure incurred on land clearing, upkeep of immature palms/trees and interest incurred during the immature period are capitalised. Upon maturity, all subsequent maintenance expenditure is charged to profit or loss. An oil palm is considered matured 3 years after the month of planting.

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

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

Subsequent costs

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2018 (Cont'd)

Depreciation

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

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment from the date that they are available for use. Buildings are depreciated on a straight line basis over fifty (50) years. Freehold land is not depreciated. Property, plant and equipment under construction are not depreciated until the assets are ready for their intended use.

Leasehold land is amortised in equal instalments over the period of the respective leases which range from sixty (60) to ninety-seven (97) years. The depreciation of leasehold land is capitalised as part of the cost of bearer plants from the stage of land clearing up to the stage of maturity. Immature bearer plants are not depreciated.

The estimated useful lives for the current and comparative periods are as follows:

Estate buildings	25 years
Roads and bridges	10 years
Plant and machinery	10 years
Motor vehicles, furniture, fittings and equipment	5 – 10 years
Bearer plants	25 years

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

Biological Assets

Biological assets comprise produce growing on bearer plants. Biological assets are measured at fair value less costs of disposal. Any gains or losses arising from changes in the fair value less costs of disposal are recognised in profit or loss. Fair value is determined based on the present value of expected net cash flow from biological assets. The expected net cash flows are estimated using the expected output method and the estimated market price of the biological assets.

Biological assets are classified as current assets for the produce growing on bearer plants as they are expected to be harvested on a date not more than 12 months after the end of the reporting period.

Investment Property

Investment property carried at cost

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

Investment properties are stated at cost less any accumulated amortisation and any accumulated impairment losses, consistent with the accounting policy for property, plant and equipment as stated in accounting policy.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2018 (Cont'd)

Freehold land is not depreciated.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, any other costs directly attributable to bringing the investment property to a working condition for their intended use and capitalised borrowing costs.

An investment property is derecognised on its disposal, or when it is permanently withdrawn from use and no future economic benefits are expected from its disposal. The difference between the net disposal proceeds and the carrying amount is recognised in profit or loss in the period in which the item is derecognised.

Reclassification to/from investment property

Transfers between investment property, property, plant and equipment and inventories do not change the carrying amount and the cost of the property transferred.

Leases

As Lessee

Leases in terms of which the Group and the Company assume substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

Leasehold land which in substance is a finance lease is classified as property, plant and equipment.

As Lessor

Leases in which the Group and the Company do not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and are recognised over the lease term on the same bases as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Intangible Assets

Goodwill on consolidation

Goodwill on consolidation arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2018 (Cont'd)

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating unit (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Inventories

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

The cost of inventories is measured based on the first-in first-out principle and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. In the case of finished goods, cost includes an appropriate share of production overheads based on normal operating capacity.

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

Non-current Assets Held for Sale or Distribution to Owners

Non-current assets, or disposal group comprising assets and liabilities that are expected to be recovered primarily through sale or distribution to owners rather than through continuing use, are classified as held for sale or distribution.

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

Any impairment loss on a disposal group is first allocated to goodwill, and then to remaining assets and liabilities on pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets and investment property, which continue to be measured in accordance with the Group's accounting policies. Impairment losses on initial classification as held for sale or distribution and subsequent gains or losses on remeasurement are recognised in profit or loss. Gains are not recognised in excess of any cumulative impairment loss.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2018 (Cont'd)

Intangible assets and property, plant and equipment once classified as held for sale or distribution are not amortised or depreciated.

Impairment of Tangible Assets

As at the end of each reporting period, the Group and the Company review the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the assets is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group and the Company estimate the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using the pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (of cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash – generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Affiliated Company

An affiliated company is a company in which certain Directors of the Company have significant influence or substantial financial interest.

Revenue Recognition

Revenue is recognised when or as a performance obligation in the contract with customer is satisfied, i.e. when the "control" of the goods or services underlying the particular performance obligation is transferred to the customer.

A performance obligation is a promise to transfer a distinct goods or service (or a series of distinct goods or services that are substantially the same and that have the same pattern of transfer) to the customer that is explicitly stated in the contract and implied in the Group's and the Company's customary business practices.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2018 (Cont'd)

Revenue is measured at the amount of consideration to which the Group and the Company expect to be entitled in exchange for transferring the promised goods or services to the customers, excluding amounts collected on behalf of third parties such as taxes. If the amount of consideration varies due to discounts, rebates, refunds, credits, incentives, penalties or other similar items, the Group and the Company estimate the amount of consideration to which it will be entitled based on the expected value or the most likely outcome. If the contract with customer contains more than one performance obligation, the amount of consideration is allocated to each performance obligation based on the relative stand-alone selling prices of the goods or services promised in the contract.

The revenue is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

The control of the promised goods or services may be transferred over time or at a point in time. The control over the goods or services is transferred over time and revenue is recognised over time if:

- the customer simultaneously receives and consumes the benefits provided by the Group's and the Company's performance as the Group and the Company perform;
- the Group's and the Company's performance create or enhance an asset that the customer controls as the asset is created or enhanced; or
- the Group's and the Company's performance does not create an asset with an alternative use and the Group and the Company have an enforceable right to payment for performance completed to date.

Revenue for performance obligation that is not satisfied over time is recognised at the point in time at which the customer obtains control of the promised goods or services.

Sale of crude palm oil and palm kernel

Revenue from the sale of crude palm oil and palm kernel in the course of ordinary activities is measured at fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. Revenue is recognised when persuasive evidence exists, usually in the form of an executed sales agreement, that the significant controls of ownership has been transferred to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, and there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably. If it is probable that discounts will be granted and the amount can be measured reliably, then the discount is recognised as a reduction of revenue as the sales are recognised.

Services rendered

Revenue from the provision of rooms, food and beverage, laundry service fees and other income are recognised when services are rendered.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2018 (Cont'd)

Rental income

Income from rental of offices is recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease.

Rental from car parks are recognised based on value invoiced to customers.

Dividend income

Dividend income is recognised in profit or loss on the date that the Group's or the Company's right to receive payment is established, which in the case of quoted securities is the ex-dividend date.

Interest income

Interest income is recognised as it accrues using the effective interest method in profit or loss except for interest income arising from temporary investment of borrowings taken specifically for the purpose of obtaining a qualifying asset which is accounted for in accordance with the accounting policy on borrowing costs.

Income Tax

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

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

Deferred tax is recognised using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities in the statements of financial position and their tax bases. Deferred tax is not recognised for the following temporary differences: i) the initial recognition of goodwill and ii) the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period.

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

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at the end of each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2018 (Cont'd)

Borrowing Costs

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

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

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or completed.

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

Employee Benefits

Short-term Employee Benefits

Short-term employee benefit obligations in respect of salaries, annual bonuses, paid annual leave and sick leave are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

State Plans

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

Retirement Benefits

The hotel division of the Group has set up a retirement obligation for eligible employees of the division. The division sets aside amounts for retirement benefits based on the basic salary of each eligible employee at the end of each financial year of service over the employees' period of employment. The liabilities are determined by the management and it is not expected to have a material impact to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2018 (Cont'd)

Earnings per Ordinary Share

The Group presents basic and diluted earnings per share data for its ordinary shares ("EPS").

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held.

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

Operating Segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. Operating segment results are reviewed regularly by the chief operating decision maker, which in this case is the Managing Director of the Group, to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

Contingent Liabilities

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

Fair Value Measurement

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

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2018 (Cont'd)

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

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.
Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3: unobservable inputs for the asset or liability.

The Group recognises transfers between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfers.

Financial Instruments

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

Financial assets and financial liabilities are initially measured 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, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial Assets

<u>Initial Recognition and Classification</u>

Financial assets are subsequently measured in their entirety at either amortised cost or fair value; fair value through other comprehensive income ("FVTOCI"), or fair value through profit or loss ("FVTPL").

The classification depends on the Group's and the Company's business model for managing the financial assets and the financial asset's contractual cash flows. With the exception of trade receivables that do not contain a significant financing component, the Group and the Company initially measure a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component are measured at the transaction price determined under MFRS 15 *Revenue from Contracts with Customers*.

In order for a financial asset to be classified and measured at amortised cost or FVTOCI, it needs to give rise to cash flows that are 'solely payments of principal and interest ("SPPI")' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018 (Cont'd)

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

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e. the date that the Group and the Company commit to purchase or sell the asset.

Financial Assets at Amortised Cost (Debt Instruments)

Financial assets that are held for collection of contractual cash flows where those cash flows are SPPI, are measured at amortised cost using the effective interest rate method and are subject to impairment. Any gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

<u>Effective interest method</u>

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees on 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 the financial asset, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Financial Assets at FVTOCI (Debt Instruments)

Financial assets that are held for both collection of contractual cash flows and for selling, where the assets' cash flows are SPPI, are measured at FVTOCI. Interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is recycled to profit or loss.

The Group and the Company have not designated any financial assets at FVTOCI (debt instruments).

Financial Assets Designated at FVTOCI (Equity Instruments)

On initial recognition, the Group and the Company may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVTOCI when they meet the definition of equity under MFRS 132 *Financial Instruments: Presentation* and are not held for trading. Gains and losses on these financial assets are never recycled to profit or loss. Dividends is recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at FVTOCI are not subject to impairment assessment.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2018 (Cont'd)

The Group and the Company have not designated any investments in equity instruments that are not held for trading as at FVTOCI on initial application of MFRS 9 *Financial Instruments*.

Financial Assets at FVTPL

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

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

The Group and the Company have not designated any financial assets as at FVTPL.

Impairment of financial assets

The Group and the Company recognise an allowance for expected credit losses ("ECL") for all debt instruments not held at FVTPL. ECL are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group or the Company expect 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.

ECL are recognised in three stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECL are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

The Group and the Company apply a simplified approach in calculating ECL for trade receivables, accrued billings and lease receivables, without significant financing components. Therefore, the Group and the Company do not track changes in credit risk, but instead recognises lifetime ECL as of the end of each reporting period. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's and the Company's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2018 (Cont'd)

For all other debt instruments, the Group and the Company apply the low credit risk simplification. As of the end of each reporting period, the Group and the Company evaluate whether the debt instrument is considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation, the Group and the Company reassess the internal credit rating of the debt instrument.

The Group and the Company consider that default has occurred when there is a breach of financial covenants by the counterparty or information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group and the Company (without taking into account any collaterals held by the Group and the Company).

The Group and the Company write off a financial asset when there is no reasonable expectation of recovering the contractual cash flows in full. Financial assets written off may still be subject to enforcement activities under the Group's and the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Derecognition of financial assets

The Group and the Company derecognise a financial asset only when the contractual rights to the cash flows from the asset expire, or when they transfer substantially all risks and rewards of the financial asset to another entity. If the Group and the Company neither transfer nor retain substantially all the risks and rewards of ownership and continue to control the transferred asset, the Group and the Company recognise its retained interest in the transferred asset to the extent of its continuing involvement. If the Group and the Company retain substantially all the risks and rewards of ownership of a transferred financial asset, the Group and the Company continue 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 asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss. In addition, on derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the investment revaluation reserve is reclassified to profit or loss. In contrast, on derecognition of an investment in equity instrument which the Group and the Company have elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investment revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

Financial Liabilities and Equity Instruments

Classification as debt or equity

Debts or equity instruments are classified either as financial liabilities or equity in accordance to the substance of the contractual arrangements and the definition of a financial liability an equity instrument.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2018 (Cont'd)

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group and the Company are recognised at the proceeds received, net of direct issue costs.

Repurchase disposal and reissue of share capital

When share capital recognised as equity is repurchased, the amount of the consideration paid, including directly attributable cost, net of any tax effects, is recognised as a deduction from equity. Repurchased shares that are not subsequently cancelled are classified as treasury shares in the statements of changes in equity.

Where treasury shares are sold or reissued subsequently, the difference between the sales consideration net or directly attributable costs and the carrying amount of the treasury shares is recognised in equity.

Financial liabilities

Financial liabilities are measured subsequently at amortised cost using the effective interest method or at FVTPL.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL where the financial liability is either held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing in the near future; or
- on initial recognition, it is a part of an identified portfolio of financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and MFRS 9 *Financial Instruments* permits the entire combined contract (asset or liability) to be designated as at FVTPL.

The Group and the Company have not designated any financial liabilities as at FVTPL.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2018 (Cont'd)

Financial liabilities measured subsequently at amortised cost

Financial liabilities that are not held for trading or designated as at FVTPL, including borrowings, are initially measured at fair value, net of transaction costs and subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortisation cost of a financial liability.

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payment to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due.

Financial guarantee contracts issued by a group entity are initially measured at their fair values and, if not designated as at FVTPL and do not arise from a transfer of a financial asset, are subsequently measured at the higher of:

- the amount determined in accordance with the ECL model under MFRS 9 *Financial Instruments*; and
- the amount initially recognised less, where appropriate, the cumulative amount of income recognised in accordance with the principles of MFRS 15 *Revenue from Contracts with Customers*.

Derecognition of financial liabilities

The Group and the Company derecognise financial liabilities when, and only when, the Group and the Company's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid or payable is recognised in profit or loss.

Statements of Cash Flows

The Group and the Company adopt the indirect method in the preparation of the statements of cash flows.

Cash and cash equivalents consist of cash on hand, balances and deposits with banks and highly liquid investments which have an insignificant risk of changes in fair value. For the purpose of the statements of cash flows, cash and cash equivalents are presented net of bank overdrafts, which form an integral part of the Group's and the Company's cash management, and excluded pledged deposits. Bank overdrafts classified as financing activities has been excluded from cash and cash equivalents.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2018 (Cont'd)

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, the management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

There are no significant areas of estimation uncertainty and judgements made by management in the process of applying accounting policies on the amounts recognised in the financial statements other than those disclosed in the following notes:

(a) Critical judgements in applying the Group's accounting policies:

i. Note 3 – Going concern; and

(b) Key sources of estimation uncertainty:

i. Note 12 – Investment properties; and
ii. Note 15 – Valuation of goodwill on consolidation.

5. REVENUE, COST OF GOODS SOLD AND GROSS PROFIT

	The Group		The Company	
	2018	2017	2018	2017
	RM	RM	RM	RM
Disaggregation of revenue:				
Plantation income	178,084,624	310,777,015	31,941,220	33,733,500
Property, hotel and other income	7,647,526	14,200,817	7,637,471	7,976,148
	185,732,150	324,977,832	39,578,691	41,709,648
Cost of sales of agricultural produces	134,621,824	235,629,948	24,377,380	21,671,343
Cost of services	10,215,875	10,565,208	10,215,875	10,565,208
	144,837,699	246,195,156	34,593,255	32,236,551
Gross profit	40,894,451	78,782,676	4,985,436	9,473,097

There were no transaction price allocated to unsatisfied performance obligations as at December 31, 2017 and December 31, 2018.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2018 (Cont'd)

6. SEGMENTAL ANALYSIS

Business Segments

For management purposes, the Group is organised into the following reportable operating segments based on their products and services and similar economic characteristics:

- Plantation - The operation of oil palm estate, palm oil mills, sales and purchase of fresh fruit bunches, sales and trading of crude palm oil and palm kernel and the provision of plantation development contract services to related parties and external customers.
- Property and hotel - Property investment and hotel operation.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which, in certain respects as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements. Operating profit or loss are regularly reviewed by the chief operating decision maker to make decisions about resources to be allocated to the segment and assess the Group's performance. The Group's income taxes are managed on a group basis and are not allocated to operating segments.

Segment capital expenditure comprises additions to property, plant and equipment and investments properties.

No geographical segmental analysis is presented as the Group operates principally in Malaysia.

	Plantation RM	Property and Hotel RM	Elimination RM	Total RM
The Group				
2018				
Revenue				
External sales	178,084,624	7,647,526	-	185,732,150
Inter-segment income^	43,662,557	-	(43,662,557)	-
Total revenue	221,747,181	7,647,526	(43,662,557)	185,732,150
Segment results	1,021,122	(4,402,596)	-	(3,381,474)
Finance costs	(7,545,248)	(2,913,156)	-	(10,458,404)
Unallocated expenses:				
Director's remuneration				(5,809,320)
Others				(83,059)
Loss before tax				(19,732,257)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2018 (Cont'd)

	Plantation RM	Property and Hotel RM	Elimination RM	Total RM
The Group 2018				
Assets				
Reported segment assets	422,864,035	120,283,708	-	543,147,743
Corporate assets				24,272,658
Consolidated total assets				567,420,401
Liabilities				
Segment liabilities	213,537,468	47,931,268	-	261,468,736
Corporate liabilities				21,373,274
Consolidated total liabilities				282,842,010
The Group 2017				
Revenue				
External sales	310,777,015	14,200,817	-	324,977,832
Inter-segment income^	47,182,788	-	(47,182,788)	-
Total revenue	357,959,803	14,200,817	(47,182,788)	324,977,832
Segment results	29,633,825	(1,542,948)	-	28,090,877
Finance costs	(5,350,743)	(1,492,617)	-	(6,843,360)
Unallocated expenses:				
Directors' remuneration				(6,353,280)
Others				(443,176)
Profit before tax				14,451,061
Assets				
Reported segment assets	394,751,421	120,525,630	-	515,277,051
Corporate assets				36,755,172
Consolidated total assets				552,032,223
Liabilities				
Segment liabilities	194,070,827	13,347,443	-	207,418,270
Unallocated corporate liabilities				37,546,926
Consolidated total liabilities				244,965,196

^ Inter-segment income is eliminated on consolidation and reflected in the elimination column.

Included in revenue arising from third party sales of RM185,732,150 (2017: RM324,977,832) is revenue of approximately RM145,320,967 (2017: RM273,912,771) and RM12,696,445 (2017: RM20,371,847) respectively which arose from sales to the Group's largest customers. No other single customers contributed 10% or more to the Group's revenue for both 2018 and 2017.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2018 (Cont'd)

7. FINANCE COSTS

	The Group		The Company	
	2018	2017	2018	2017
	RM	RM	RM	RM
Interest on:				
Financial liabilities that are not at fair value through profit and loss	11,314,975	7,705,696	5,864,747	3,548,515
Less: Finance cost capitalised (Note 11)	(856,571)	(862,336)	-	-
	10,458,404	6,843,360	5,864,747	3,548,515

8. (LOSS) PROFIT BEFORE TAX

(Loss) Profit before tax has been arrived at after (crediting) charging the following:

	The Group		The Company	
	2018	2017	2018	2017
	RM	RM	RM	RM
Staff costs (including key management personnel) (Note 20)	27,015,438	23,597,250	17,581,621	16,286,601
Bad debts written off	-	17,946,268	-	12,936,268
Depreciation of property, plant and equipment (Note 30)	21,977,178	20,332,038	5,178,216	5,384,374
Directors':				
Fees	203,600	200,000	200,000	200,000
Remuneration	5,605,720	6,153,280	5,329,720	5,104,720
Hiring of machinery	1,941,678	2,410,384	250,054	176,612
Loss (Gain) on fair value of biological assets (Note 17)	66,766	1,377,657	312,020	(228,834)
Impairment loss on:				
Amount owing from affiliated companies	235,008	1,575	-	-
Trade receivables (Note 19)	-	22,681	-	22,681
Property, plant and equipment (Note 11)	471,570	-	471,570	-
Amortisation of investment properties (Note 12)	642,179	521,248	536,443	436,035
Oils palm seedlings written off	921,612	105,168	5,594	65,317

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2018 (Cont'd)

	The Group		The Company	
	2018 RM	2017 RM	2018 RM	2017 RM
Provision of severance pay	1,500,000	-	1,500,000	-
Audit fee:				
Statutory audit	193,000	190,000	95,000	95,000
Non-statutory audit	20,000	20,000	20,000	20,000
Property, plant and equipment written off	60,080	147,000	-	147,000
Charge for retirement benefits (Note 25)	63,720	49,000	63,720	49,000
Reversal of retirement benefits (Note 25)	(960,720)	-	(960,720)	-
Reversal of impairment loss on:				
Trade receivables (Note 19)	-	(21,394)	-	(21,394)
Gain on disposal of:				
Investment property	9,476	-	-	-
Investment in subsidiary company	-	(18,448,746)	-	(13,600,000)
Investment property arising from compulsory land acquisition	-	(6,216,800)	-	-

Included in staff costs are the following:

	The Group		The Company	
	2018 RM	2017 RM	2018 RM	2017 RM
Staff costs	25,628,551	21,705,782	16,781,115	15,021,662
Less:				
Capitalised in bearer plants (Note 11)	(860,791)	(467,496)	(811,400)	(288,438)
	24,767,760	21,238,286	15,969,715	14,733,224
Contributions to state plans	2,247,678	2,358,964	1,611,906	1,553,377
	27,015,438	23,597,250	17,581,621	16,286,601

The estimated monetary value of Directors' benefit-in-kind for the Group and the Company is RM205,300 (2017: RM226,500).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018 (Cont'd)

9. INCOME TAX (EXPENSE) CREDIT

	The Group		The Company	
	2018 RM	2017 RM (Restated)	2018 RM	2017 RM (Restated)
Current tax expense:				
Current year	(1,596,844)	(5,244,859)	-	-
(Under)Over provision in prior years	(181,996)	596,475	(44,122)	-
	(1,778,840)	(4,648,384)	(44,122)	-
Deferred tax (Note 16):				
Relating to origination and reversal of temporary differences	(2,065,487)	(3,220,313)	-	(2,858,000)
(Over)Underprovision in prior years	1,090,000	(185,000)	883,000	(489,000)
	(975,487)	(3,405,313)	883,000	(3,347,000)
	(2,754,327)	(8,053,697)	838,878	(3,347,000)

Malaysian corporate income tax is calculated at the statutory tax rate of 24% of the estimated taxable profit for the year.

The reconciliation between tax expense and accounting profit multiplied by the applicable statutory tax rate are as follows:

	The Group		The Company	
	2018 RM	2017 RM (Restated)	2018 RM	2017 RM (Restated)
(Loss) Profit before tax	(19,732,257)	14,451,061	(18,584,550)	(13,694,145)
Tax at the applicable statutory calculated tax rate of 24%	4,735,742	(3,468,255)	4,460,292	3,286,595
Tax effects of:				
Expenses that are not deductible in determining taxable profit	(6,335,011)	(5,378,007)	(2,381,590)	(2,243,125)
Income that is not taxable in determining taxable profit	473,938	1,991,090	508,087	2,286
Deferred tax assets not recognised	(2,537,000)	(1,610,000)	(958,000)	(2,505,000)
Group relief	-	-	(1,628,789)	(1,398,756)
(Over)Underprovision of income tax in prior years	(181,996)	596,475	(44,122)	-
Under(Over)provision of deferred tax in prior years	1,090,000	(185,000)	883,000	(489,000)
Tax (expense) credit for the year	(2,754,327)	(8,053,697)	838,878	(3,347,000)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2018 (Cont'd)

As mentioned in Note 3, deferred tax assets are recognised for all deductible temporary differences, unabsorbed capital allowances and unutilised tax losses to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, unabsorbed capital allowances and unutilised tax losses can be utilised.

As at December 31, 2018, the net taxable temporary differences, unabsorbed capital allowances and unutilised tax losses of the Group and of the Company which have not been recognised in the financial statements due to uncertainty of their realisation in the foreseeable future, are as follows:

	The Group		The Company	
	2018	**2017**	**2018**	**2017**
	RM	**RM**	**RM**	**RM**
Taxable temporary differences	143,804,000	134,107,000	33,717,000	29,985,000
Unabsorbed capital allowances	(107,212,000)	(92,165,000)	(23,046,000)	(18,231,000)
Unutilised tax losses	(82,763,000)	(77,544,000)	(28,038,000)	(25,129,000)
	(46,171,000)	(35,602,000)	(17,367,000)	(13,375,000)

The unabsorbed capital allowances and unutilised tax losses, which are subject to agreement by tax authorities, are available for offset against the future taxable profit.

The unabsorbed tax losses will expire in year 2025 or when there is a substantial change in shareholders (of 50% or more), whichever earlier, under the current tax legislation. If there is substantial change in shareholders, unutilised tax losses as stated above will not be available to the Group and the Company.

The comparative figures have been revised to reflect the previous year's final tax submission.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2018 (Cont'd)

The Income Tax (Exemption) (No. 2) Order 2018 [P.U.(A) 117/2018] gazetted on April 10, 2018 enacted that the incremental portion of chargeable income compared to the immediate preceding year of assessment enjoys reduced income tax rate as follows with effect on years of assessment 2017 and 2018. Following these, the applicable tax rate to be used for the measurement of any applicable deferred tax will be the below expected rates:

Percentage of increase in chargeable income as compared to the immediate preceding year of assessment	Percentage point of reduction on income tax rate %	Reduced income tax rate on increase in chargeable income %
Less than 5%	Nil	24
5% - 9.99%	1	23
10% - 14.99%	2	22
15% - 19.99%	3	21
20% and above	4	20

10. **(LOSS) EARNINGS PER SHARE**

Basic/Diluted (loss) earnings per share

The (loss) earnings and weighted average number of ordinary shares used in the calculation of basic (loss) earnings per share are as follows:

	The Group 2018 RM	The Group 2017 RM
(Loss) Profit for the year attributable to owners of the Company	(21,172,039)	6,119,092
Weighted average number of ordinary shares for the purposes of basic earnings per share	173,220,567	178,215,700
Basic (loss) earnings per share (sen)	(12.22)	3.43

There are no potential dilutive ordinary shares.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2018 (Cont'd)

11. **PROPERTY, PLANT AND EQUIPMENT**

The Group	Land and Buildings RM	Bearer Plants RM	Roads and Bridges RM	Plant and Machinery RM	Motor vehicles, Furniture, Fittings and Equipment RM	Construction-in-progress RM	Total RM
Cost							
Balance at January 1, 2017							
As previously	263,670,388	-	19,865,206	51,445,019	48,800,157	1,665,180	385,445,950
Effects of changes in accounting policies (Note 33)	-	188,302,559	-	-	-	-	188,302,559
As restated	263,670,388	188,302,559	19,865,206	51,445,019	48,800,157	1,665,180	573,748,509
Additions	2,973,320	23,315,556	3,743,923	2,642,030	1,961,759	389,139	35,025,727
Transfer from investment properties (Note 12)	6,460,145	60,080	-	-	-	-	6,520,225
Disposal of subsidiary	(9,144,874)	(4,186,312)	(368,249)	-	-	-	(13,699,435)
Written off	-	-	-	(147,000)	-	-	(147,000)
Reclassification	-	-		788,389	-	(788,389)	-
Balance at December 31, 2017	263,958,979	207,491,883	23,240,880	54,728,438	50,761,916	1,265,930	601,448,026
Additions	7,475,634	18,365,926	8,270,196	704,152	2,967,023	60,000	37,842,931
Written off	-	(60,080)	-	-	-	-	(60,080)
Balance at December 31, 2018	271,434,613	225,797,729	31,511,076	55,432,590	53,728,939	1,325,930	639,230,877

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2018 (Cont'd)

The Group	Land and Buildings RM	Bearer Plants RM	Roads and Bridges RM	Plant and Machinery RM	Motor Vehicles, Furniture, Fittings and Equipment RM	Construction-in-progress RM	Total RM
Accumulated Depreciation							
Balance at January 1, 2017							
As previously reported	42,917,731	-	16,602,919	27,048,939	32,982,273	-	119,551,862
Effects of changes in accounting policies (Note 33)	-	32,446,657	-	-	-	-	32,446,657
As restated	42,917,731	32,446,657	16,602,919	27,048,939	32,982,273	-	151,998,519
Charge for the year	5,275,621	4,853,556	1,077,250	3,942,219	5,517,244	-	20,665,890
Transfer from investment properties (Note 12)	310,562	-	-	-	-	-	310,562
Disposal of subsidiaries	(14,166)	(13,726)	(4,952)	-	-	-	(32,844)
Balance at December 31, 2017	48,489,748	37,286,487	17,675,217	30,991,158	38,499,517	-	172,942,127
Charge for the year	5,344,239	5,339,604	1,739,783	4,477,984	5,471,313	-	22,372,923
Balance at December 31, 2018	53,833,987	42,626,091	19,415,000	35,469,142	43,970,830	-	195,315,050
Accumulated Impairment Loss							
Balance at January 1, 2017/ December 31, 2017	2,195,279	-	-	-	-	-	2,195,279
Charge for the year	-	-	-	-	471,570	-	471,570
Balance at December 31, 2018	2,195,279	-	-	-	471,570	-	2,666,849
Net Book Value							
Balance at December 31, 2018	215,405,347	183,171,638	12,096,076	19,963,448	9,286,539	1,325,930	441,248,978
Balance at December 31, 2017	213,273,952	170,205,396	5,565,663	23,737,280	12,262,399	1,265,930	426,310,620
Balance at January 1, 2017	220,752,657	155,855,902	3,262,287	24,396,080	15,817,884	1,665,180	421,749,990

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2018 (Cont'd)

The Company	Land and Buildings RM	Bearer Plants RM	Roads and Bridges RM	Plant and Machinery RM	Motor Vehicles, Furniture, Fittings and Equipment RM	Construction-in-progress RM	Total RM
Cost							
Balance at January 1, 2017							
As previously stated	172,317,790	-	541,800	16,528,526	15,976,405	1,208,530	206,573,051
Effects of changes in accounting policies (Note 33)	-	23,222,141	-	-	-	-	23,222,141
As restated	172,317,790	23,222,141	541,800	16,528,526	15,976,405	1,208,530	229,795,192
Additions	909,050	3,639,924	-	-	45,255	-	4,594,229
Written-off	-	-	-	(147,000)	-	-	(147,000)
Balance at December 31, 2017	173,226,840	26,862,065	541,800	16,381,526	16,021,660	1,208,530	234,242,421
Additions	1,025,100	1,291,181	3,422,903	195,472	434,967	60,000	6,429,623
Balance at December 31, 2018	174,251,940	28,153,246	3,964,703	16,576,998	16,456,627	1,268,530	240,672,044
Accumulated Depreciation							
Balance at January 1, 2017							
As previously stated	31,900,724	-	402,222	13,307,433	12,584,412	-	58,194,791
Effects of changes in accounting policies (Note 33)	-	2,956,241	-	-	-	-	2,956,241
As restated	31,900,724	2,956,241	402,222	13,307,433	12,584,412	-	61,151,032
Charge for the year	2,874,122	765,516	54,216	602,685	1,087,835	-	5,384,374
Balance at December 31, 2017	34,774,846	3,721,757	456,438	13,910,118	13,672,247	-	66,535,406
Charge for the year	2,874,096	839,760	54,216	537,537	872,607	-	5,178,216
Balance at December 31, 2018	37,648,942	4,561,517	510,654	14,447,655	14,544,854	-	71,713,622

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2018 (Cont'd)

The Company	Land and Buildings RM	Bearer Plants RM	Roads and Bridges RM	Plant and Machinery RM	Motor Vehicles, Furniture, Fittings and Equipment RM	Construction -in-progress RM	Total RM
Accumulated Impairment Loss							
Balance at January 1, 2017/ December 31, 2017	-	-	-	-	-	-	-
Charge for the year	-	-	-	-	471,570	-	471,570
Balance at December 31, 2018	-	-	-	-	471,570	-	471,570
Net Book Value							
Balance at December 31, 2018	136,602,998	23,591,729	3,454,049	2,129,343	1,440,203	1,268,530	168,486,852
Balance at December 31, 2017	138,451,994	23,140,308	85,362	2,471,408	2,349,413	1,208,530	167,707,015
Balance at January 1, 2017	140,417,066	20,265,900	139,578	3,221,093	3,391,993	1,208,530	168,644,160

	The Group 31.12.2018 RM	The Group 31.12.2017 RM	The Group 01.01.2017 RM	The Company 31.12.2018 RM	The Company 31.12.2017 RM	The Company 01.01.2017 RM
Carrying amounts of land and buildings						
Freehold land	20,770,000	20,770,000	20,770,000	20,770,000	20,770,000	20,770,000
Long-term leasehold land	124,868,842	129,582,266	136,380,467	79,735,637	81,457,337	82,939,103
Buildings	69,766,505	62,921,686	63,602,190	36,097,361	36,224,657	36,707,963
	215,405,347	213,273,952	220,752,657	136,602,998	138,451,994	140,417,066

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2018 (Cont'd)

Security

Land and buildings of the Group and of the Company with a carrying amount of RM62,062,242 (2017: RM63,462,666) are charged to banks as security for banking facilities granted to the Company and a subsidiary as disclosed in Note 26.

Leased assets

Included in the property, plant and equipment of the Group and of the Company are motor vehicles and equipment acquired by means of hire-purchase arrangements with carrying amount of RM3,874,790 (2017: RM6,443,924) and RM150,961 (2017: RM600,408) respectively.

Others

Included in bearer plants of the Group and of the Company are the following:

	The Group		The Company	
	2018 RM	2017 RM	2018 RM	2017 RM
Finance cost (Note 7)	856,571	862,336	-	-
Depreciation of leasehold land	395,745	333,852	-	-
Staff costs (Note 8)	860,791	467,496	811,400	288,438

The plantation development of a subsidiary, Harn Len Pelita Bengunan Sdn. Bhd., is situated on a Native Customary Rights Land Development Area in Sarawak. Pursuant to the Joint Venture Agreement dated September 3, 2004 and Supplementary Agreement dated March 29, 2010, the joint venture partner, Pelita Holdings Sdn. Bhd. ("Pelita") which holds a 40% equity interest in the said subsidiary (30% of which as trustee for the Sarawak Government and the natives (hereinafter referred to as "NCR Owners")), undertake to procure the alienation of the land for a lease period of 60 years from the Sarawak State Government to the said subsidiary.

In consideration of Pelita procuring the alienation of the lease as contribution for the 30% shareholding of the NCR Owners and capital contributions from the other shareholders, the subsidiary shall progressively increase its issued and paid-up share capital. In the year 2010, 1,982 hectares of the land at the agreed value of RM1,200 per hectare has been developed and surrendered by the NCR Owners and in accordance with the agreements entered into, an amount of RM1,427,040 (being 60% of the agreed value of land) was credited as fully paid-up shares of the subsidiary and these shares were issued to Pelita as trustees for the NCR Owners.

In year 2016, Harn Len Pelita Bengunan Sdn Bhd was served with a Writ and Statement of Claim by the High Court of Sabah and Sarawak, where 36 natives ("Plaintiffs") alleged that the Company has been trespassing on the land located at Bait Ulu Sri Aman, Sarawak covering an area of approximately 1,083.55 acres for which the Plaintiffs claimed to have native title and Native Customary Rights over the land. During the year, the Plantiffs' claim against the Defendant have been dismissed by the court with cost of RM15,000. The Plantiffs have the right of Appeal by filing notice of appeal within one month from the date of the ruling. In 2019, the Plantiffs have lodged an appeal to the Court of Appeal against the decision of the High Court.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2018 (Cont'd)

The directors of Harn Len Pelita Bengunan Sdn Bhd holds the view that even though an appeal has been made by the natives, the possibility of finding the court ruling in favour of the Plantiffs is miniscule given that the signed agreement held by the subsidiary explicitly grants the rights of the land to the subsidiary for plantation development purposes. To date, it has not been known that the subsidiary has breached the said Joint Venture Agreement.

At the end of the reporting period, the title to the leasehold land of the subsidiaries has yet to be issued by the relevant authority to the subsidiary.

12. **INVESTMENT PROPERTIES**

	Land and Buildings RM	Property Development Expenditure RM	Total RM
The Group			
Cost			
Balance at January 1, 2017	42,509,638	1,752,479	44,262,117
Additions	18,759,379	-	18,759,379
Disposals	(10,300,000)	(1,692,399)	(11,992,399)
Transfer to property, plant and equipment (Note 11)	(6,460,145)	(60,080)	(6,520,225)
Balance at December 31, 2017	44,508,872	-	44,508,872
Additions	6,185,326	-	6,185,326
Acquisition of subsidiary company	29,626,821	-	29,626,821
Disposal	(2,430,000)	-	(2,430,000)
Transfer to assets held for sale	(18,759,379)	-	(18,759,379)
Balance at December 31, 2018	59,131,640	-	59,131,640
Accumulated Amortisation			
Balance at January 1, 2017	1,021,254	-	1,021,254
Charge for the year	521,248	-	521,248
Transfer to property, plant and equipment (Note 11)	(310,562)	-	(310,562)
Balance at December 31, 2017	1,231,940	-	1,231,940
Charge for the year	642,179	-	642,179
Disposal	(20,524)	-	(20,524)
Transfer to assets held for sale	(328,979)	-	(328,979)
Balance at December 31, 2018	1,524,616	-	1,524,616

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2018 (Cont'd)

	Land and Buildings RM	Property Development Expenditure RM	Total RM
The Group			
Accumulated Impairment Loss			
Balance at January 1, 2017	2,195,279	1,692,399	3,887,678
Transfer to property, plant and equipment (Note 11)	(2,195,279)	-	(2,195,279)
Disposals	-	(1,692,399)	(1,692,399)
Balance at December 31, 2017 and December 31, 2018	-	-	-
Net Book Value			
Balance at December 31, 2018	57,607,024	-	57,607,024
Balance at December 31, 2017	43,276,932	-	43,276,932

	Land and Building RM
The Company	
Cost	
Balance at January 1, 2017	21,040,893
Additions	18,759,379
Balance at December 31, 2017	39,800,272
Additions	3,755,326
Transfer to assets held for sale	(18,759,379)
Balance at December 31, 2018	24,796,219
Accumulated Amortisation	
Balance at January 1, 2017	592,490
Charge for the year	436,035
Balance at December 31, 2017	1,028,525
Charge for the year	536,443
Transfer to assets held for sale	(328,979)
Balance at December 31, 2018	1,235,989
Net Book Value	
Balance at December 31, 2018	23,560,230
Balance at December 31, 2017	38,771,747

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2018 (Cont'd)

Included in the above are:

	The Group		The Company	
	2018	**2017**	**2018**	**2017**
	RM	**RM**	**RM**	**RM**
Cost				
Freehold land	42,322,949	25,456,256	12,696,128	25,456,257
Long term leasehold land	4,419,974	4,626,240	-	-
Buildings	10,864,101	13,194,436	10,864,102	13,315,490
	57,607,024	43,276,932	23,560,230	38,771,747

The following are recognised in profit or loss in respect of investment properties:

	The Group		The Company	
	2018	**2017**	**2018**	**2017**
	RM	**RM**	**RM**	**RM**
Rental income	2,114,206	1,560,512	2,114,151	1,552,642
Direct operating expenses:				
Income generating investment properties	373,811	462,711	354,911	417,060
Non-income generating investment properties	396,992	517,980	311,780	432,768

The investment properties comprise vacant land, agricultural land and shophouses that are leased to third parties.

Certain of the investment properties are leasehold land and buildings with varying lease terms. Judgement is involved in determining whether the said investment properties are to be classified as operating lease or finance lease. Based on the Group's and the Company's evaluation, the said investment properties have met the definition of a finance lease, in accordance with MFRS 117 Leases.

Security

Total land and buildings of the Company with a carrying amount of RM15,532,858 (2017: RM44,465,105) is pledged to a licensed bank for facilities granted to the Company.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2018 (Cont'd)

Fair value information

The fair value of investment properties is categorised as follows:

	The Group		The Company	
	2018	2017	2018	2017
	RM	RM	RM	RM
Freehold land and building	57,800,000	44,529,379	29,800,000	44,529,379
Long term land and building	8,220,000	8,658,863	-	-
	66,020,000	53,188,242	29,800,000	44,529,379

Level 3 fair value

Level 3 fair value is estimated using unobservable inputs for the investment properties.

The following shows the valuation techniques used in the determination of fair values within Level 3.

Description of Valuation Technique

Sales comparison method: Sales price of comparable properties in close proximity are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is price per square foot.

13. INVESTMENTS IN SUBSIDIARIES

	The Company	
	2018	2017
	RM	RM
Unquoted shares, at cost	50,410,447	50,605,371
Add: Addition	28,000,000	-
Less: Disposal	-	(194,924)
	78,410,447	50,410,447
Less: Accumulated impairment loss	(16,321,239)	(16,321,239)
	62,089,208	34,089,208
Amounts due from subsidiaries	79,645,112	71,527,290
	141,734,320	105,616,498

The amounts due from subsidiaries were utilised for capital expenditures of the subsidiaries with long gestation period and therefore are considered part of the investment.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2018 (Cont'd)

Analysis of acquistion of subsidiaries

During the financial year, the Group acquired the entire equity interest in Midwest Equity Sdn. Bhd. for a total cash consideration of RM14.7 million.

The fair values of assets acquired and liabilities assumed are as follows:

	Fair value recognised on acquisition date RM
Non-current asset	
Investment properties	29,626,821
Current assets	
Other receivables	10,000
Cash and bank balances	292
Non-current liabilities	
Loan and other borrowings	(13,300,000)
Deferred tax liabilities	(1,118,446)
Current liabilities	
Other payables	(518,667)
Net assets acquired and liabilities assumed	14,700,000

The net cash outflow on acquisition of subsidiary is as follows:

	The Group RM
Consideration paid in cash	14,700,000
Less: Cash and bank balances acquired	(292)
Net cash outflow on acquisition	14,699,708

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2018 (Cont'd)

The subsidiary companies which are incorporated and operating in Malaysia are as follows:

Name of Company	Principal Activities	Effective ownership interest and voting interest 2018 %	2017 %
Masranti Plantation Sdn. Bhd.	Cultivation of oil palms and operation of a palm oil mill	100	100
Harn Len Realty (Serian) Sdn. Bhd.	Cultivation of oil palms	100	100
Harn Len Management Sdn. Bhd.	Oil palm estate and plantation management	100	100
Tanaim Sdn. Bhd.[@]	Transportation services	100	100
Nusantara Daya Sdn. Bhd.	Investment holding	100	100
Premium Dragon Sdn. Bhd.	Investment holding	100	100
Harn Len Realty (Tampoi) Sdn. Bhd.	Property investment	100	100
Zhangxern Corporation Sdn. Bhd.	Property investment	100	100
Midwest Equity Sdn. Bhd.	Property investment	100	-
Golden Majestic Sdn. Bhd.	Dormant	100	100
Han Yin Development Sdn. Bhd.	Dormant	100	100
Harn Len (Balai Ringin) Sdn. Bhd.	Dormant	100	100
Harn Len Development (Jerok) Sdn. Bhd.	Dormant	100	100
Sinar Majestic Sdn. Bhd.	Dormant	100	100
Uniglobal Sdn. Bhd.	Dormant	100	100
Subsidiary held by Masranti Plantation Sdn. Bhd.			
Masranti Sebangkoi Sdn. Bhd.[@]	Cultivation of oil palms	100	100
Masranti Agro Sdn. Bhd.	Agriculture land and plantation development services	100	100
Subsidiary held by Premium Dragon Sdn. Bhd.			
Harn Len Pelita Bengunan Sdn. Bhd.[@]	Cultivation of oil palm	60	60

[@] The auditor's reports on the financial statements of these subsidiary companies have been modified with an emphasis of matter on the ability of the subsidiary companies to continue as going concerns.

On February 22, 2017, the Company disposed of its 100% interest in subsidiary, Gemilang Bumimas Sdn. Bhd., for a cash consideration of RM13,600,000. The carrying value of net liabilities disposed to the Group amounted to RM4,848,746 resulting in a gain on disposal of RM18,448,746.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2018 (Cont'd)

14. PREPAID LEASE PAYMENT

	The Group and the Company 2018 RM
Cost:	
At beginning of year	-
Addition during the year	14,687,295
At end of year	14,687,295
Accumulated amortisation	
At beginning and end of the year	-
Carrying amount	14,687,295

Prepaid lease payment relates to the lease of 5 pieces of land located at Sarawak. The lease will expire in year 2054 and the Company is given the first right of refusal to acquire the land in the event that the land is made available for sales during the lease period.

The Group determined the fair value of its FFB within level 3 of the fair value hierarchy. There wre no transfer between levels of the fair value hierarchy during the financial year.

15. GOODWILL ON CONSOLIDATION

	The Group RM
At cost	
Balance at January 1, 2017, December 31, 2017 and December 31, 2018	6,490,491
Accumulated impairment losses	
Balance at January 1, 2017, December 31, 2017 and December 31, 2018	695,692
Carrying amount	
Balance at December 31, 2017	5,794,799
Balance at December 31, 2018	5,794,799

Impairment testing for cash-generating units containing goodwill

For the purpose of impairment testing, goodwill is allocated to the Group's operating divisions which represent the lowest level within the Group at which the goodwill is monitored for internal management purposes.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2018 (Cont'd)

The carrying amount of goodwill is allocated as follows:

	2018 RM	2017 RM
Masranti Plantation Sdn. Bhd.	5,794,799	5,794,799

The recoverable amount for the above was based on its value in use and was determined by discounting the future cash flows generated from the continuing use of these units and was based on the following key assumptions:

i. Cash flows were projected based on a 20 years forecast and projections;
ii. Commodity price was projected based on current market price of RM2,200/MT (2017: RM2,400/MT) and remains constant throughout the projected period;
iii. A pre-tax discount rate of 17.96% (2017: 18.80%) was applied in determining the recoverable amount of the unit;
iv. A palm yields ranging from 11 to 21 (2017: 3 to 20) metric tonnes per hectares;
v. Administration expenses were projected at an annual increase of 5% (2017: 5%) per annum; and
vi. Plantation expenditure was projected based on historical trend; and
vii. Hectarage of the plantation plots was forecasted based on 5,020 (2017: 4,959) hectares throughout the projected period.

The values assigned to the key assumptions represent management's assessment of current trends in the oil palm plantation in Sarawak and are based on both external and internal sources (historical data). Any subsequent changes in the market conditions or to decisions on the harvesting levels may have a material impact on the assets' values as the future cash flows may differ from these estimates.

16. DEFERRED TAX ASSETS (LIABILITIES)

	The Group		The Company	
	2018 RM	2017 RM	2018 RM	2017 RM
At beginning of year	(20,005,959)	(16,600,646)	(883,000)	2,464,000
Transfer to(from) profit or loss (Note 9)	(975,487)	(3,405,313)	883,000	(3,347,000)
At end of year	(20,981,446)	(20,005,959)	-	(883,000)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2018 (Cont'd)

Deferred tax balances are presented in the statements of financial position after appropriate offsetting as follows:

	The Group		The Company	
	2018	2017	2018	2017
	RM	RM	RM	RM
Deferred tax assets	-	1,704,041	-	-
Deferred tax liabilities	(20,981,446)	(21,710,000)	-	(883,000)
	(20,981,446)	(20,005,959)	-	(883,000)

The deferred tax assets (liabilities) are in respect of the tax effects of the following:

	The Group		The Company	
	2018	2017	2018	2017
	RM	RM	RM	RM
Deferred tax assets (before offsetting)				
Temporary differences arising from:				
Provision	323,000	314,000	248,000	248,000
Unabsorbed capital allowances	9,205,000	1,666,000	-	1,605,000
Unutilised tax losses	18,439,000	7,107,041	8,092,000	5,422,000
	27,967,000	9,087,041	8,340,000	7,275,000
Offsetting	(27,967,000)	(7,383,000)	(8,340,000)	(7,275,000)
Deferred tax assets (after offsetting)	-	1,704,041	-	-
Deferred tax liabilities (before offsetting)				
Temporary differences arising from:				
Property, plant and equipment				
- Capital allowances	28,306,446	24,901,000	-	8,158,000
- Revaluation	20,642,000	4,192,000	8,340,000	-
	48,948,446	29,093,000	8,340,000	8,158,000
Offsetting	(27,967,000)	(7,383,000)	(8,340,000)	(7,275,000)
Deferred tax liabilities (after offsetting)	20,981,446	21,710,000	-	883,000

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2018 (Cont'd)

17. BIOLOGICAL ASSETS

	The Group		The Company	
	2018 RM	2017 RM	2018 RM	2017 RM
As fair value:				
Fresh Fruit Bunches				
At beginning of year	1,440,393	2,818,050	678,799	449,965
Changes in fair value	(66,766)	(1,377,657)	(312,020)	228,834
At end of year	1,373,627	1,440,393	366,779	678,799

The biological assets of the Group and the Company comprises of fresh fruit bunches ("FFB") prior to harvest. The valuation to be adopted by the Group and the Company consider the present value of the net cash flows expected to be generated from the sales of FFB.

The Group determine the fair value of its FFB within level 3 of the fair value hierarchy. There were no transfer between levels of the fair value hierarchy during the financial year.

18. INVENTORIES

	The Group		The Company	
	2018 RM	2017 RM	2018 RM	2017 RM
Agricultural produce	575,628	4,038,992	270,188	3,676,112
Consumables and spares	2,272,537	2,865,132	370,751	526,336
Nursery	2,037,123	2,989,004	35,298	86,066
	4,885,288	9,893,128	676,237	4,288,514

19. TRADE RECEIVABLES, OTHER RECEIVABLES, DEPOSITS AND PREPAID EXPENSES

	The Group		The Company	
	2018 RM	2017 RM	2018 RM	2017 RM
Trade receivables	1,219,021	3,586,924	1,001,377	594,200
Less: Allowance for doubtful debts	(26,175)	(26,175)	(26,175)	(26,175)
	1,192,846	3,560,749	975,202	568,025

The Group's and the Company's normal trade credit term is 7 days (2017: 7 days). Other credit terms are assessed and approved on a case by case basis. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2018 (Cont'd)

The table below is an analysis of trade receivables at the end of the reporting period:

	The Group		The Company	
	2018 RM	2017 RM	2018 RM	2017 RM
Neither past due nor impaired	1,074,239	3,212,606	856,791	265,565
1 to 30 days past due but not impaired	38,212	202,219	38,212	156,542
31 to 60 days past due but not impaired	43,667	23,098	43,667	23,092
Past due more than 60 days but not impaired	36,728	122,826	36,532	122,826
	1,192,846	3,560,749	975,202	568,025
Impaired	26,175	26,175	26,175	26,175
	1,219,021	3,586,924	1,001,377	594,200

Trade receivables that are neither past due nor impaired

Trade receivables that are individually determined to be impaired at the reporting date relate to debtors that are in significant financial difficulties or 365 days old and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

The Group and the Company always measure the loss allowance for trade receivables at an amount equal to lifetime ECL. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's and the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate. However, the Group and the Company did not disclose provision matrix as the impact of ECL is negligible.

Trade receivables disclosed above, which that are neither past due nor impaired are creditworthy debtors with good payment records with the Group and the Company. Based on past experience and no adverse information to date, the directors are of the opinion that no impairment is necessary in respect of these balances as there have not been any significant changes in the credit quality and the balances are still fully recoverable.

None of the Group's trade receivables that are neither past due nor impaired have been renegotiated during the financial year.

Trade receivables that are past due but not impaired

The Group and the Company have trade receivables amounting to RM118,607 and RM118,411 (2017: RM348,143 and RM302,460) respectively that are past due at the reporting date but not impaired.

The trade receivables that are past due but not impaired are unsecured in nature. No impairment losses has been recognised as the amounts are recoverable.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2018 (Cont'd)

Receivables that are impaired

The Group's trade receivables that are impaired at the reporting date and the movement of the allowance accounts used to record the impairment are as follows:

Movement in the allowance for impairment is as follows:

	The Group and the Company	
	2018	2017
	RM	RM
At January 1	(26,175)	(24,888)
Charge for the year	-	(22,681)
Reversal of impairment losses	-	21,394
At December 31	(26,175)	(26,175)

Other receivables, deposits and prepaid expenses consist of the following:

	The Group		The Company	
	2018	2017	2018	2017
	RM	RM	RM	RM
Other receivables	1,050,996	2,043,462	536,849	46,667
Sales proceeds receivable from the disposal of:				
Investment in a subsidiary	13,600,000	13,600,000	13,600,000	13,600,000
Investment property	-	16,516,800	-	-
Deposits	306,305	277,903	246,592	248,622
Prepaid expenses	3,492,283	5,866,815	107,437	984,917
Prepayment for acquisition of a proposed subsidiary (Note 13)	-	15,521,516	-	15,521,516
	18,449,584	53,826,496	14,490,878	30,401,722

For the purpose of impairment assessments, other receivables are considered to have low risk as they are not due for payment as at the end of the reporting period and there have been no significant increase in the risks of default on other receivables since initial recognition. Accordingly, the loss allowance is measured at an amount equals to 12 month ECL. In determining the ECL, management has taken into account the historical default experience and financial position of the counterparties, adjusted for factors that are specific to the debtors and general economic conditions of the industry in which the debtors operate.

Based on the above factors, there were no changes to the estimation technique or significant assumptions made during for the current year ended in assessing the loss allowance for other receivables.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2018 (Cont'd)

Included in prepaid expenses of the Group and of the Company are prepayment for the acquisition of properties as follows:

	The Group		The Company	
	2018	2017	2018	2017
	RM	RM	RM	RM
Sarawak land from natives	1,925,175	1,925,175	-	-

20. **RELATED PARTY TRANSACTIONS**

For the purposes of these financial statements, parties are considered to be related to the Group if the Group or the Company have the ability, directly or indirectly, to control or jointly control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the party are subject to common control. Related parties may be individuals or other entities.

The amounts owing from (to) a director and the subsidiaries arose mainly from advances or payment on behalf, which are unsecured, interest free except for advances from (to) subsidiary companies with amount of RM68,604,292 (2017: RM62,123,462) and RM58,275,537 (2017: RM51,742,234) respectively which bears interest at 3.50% (2017: 3.50%) per annum and are repayable on demand.

The amounts owing from (to) affiliated companies are in respect of trade transactions, advances or payment on behalf which are unsecured and repayable on demand.

The Company does not expect the amount owing from a subsidiary, amounting to RM8,150,184 (2017: RM9,101,414) to be realised within the next twelve months after the end of the reporting period. However, no provision for impairment has been made for amount owing by subsidiaries as there were no significant changes in credit quality of those companies and the Company believes that the amount is still considered fully recoverable.

The amount owing from subsidiaries and affiliated companies comprise the following:

	The Group		The Company	
	2018	2017	2018	2017
	RM	RM	RM	RM
Amount owing from subsidiaries	-	-	8,150,184	9,101,414
Less: Impairment loss	-	-	(790,000)	(790,000)
	-	-	7,360,184	8,311,414
Amount owing from affiliated companies	2,481,932	850,046	297,190	327,164
Less: Impairment loss	(757,890)	(522,882)	-	-
	1,724,042	327,164	297,190	327,164

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2018 (Cont'd)

During the financial year, significant related party transactions are as follows:

	The Group		The Company	
	2018	2017	2018	2017
	RM	RM	RM	RM
Subsidiaries				
Interest income	-	-	2,216,106	2,105,835
Interest expense	-	-	1,640,494	1,016,451
Transportation charge	-	-	1,047,309	1,021,658
Acquisition of property, plant and equipment	-	-	3,440,158	-
Affiliated companies				
Management fee income	60,000	60,000	60,000	60,000
Rental income	39,260	39,260	39,260	39,260
Purchase of air tickets	120,411	151,272	18,456	4,640
Purchase of fresh fruit bunches	2,684,216	1,902,366	-	-
Insurance expense	389,450	517,346	118,689	231,300
Hiring of heavy machinery	37,314	46,710	37,314	46,710
Sales of seedlings	99,400	33,880	-	-
Share of loss arising from estates and plantation management	235,008	1,575	-	-
Remuneration paid to staff who are close family member of certain Directors, Puan Sri Datin Chan Pui Leorn, Low Quek Kiong, Low Kueck Shin, Low Kwek Lee, Low Kuek Kong, Low Kok Yong and Low Kok Yaow	1,661,062	1,194,246	1,546,262	1,082,134

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2018 (Cont'd)

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group whether directly or indirectly. The key management personnel of the Group and of the Company comprise certain members of senior management other than the directors of the Group and of the Company. Details on the compensation of key management personnel (excluding directors of the Group and of the Company) are disclosed as follows:

	The Group		The Company	
	2018 RM	2017 RM	2018 RM	2017 RM
Short-term employee benefits	3,720,837	3,426,547	2,112,517	2,156,467

21. CASH AND BANK BALANCES

	The Group		The Company	
	2018 RM	2017 RM	2018 RM	2017 RM
Cash and bank balances	1,057,446	4,546,840	527,647	1,411,246
Deposits with licensed banks	378,535	368,039	378,535	368,039
	1,435,981	4,914,879	906,182	1,779,285

All the deposits of the Group and of the Company are pledged to licensed banks as security for bank guarantee facilities granted to the Group and the Company. The interest rate for the fixed deposits with licensed banks of the Group and of the Company is ranging from 2.95% - 3.20%.

22. ASSETS CLASSIFIED AS HELD FOR SALE

	Freehold Land and Building RM
The Group	
Balance at January 1, 2017/December 31, 2017	-
Transfer from investment property (Note 12)	18,430,400
Balance at December 31, 2018	18,430,400
The Company	
Balance at January 1, 2017/December 31, 2017	-
Transfer from investment property	18,430,400
Balance at December 31, 2018	18,430,400

On August 8, 2018, the Group and the Company entered into a sales and purchase agreement to dispose three pieces of land together with the factory buildings that has been grouped under investment property in the Group's and the Company's financial statements for a consideration of RM19,000,000. As at January 31, 2019, the disposal has been completed.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2018 (Cont'd)

23. CAPITAL AND RESERVES

Share capital

	The Group and the Company			
	2018		2017	
	No. of Shares	RM	No. of Shares	RM
Issued and fully paid:				
Ordinary shares				
At beginning of year	185,477,159	198,380,013	185,477,159	185,477,159
Transfer from share premium and capital reserve	-	-	-	12,902,854
At end of year	185,477,159	198,380,013	185,477,159	198,380,013

Reserves

	The Group		The Company	
	2018	2017	2018	2017
	RM	RM	RM	RM
Distributable				
Retained earnings	106,988,753	128,160,792	38,398,967	56,144,639
Non-distributable				
At beginning of year				
Share premium	-	6,634,854	-	6,634,854
Capital reserve	-	6,268,000	-	6,268,000
Transfer to share capital	-	(12,902,854)	-	(12,902,854)
At end of year	-	-	-	-
Treasury shares	(9,871,127)	(9,869,075)	(9,871,127)	(9,869,075)
	97,117,626	118,291,717	28,527,840	46,275,564

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2018 (Cont'd)

Treasury shares

Treasury shares relates to the ordinary shares of the Company that is held by the Company. At the Annual General Meeting held on July 12, 2018, the shareholders of the Company approved the Company's plan to repurchase its own shares.

During the financial year, the Company repurchased from the open market a total of 3,100 (2017: 6,714,200) units of its issued ordinary shares. The total amount paid for the acquisition of the shares was RM2,052 (2017: RM4,824,810) and has been deducted from the equity. The repurchase transactions were financed by internally generated funds and the average repurchase price was RM0.66 (2017: RM0.72) per ordinary share including transaction costs. The repurchased shares are being held as treasury shares.

As at December 31, 2018, a total of 12,257,300 repurchased shares are being held as treasury shares.

Capital reserve

The capital reserve arose from redemption of Redeemable Convertible Secured Loan Stocks issued in 2005.

Retained earnings

The entire retained earnings of the Company is available for distribution as single tier dividends to the shareholders of the Company.

24. NON-CONTROLLING INTERESTS

Group

The non-controlling interest relates to a subsidiary, Harn Len Pelita Bengunan Sdn. Bhd., as disclosed in Note 13. It is the intention of the said subsidiary to progressively increase its paid-up share capital to RM24,000,000 and the non-controlling shareholder of the said subsidiary, being the joint venture partner of the development, has undertaken to subscribe for 40% of the increased paid-up share capital i.e. RM9,600,000 in accordance with the Joint Venture Agreement dated September 3, 2004 (Note 13).

The Group's subsidiary that has a material non-controlling interest ("NCI") is as follows:

	2018	2017
Harn Len Pelita Bengunan Sdn. Bhd.		
NCI percentage of ownership interest and voting interest	40%	40%
	2018	**2017**
Carrying amount of NCI	(10,919,248)	(9,604,703)
(Loss) Profit attributable to NCI	(1,314,545)	278,272

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018 (Cont'd)

	2018 RM	2017 (Restated) RM
Summarised financial information before intra-group elimination		
As at December 31		
Non-current assets	92,900,730	81,457,832
Current assets	1,509,993	3,166,992
Non-current liabilities	(91,216)	(134,245)
Current liabilities	(121,835,627)	(108,720,335)
Net liabilities	(27,516,120)	(24,229,756)
As at December 31		
Revenue	23,945,650	33,143,826
(Loss) Profit for the year	(3,286,364)	695,681
Cash flows from operating activities	14,454,732	9,196,133
Cash flows used in investing activities	(14,698,377)	(9,165,583)
Cash flows used in financing activities	(74,815)	(51,406)
Net decrease in cash and cash equivalents	(318,460)	(20,856)

25. RETIREMENT BENEFITS

	The Group and the Company	
	2018 RM	2017 RM
Balance at January 1	897,000	848,000
Charge for the year (Note 8)	63,720	49,000
Reversal (Note 8)	(960,720)	-
Balance at December 31	-	897,000

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2018 (Cont'd)

26. LOANS AND BORROWINGS

	The Group		The Company	
	2018 RM	2017 RM	2018 RM	2017 RM
Secured:				
Term loans	65,792,488	51,279,246	40,066,934	28,742,921
Bank overdrafts	25,034,503	19,041,924	-	-
Finance lease payables	78,373,016	65,606,301	179,805	565,612
	169,200,007	135,927,471	40,246,739	29,308,533
Unsecured:				
Term loans	3,823,320	5,128,261	-	-
Bank overdrafts	20,651,360	26,120,305	13,661,287	14,214,906
	24,474,680	31,248,566	13,661,287	14,214,906
	193,674,687	167,176,037	53,908,026	43,523,439
Less: Interest-in-suspense finance lease payables	(54,261,333)	(43,526,681)	(3,695)	(19,759)
Principal outstanding	139,413,354	123,649,356	53,904,331	43,503,680
Less: Amount due within 12 months (shown under current liabilities)				
Term loans	(9,501,952)	(5,814,076)	(3,363,668)	(1,366,775)
Bank overdrafts	(45,685,863)	(45,162,229)	(13,661,287)	(14,214,906)
Finance lease payables	(1,431,535)	(2,923,644)	(172,790)	(368,624)
	(56,619,350)	(53,899,949)	(17,197,745)	(15,950,305)
Non-current portion	82,794,004	69,749,407	36,706,586	27,553,375

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2018 (Cont'd)

The non-current portion of loans and borrowings are repayable as follows:

	The Group		The Company	
	2018 RM	2017 RM	2018 RM	2017 RM
Term loans				
Later than one year but not later than two years	9,044,846	13,205,595	2,850,042	3,036,580
Later than two years but not later than five years	26,258,717	18,207,368	9,042,931	5,159,098
More than five years	24,810,293	19,180,468	24,810,293	19,180,468
	60,113,856	50,593,431	36,703,266	27,376,146
Finance lease payables				
Later than one year but not later than two years	816,420	1,206,812	3,320	177,229
Later than two years but not later than five years	404,302	248,195	-	-
More than five years	21,459,426	17,700,969	-	-
	22,680,148	19,155,976	3,320	177,229
	82,794,004	69,749,407	36,706,586	27,553,375

Certain term loans and bank overdrafts of the Group and of the Company are secured by way of legal charges over certain property, plant and equipment and investment properties of the Company as disclosed in Note 11 and 12. The term loans of the Group and of the Company are repayable over a period ranging from 1 to 20 years commencing 1 month after the date of initial disbursement of the facility.

The interest rates for term loans of the Group and of the Company range from 4.65% to 8.75% (2017: 4.65% to 8.75%) and 4.65% to 8.75% (2017: 4.65% to 8.75%) per annum respectively.

The interest charged on the Group's and the Company's utilisation of bank overdrafts facilities is based on the respective interest rates for bank overdrafts ranging from 6.25% to 8.34% (2017: 6.25% to 8.34%) and 7.1% (2017: 6.25% to 8.34%) per annum respectively.

The term for finance lease arrangements ranging from 1 to 60 years (2017: 1 to 60 years). For the financial year ended December 31, 2018, the interest rates ranged from 2.29% to 6.00% (2017: 2.29% to 6.00%) per annum. Interest rates are fixed at the inception of the hire-purchase arrangements.

The Group's and the Company's finance lease payables are secured by corporate guarantee of the Company.

The Group and the Company have classified bank overdrafts of RM45,685,863 and RM13,661,287 (2017: RM45,162,229 and RM14,214,906) respectively as financing activities as the said facilities do not form an integral part of cash management and are not mainly used in the main revenue producing activities of the Group and of the Company.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2018 (Cont'd)

27. TRADE PAYABLES, OTHER PAYABLES AND ACCRUED EXPENSES

The Group's trade payables are non-interest bearing except for an amount of RM3,330,279 (2017: Nil), which are interest bearing ranging from 7% to 24% per annum (2017: Nil). The normal trade credit term granted to the Group and the Company range from 60 to 90 days (2017: 60 to 90 days).

Other payables and accrued expenses consist of the following:

	The Group		The Company	
	2018	2017	2018	2017
	RM	RM	RM	RM
Other payables	18,560,713	18,960,466	3,139,386	4,462,610
Accrued expenses	17,944,080	5,477,285	8,638,015	967,919
	36,504,793	24,437,751	11,777,401	5,430,529

28. CAPITAL COMMITMENTS

	The Group		The Company	
	2018	2017	2018	2017
	RM	RM	RM	RM
Contracted but not provided for	7,706,000	32,735,000	7,544,000	20,418,000
Authorised but not contracted for	19,822,000	37,659,000	3,395,000	5,100,000
	27,528,000	70,394,000	10,939,000	25,518,000

29. FINANCIAL INSTRUMENTS

Capital Management

The Group manages its capital to ensure that entities in the Group and in the Company will be able to continue as going concerns while maximising the return to stakeholders through the optimisation of the debt and equity balances. The Group's and the Company's strategy remains unchanged from 2017.

The capital structure of the Group consists of net assets and equity of the Group, comprising issued capital and retained earnings as presented in the statement of changes in equity.

The Group's management reviews the capital structure regularly to achieve an appropriate capital structure. As part of this review, the Group's management considers the cost of capital and the risk associated with each class of capital and make adjustments to the capital structure, where appropriate, in light of changes in economic conditions and the risk of characteristic of the underlying assets.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2018 (Cont'd)

The Group monitors capital using debt-to-equity and gearing ratios. The debt-to-equity and gearing ratios at the end of the reporting period were as follows:

	The Group	
	2018	2017 (Restated)
	RM	RM
Total liabilities	282,842,010	244,965,196
Total equity	284,578,391	307,067,027
Debt-to-equity-ratios	1.00	0.80
Total loans and borrowings (Note 26)	139,413,354	123,649,356
Total equity	284,578,391	307,067,027
Gearing ratio	0.49	0.40

The Group is required to maintain debt-to-equity ratio not more than 2.00 and gearing ratio less than 1.00 to comply with the bank covenants of its bank borrowings, failing which, the bank may notify an event of default.

Categories of Financial Instruments

The table below provides an analysis of financial instruments categorised as follows:

	The Group		The Company	
	2018	2017	2018	2017
	RM	RM	RM	RM
Financial assets at amortised cost				
Trade receivables	1,192,846	3,560,749	975,202	568,025
Other receivables and deposits	14,957,301	32,438,165	14,383,441	13,895,289
Amount owing from subsidiaries	-	-	7,360,184	8,311,414
Amount owing from affiliated companies	1,724,042	327,164	297,190	327,164
Cash and bank balances	1,435,981	4,914,879	906,182	1,779,285
	19,310,170	41,240,957	23,922,199	24,881,177

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2018 (Cont'd)

	The Group		The Company	
	2018	2017	2018	2017
	RM	RM	RM	RM
Financial liabilities at amortised cost				
Trade payables	68,257,315	73,922,580	16,358,011	16,304,769
Other payables and accrued expenses	36,504,793	24,437,751	11,777,401	5,430,529
Amount owing to subsidiaries	-	-	66,943,174	46,740,321
Amount owing to affiliated companies	16,789,051	345,609	15,570,691	79,429
Amount owing to a director	510,288	-	510,288	-
Loans and borrowings	139,413,354	123,649,356	53,904,331	43,503,680
	261,474,801	222,355,296	165,063,896	112,058,728

Financial Risk Management

The Group has exposure to liquidity risk, credit risk and interest rate risk from its use of financial instruments.

Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligation due to shortage of funds. To mitigate liquity risk, management measures and forecasts its cash commitments, monitors and maintains a level of cash and cash equivalents deemed adequate to finance the Group's and the Company's operations and investment activities. In additions, the Group and the Company strive to maintain available banking facilities at a reasonable level against its overall debt position.

As at December 31, 2018, the Group's and the Company's current liabilities exceeded its current assets by RM130,984,255 and RM92,214,442 (2017: RM77,662,958 and RM46,417,722) respectively. The table below sets out details of additional undrawn banking facilities that the Group has at its disposal to further reduce its liquidity risk. The Company has fully utilised its banking facilities as at the reporting date.

	The Group	
	2018	2017
	RM	RM
Unsecured bank overdraft facility reviewed annually and payable at call:		
Amount used	20,651,000	26,120,000
Amount unused	1,349,000	3,880,000
	22,000,000	30,000,000

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2018 (Cont'd)

	The Group	
	2018	2017
	RM	RM
Unsecured term loan facility reviewed annually and payable at call:		
- Amount used	3,823,000	5,128,000
- Amount unused	4,177,000	2,872,000
	8,000,000	8,000,000
Secured bank overdraft facility		
- Amount used	25,035,000	19,042,000
- Amount unused	2,965,000	758,000
	28,000,000	19,800,000
Secured term loan facility		
- Amount used	65,792,000	51,280,000
- Amount unused	20,538,000	21,750,000
	86,330,000	73,030,000

The following table details the Group's and the Company's remaining contractual maturities for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and the Company can be required to pay. The tables include both interest and principal cash flows to the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Group and the Company may be required to pay.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2018 (Cont'd)

The table below summarises the undiscounted contractual cash outflows of the Group's and of the Company's financial liabilities as at the end of the reporting period:

	Carrying amount RM	Contractual interest rate %	Contractual cash flows RM	Within 1 year RM	1 - 2 years RM	2 - 5 years RM	More than 5 years RM
The Group							
2018							
Non-derivative financial liabilities							
Term loans	69,615,808	4.65 - 8.75	87,822,298	11,859,349	11,534,988	29,098,040	35,329,921
Finance lease payables	24,111,683	2.29 - 6.00	78,372,768	2,632,620	2,087,315	4,469,713	69,183,120
Bank overdrafts	45,685,863	6.25 - 8.34	49,018,647	49,018,647	-	-	-
Trade payables	64,927,036	-	64,927,036	64,927,036	-	-	-
Trade payables (interest bearing)	3,330,279	7.00 - 24.00	3,846,472	3,846,472	-	-	-
Other payables and accrued expenses	36,504,793	-	36,504,793	36,504,793	-	-	-
Amount owing to affiliated companies	16,789,051	-	16,789,051	16,789,051	-	-	-
Amount owing to a director	510,288	-	510,288	510,288	-	-	-
	261,474,801		337,791,353	186,088,256	13,622,303	33,567,753	104,513,041
The Company							
2018							
Non-derivative financial liabilities							
Term loans	40,066,934	4.65 - 8.75	52,124,697	4,192,323	4,192,323	12,576,969	31,163,082
Finance lease payables	176,110	2.35 - 2.68	179,805	176,466	3,339	-	-
Bank overdrafts	13,661,287	7.1	14,631,238	14,631,238	-	-	-
Trade payables	16,358,011	-	16,358,011	16,358,011	-	-	-
Other payables and accrued expenses	11,777,401	-	11,777,401	11,777,401	-	-	-
Amount owing to subsidiaries	66,943,174	3.50	69,286,185	69,286,185	-	-	-
Amount owing to affiliated companies	15,570,691	-	15,570,691	15,570,691	-	-	-
Amount owing to a director	510,288	-	510,288	510,288	-	-	-
	165,063,896		180,438,316	132,502,603	4,195,662	12,576,969	31,163,082

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2018 (Cont'd)

	Carrying amount RM	Contractual interest rate RM	Contractual cash flows RM	Within 1 year RM	1 - 2 years RM	2 - 5 years RM	More than 5 years RM
The Group							
2017							
Non-derivative financial liabilities							
Term loans	56,407,507	4.65-8.75	72,366,248	8,660,851	17,810,520	22,100,063	23,794,814
Finance lease payables	22,079,620	2.29-6.00	65,606,301	4,141,543	2,402,921	3,499,846	55,561,991
Bank overdrafts	45,162,229	6.25-8.34	48,456,814	48,456,814	-	-	-
Trade payables	73,922,580	-	73,922,580	73,922,580	-	-	-
Other payables and accrued expenses	24,437,751	-	24,437,751	24,437,751	-	-	-
Amount owing to affiliated companies	345,609	-	345,609	345,609	-	-	-
	222,355,296		285,135,303	159,965,148	20,213,441	25,599,909	79,356,805
The Company							
2017							
Non-derivative financial liabilities							
Term loans	28,742,921	4.65-8.75	40,373,446	2,726,672	5,540,784	8,311,176	23,794,814
Finance lease payables	545,853	2.29-6.00	565,612	385,746	179,866	-	-
Bank overdrafts	14,214,906	6.25-8.34	15,224,164	15,224,164	-	-	-
Trade payables	16,304,769	-	16,304,769	16,304,769	-	-	-
Other payables and accrued expenses	5,430,529	-	5,430,529	5,430,529	-	-	-
Amount owing to subsidiaries	46,740,321	3.50	46,740,321	46,740,321	-	-	-
Amount owing to affiliated companies	79,429	-	79,429	79,429	-	-	-
	112,058,728		124,718,270	86,891,630	5,720,650	8,311,176	23,794,814

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2018 (Cont'd)

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group and the Company.

In order to minimise credit risk, the Group and the Company develop and maintain their credit risk gradings to categorise exposures according to their degree of risk of default. The Group and the Company use publicly available financial information and the Group's and the Company's own trading records to rate its major customers and other debtors. The credit rating information supplied by independent rating agencies is also used where available. The Group's and the Company's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

The Group's and the Company's current credit risk grading framework comprises the following categories:

Category	Description	Basis for recognising expected credit losses (ECL)
Performing	The counterparty has a low risk of default and does not have any past-due amounts.	12-month ECL
Doubtful	Amount is >30 days past due or there has been a significant increase in credit risk since initial recognition.	Lifetime ECL – not credit-impaired
In default	Amount is >360 days past due or there is evidence indicating the asset is credit-impaired.	Lifetime ECL–credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group and the Company have no realistic prospect of recovery.	Amount is written off

Receivables

Risk management objectives, policies and processes for managing the risk

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on customers requiring credit over a certain amount.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the Group and the Company have significant concentrations of credit risk arising from amounts owing from three customers (2017: two customers) and two customers (2017: one customer), which represent 70% (2017: 88%) and 66% (2017: 25%) of the total receivables of the Group and of the Company respectively. Trade receivables are monitored on an ongoing basis. The average credit term granted to the Group's and the Company's customers are 7 days.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2018 (Cont'd)

Management has taken reasonable steps to ensure that receivables that are neither past due nor impaired are measured at their recoverable values. A significant portion of these receivables are regular customers that have been transacting with the Group. The Group uses ageing analysis to monitor the credit quality of the receivables. Any receivables having significant balances past due more than 60 days, which are deemed to have higher credit risk, are monitored individually.

Financial guarantees

Risk management objectives, policies and processes for managing the risk

The Company provides unsecured financial guarantees to financial institutions in respect of banking facilities granted to certain subsidiaries. The Company monitors on an ongoing basis the results of the subsidiaries and repayments made by the subsidiaries.

Exposure to credit risk, credit quality and collateral

The maximum exposure to credit risk amounts to RM62,419,225 (2017: RM62,444,707) representing the outstanding banking facilities of the subsidiaries which are secured by the Company's corporate guarantee as at the end of the reporting period.

As at the end of the reporting period, there was no indication that any subsidiary would default on repayment.

The financial guarantees have not been recognised since the fair value on initial recognition was not material.

Interest rate risk

The interest rate risk is the risk that the fair value of future cash flows of the Group's and of the Company's financial instruments will fluctuate because of changes in market interest rates.

The Group's is exposed to interest rate risk because entities in the Group borrow funds at both fixed and variable interest rates. The Group's variable rate borrowings are exposed to a risk of change in cash flows due to changes in interest rates. Short term receivables and payables are not significantly exposed to interest rate risk.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2018 (Cont'd)

Exposure to interest rate risk

The interest rate profile of the Group's and of the Company's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period was:

	The Group		The Company	
	2018	**2017**	**2018**	**2017**
	RM	**RM**	**RM**	**RM**
Fixed rate instruments				
Amount owing from subsidiaries	-	-	7,360,184	8,311,414
Deposits with licensed banks	378,535	368,039	378,535	368,039
Finance lease payables	(24,111,683)	(22,079,620)	(176,110)	(545,853)
Amount owing to subsidiaries	-	-	(66,943,174)	(46,740,321)
	(23,733,148)	(21,711,581)	(59,380,565)	(38,606,721)

The Group and the Company do not account for any significant fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rates at the end of the reporting period would not materially affect profit or loss.

	The Group		The Company	
	2018	**2017**	**2018**	**2017**
	RM	**RM**	**RM**	**RM**
Floating rate instruments				
Bank overdrafts	45,685,863	45,162,229	13,661,287	14,214,906
Term loans	69,615,808	56,407,507	40,066,934	28,742,921
	115,301,671	101,569,736	53,728,221	42,957,827

Interest rate risk sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates for financial liabilities at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liabilities at the end of the reporting period will remain unchanged for the whole year. A 100 basis point increase or decrease is used when reporting interest risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2018 (Cont'd)

If interest rates had been 100 basis points higher or lower and all other variables were held constant, the Group's and the Company's profit after tax for the year would decrease or increase as follows:

	Change in profit or loss after tax			
	The Group		The Company	
	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
Floating rate instruments	1,061	1,174	452	588

Fair Values of Financial Instruments

The directors consider that the carrying amounts of financial assets and financial liabilities recognised at amortised cost in the financial statements approximate their fair values.

30. **STATEMENTS OF CASH FLOWS**

(i) Cash and cash equivalents consist of the following:

	The Group		The Company	
	2018 RM	2017 RM	2018 RM	2017 RM
Cash and bank balances	1,435,981	4,914,879	906,182	1,779,285
Less: Deposits with licensed banks	(378,535)	(368,039)	(378,535)	(368,039)
	1,057,446	4,546,840	527,647	1,411,246

(ii) During the financial year, property, plant and equipment of the Group and of the Company were acquired by the following means:

	The Group		The Company	
	2018 RM	2017 RM	2018 RM	2017 RM
Cash payments	31,524,409	33,244,739	6,429,623	4,594,229
Outstanding in finance lease payables	5,066,206	584,800	-	-
Non-cash item:				
Depreciation of property, plant and equipment	395,745	333,852	-	-
Finance costs	856,571	862,336	-	-
	37,842,931	35,025,727	6,429,623	4,594,229

The portion acquired under finance lease payables also represent the non-cash changes for disclosure of reconciliation of liabilities arising from financing activities as required by FRS 107.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018 (Cont'd)

(iii) Depreciated of property, plant and equipment of the Group is made up of the following:

	The Group		The Company	
	2018	2017	2018	2017
	RM	RM	RM	RM
Depreciation of property, plant and equipment (Note 11)	22,372,923	20,665,890	5,178,216	5,384,374
Less: Depreciation capitalised in bearer plants	(395,745)	(333,852)	-	-
Depreciation recognised in statement of comprehensive income	21,977,178	20,332,038	5,178,216	5,384,374

31. **SIGNIFICANT EVENTS DURING THE YEAR**

(i) On May 29, 2017, the Company entered into a Share Sale Agreement to acquire the entire issued and paid up share capital comprising 5,000,000 ordinary shares of Midwest Equity Sdn. Bhd. ("Midwest") for a total purchase consideration of RM28,000,000. The purchase was completed on November 15, 2018 and Midwest became a subsidiary of the Group.

(ii) On March 27, 2018, the Company entered into Management Agreements with five plantation companies to develop and manage their biological assets. The Proposed Arrangement involves the appointment of Harn Len Corporation Bhd. ("Harn Len") as the exclusive contractor to develop and manage the biological assets ("Exclusive Appointment"). In consideration of the Exclusive Appointment, Harn Len shall assume a total estimated cost of approximately RM46,000,000 in return for a share of the Fresh Fruit Bunches ("FFB") production for a period of 25 years. Upon expiry of the Initial Term, the Management Agreements shall automatically continue for a further period of 25 years, subject to such revised terms and conditions as may be necessary for the continuance of the Management Agreements.

As consideration for the Exclusive Appointment, Harn Len agrees to bear 42% of the total cost incurred equivalent to RM19,000,000 of which RM3,000,000 and RM11,000,000 shall be paid upon execution of Management Agreements and the effective date to begin development and management of the biological assets respectively. The remaining RM5,000,000 shall be paid upon first anniversary of the effective date. Harn Len shall be entitled to 42% of the net plantation profit until the estimated cost of RM46,000,000 is covered. Thereafter, Harn Len shall be entitled to 90% of the sales proceeds from the sale of FFB until the expiry of the Management Agreements.

The Proposed Arrangement was approved in the Extraordinary General Meeting held on June 27, 2018 and completed on December 31, 2018.

(iii) On August 8, 2018, the Company entered into a Sale and Purchase Agreement for the disposal of 3 pieces of land together with factory buildings for a total sale consideration of RM19,000,000. The disposal was completed on January 31, 2019.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2018 (Cont'd)

32. **SUBSEQUENT EVENTS**

(i) On February 28, 2019, the Company ceased its loss making hotel operations and is negotiating with a third party to lease out the hotel building.

(ii) On April 29, 2019, Harn Len Corporation Bhd entered into a Sale and Purchase Agreement with an external party to dispose of part of the estate located in the state of Pahang, Malaysia together with an oil mill for a total consideration of approximately RM183,000,000. As at the date of this report, the disposal has yet to be completed.

33. **EXPLANATION OF TRANSITION TO MFRS**

This is the first year that the Group's and the Company's financial statements are prepared and presented in accordance with MFRS. The last financial statements under FRS were for the year ended December 31, 2017 and the date of transition to MFRS was therefore, January 1, 2017.

An opening statement of financial position as at the date of transition has been prepared based on the accounting policies as described in Note 3. The transition to MFRS has been accounted for in accordance with MFRS 1, as disclosed in Note 2.

The disclosures set out below explain how the transition from FRS to MFRS has affected the financial position, financial performance and cash flows of the Group and the Company. The changes in accounting policies as a consequence of transition to MFRS are as described in the notes following the aforementioned disclosures.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2018 (Cont'd)

a. Effect of MFRS adoption for the statement of financial position

The Group

As at January 1, 2017

	FRS RM	Effect of transition to MFRS RM	Opening MFRS Statement of financial position RM
ASSETS			
Non-current Assets			
Property, plant and equipment	265,894,088	155,855,902	421,749,990
Biological assets	155,855,902	(155,855,902)	-
Current Assets			
Biological assets	-	2,818,050	2,818,050
Capital and Reserves			
Reserves	127,506,809	2,393,480	129,900,289
Non-controlling interest	(10,307,545)	424,570	(9,882,975)

As at December 31, 2017

	FRS RM	Effect of transition to MFRS RM	Opening MFRS Statement of financial position RM
ASSETS			
Non-current Assets			
Property, plant and equipment	256,105,224	170,205,396	426,310,620
Biological assets	170,205,396	(170,205,396)	-
Current Assets			
Biological assets	-	1,440,393	1,440,393
Capital and Reserves			
Reserves	116,950,175	1,341,542	118,291,717
Non-controlling interest	(9,703,554)	98,851	(9,604,703)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2018 (Cont'd)

The Company

As at January 1, 2017

	FRS RM	Effect of transition to MFRS RM	Opening MFRS Statement of financial position RM
ASSETS			
Non-current Assets			
Property, plant and equipment	148,378,260	20,265,900	168,644,160
Biological assets	20,265,900	(20,265,900)	-
Current Assets			
Biological assets	-	449,965	449,965
Capital and Reserves			
Reserves	80,594,408	449,965	81,044,373

As at December 31, 2017

	FRS RM	Effect of transition to MFRS RM	Opening MFRS Statement of financial position RM
ASSETS			
Non-current Assets			
Property, plant and equipment	144,566,707	23,140,308	167,707,015
Biological assets	23,140,308	(23,140,308)	-
Current Assets			
Biological assets	-	678,799	678,799
Capital and Reserves			
Reserves	45,596,765	678,799	46,275,564

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2018 (Cont'd)

b. Reconciliation of Total Equity

The Group

	As at January 1, 2017 (date of transition) RM	As at December 31, 2017 (end of the last period presented under FRSs) RM
Total equity under FRS	302,676,423	305,626,634
Effect of changes in accounting policy in accordance with MFRS	2,818,050	1,440,393
Total equity under MFRS	305,494,473	307,067,027

The Company

	As at January 1, 2017 (date of transition) RM	As at December 31, 2017 (end of the last period presented under FRSs) RM
Total equity under FRS	266,071,567	243,976,778
Effect of changes in accounting policy in accordance with MFRS	449,965	678,799
Total retained earning under MFRS	266,521,532	244,655,577

c. Effect of MFRS adoption for the statement of profit or loss and other comprehensive income for the year ended December 31, 2017

The Group

	FRS RM	Effect of transition to MFRS RM	MFRS RM
Cost of goods sold	(244,817,499)	(1,377,657)	(246,195,156)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2018 (Cont'd)

The Company

	FRS RM	Effect of transition to MFRS RM	MFRS RM
Cost of goods sold	(32,465,385)	228,834	(32,236,551)

d. Effect of MFRSs adoption for the statement of cash flows for the year ended December 31, 2017

The Group

	FRS RM	Effect of transition to MFRS RM	MFRS RM
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES			
Adjustments for:			
Depreciation of property, plant and equipment	15,478,482	4,853,556	20,332,038
Amortisation of biological assets	4,853,556	(4,853,556)	-

	FRS RM	Effect of transition to MFRS RM	MFRS RM
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES			
Acquisition of:			
Property, plant and equipment	(11,125,371)	(22,119,368)	(33,244,739)
Biological asset	(22,119,368)	22,119,368	-

The Company

	FRS RM	Effect of transition to MFRS RM	MFRS RM
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES			
Adjustments for:			
Depreciation of property, plant and equipment	4,618,858	765,516	5,384,374
Amortisation of biological assets	765,516	(765,516)	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2018 (Cont'd)

	FRS RM	Effect of transition to MFRS RM	MFRS RM
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES			
Acquisition of:			
Property, plant and equipment	(954,305)	(3,639,924)	(4,594,229)
Biological asset	(3,639,924)	3,639,924	-

e. Notes to reconciliation

Biological asset

Under FRS, the Group and the Company accounted for plantation development expenditures (PDE) as their biological asset. New planting expenditure incurred on land clearing, upkeep of immature oil palms/trees and interest incurred during the immature period are capitalised under Plantation Development Expenditure. Upon maturity, all subsequent maintenance expenditure is charged to revenue. Oil palms are considered mature 3 years after the month of planting. As such, biological assets were stated at cost less any accumulated amortisation and any accumulated impairment losses.

With the adoption of MFRS and amendments to MFRS 116 *Property, Plant and Equipment* and MFRS 141 *Agriculture: Bearer Plants*, biological assets that meet the definition of a bearer plant, are to be accounted for as property, plant and equipment in accordance with MFRS 116. The produce growing on bearer plants will be accounted for in accordance with MFRS 141. A bearer plant (oil palm) is a living plant that is used in the production and supply of agricultural produce, is expected to bear produce for more than one period, and has remote likelihood of being sold as agriculture produce.

The Group's and the Company's agriculture produce consisting of FFB is accounted as biological assets measured at fair value less costs to sell, with fair value changes recognised in profit or loss as the produce grows, in accordance with MFRS 141. The valuation to be adopted by the Group and the Company considers the present value of the expected net cash flows to be generated from the sale of FFB. Costs to sell, including harvesting and transportation costs are deducted in arriving at the net cash flows to be generated.

STATEMENT BY DIRECTORS

The directors of **HARN LEN CORPORATION BHD.** state that, in their opinion, the accompanying financial statements are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at December 31, 2018 and of the financial performance and the cash flows of the Group and of the Company for the year ended on that date.

Signed in accordance with
a resolution of the Directors,

LOW QUEK KIONG

LOW KUECK SHIN

Johor Bahru
29 April 2019

DECLARATION BY THE DIRECTOR PRIMARILY RESPONSIBLE FOR THE FINANCIAL MANAGEMENT OF THE COMPANY

I, **LOW QUEK KIONG**, the director primarily responsible for the financial management of **HARN LEN CORPORATION BHD.,** do solemnly and sincerely declare that the accompanying financial statements are, in my opinion, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

LOW QUEK KIONG

Subscribed and solemnly declared by the abovenamed **LOW QUEK KIONG** at **JOHOR BAHRU** in the State of **JOHOR** on 29 April 2019.

Before me,
VASANTHI A/P VADIVELOO
Commissioner For Oaths
J258

LIST OF PROPERTIES OF THE GROUP

	Registered owner/ Location	Tenure – Year of Expiry (For leasehold)	Area	Description/ Existing Use	Net Book Value RM `000	Approximate Age of Building (years)	Date of Acquisition
1.	**Harn Len Corporation Bhd**						
i)	Lot 1782, Geran 27393 Township & District of Johor Bahru, Johor Darul Takzim	Freehold	40,293 sq. ft.	Office & hotel building	52,746	41	18.07.2003
ii)	Lian Hup Estate - Lot PT 166, 259 - Lot PT 313 - Lot PT 345 - Lot PT 510, 521, 522 All in Mukim of Keratong, District of Rompin, Pahang Darul Makmur	Leasehold 2070 2072 2074 2079	2,124.46 Hectares ("Ha")	Oil Palm Plantation & Palm oil Mill	34,433	N/A	18.07.2003
	Estate Buildings Factory Workshop				736 340	3-51 2-42	
iii)	Senang Estate - Lot PT 163, 164, 165, 255 - Lot PT 314 - Lot PT 448, 449, 450, 451 - Lot PT 515 All in Mukim of Keratong, District of Rompin, Pahang Darul Makmur	Leasehold 2070 2072 2078 2079	2,116.31 Ha	Oil Palm Plantation	35,986	N/A	18.07.2003
	Estate Buildings				3,060	1-42	
iv)	Six (6) units Double-Storey Terrace Shophouses held under						
	- Lot 2046 Grn 2250 158 Jalan Ngee Heng	Freehold	1,707 sq. ft.	Rented Out/ Staff Quarters	3,843	83	15.10.2010
	- Lot 2048 Grn 99923 160 Jalan Ngee Heng	Freehold	1,617 sq. ft.	Rented Out		83	
	- Lot 2049 Grn 99924 161 Jalan Ngee Heng	Freehold	1,613 sq. ft.	Rented Out		83	
	- Lot 2050 Grn 51476 162 Jalan Ngee Heng	Freehold	1,655 sq. ft.	Vacant		83	
	- Lot 2051 Grn 99925 163 Jalan Ngee Heng	Freehold	1,706 sq. ft.	Vacant		83	
	- Lot 2047 Grn 99922 159 Jalan Ngee Heng All in Bandar Johor Bahru, Johor Darul Takzim	Freehold	1,634 sq. ft.	Staff Quarters	430	83	13.04.2011
v)	Three (3) units Factory Buildings Lot PTD 52695 H.S.(D) 223695 No. 5 Jalan Firma 2/3, Kawasan Perindustrian Tebrau 1 Johor Bahru, Johor Darul Takzim	Freehold	130,835 sq.ft	Factory cum Office Rented Out	15,533	22	17.04.2016
vi)	Seven (7) Storey Office cum Residential Building (Wisma Harn Len) Lot 11255 Section 64, KTLD Jalan Mendu, Kuching, Sarawak	Leasehold 2112	25,911 sq.ft	Office cum Staff Accommodation	9,316	3-5	20.01.2015

LIST OF PROPERTIES OF THE GROUP (Cont'd)

	Registered owner/ Location	Tenure – Year of Expiry (For leasehold)	Area	Description/ Existing Use	Net Book Value RM `000	Approximate Age of Building (years)	Date of Acquisition
vii)	Three (3) units of factory building held under:						
	- HS (D) 238650 PTD 115794 No 20, Jalan Masyhur 1, Taman Perindustrian Cemerlang, 81800 Ulu Tiram, Johor Darul Takzim	Freehold	3,641.7992 sq m	Rented out	18,430	24-25	12.07.2016
	- HS (D) 238651 PTD 115795 No 22, Jalan Masyhur 1, Taman Perindustrian Cemerlang, 81800 Ulu Tiram, Johor Darul Takzim	Freehold	3,641.7992 sq. m	Rented out			
	- GN 49112 Lot 56753 No 24, Jalan Masyhur 1, Taman Perindustrian Cemerlang, 81800 Ulu Tiram, Johor Darul Takzim	Freehold	3,642.0000 sq. m	Rented out			
viii)	Two units of shopoffice						
	- Lot 1754, Geran 239831 No. 35 & 35A, Jalan Tan Hiok Nee, 80000 Johor Bahru & No. 43 & 43A, Jalan Ibrahim, 80000 Johor Bahru, Johor Darul Takzim	Freehold	157.5584 sq. m	Rented Out	2,071	>70	22.12.2017
	- Lot 1755 Geran 41807 No. 44 & 44A, Jalan Ibrahim, 80000 Johor Bahru, Johor Darul Takzim	Freehold	95.3185 sq. m	Rented Out	1,683	>70	22.12.2017
2.	**Masranti Plantation Sdn Bhd**						
i)	Lot No 27, Block 2 TRN.: 08-LCLS-024-002-00027 Punda-Sabal Land District of Samarahan Division, Sarawak	Leasehold 2061	13.048 Ha	Oil Palm Plantation	54	N/A	15.01.2004
ii)	Lot No 28, Block 2 TRN.: 08-LCLS-024-002-00028 Punda-Sabal Land District of Samarahan Division Sarawak	Leasehold 2061	4,456.4 Ha	Oil Palm Plantation	18,624	N/A	15.01.2004
iii)	Lot No 38, Block 8 TRN.: 08-LCPLS-024-008-00038 Punda-Sabal Land District of Samarahan Division Sarawak	Leasehold 2071	525 Ha	Oil Palm Plantation	3,735	N/A	08.09.2011
	Estate Buildings				7,474	1-15	
	Factory Buildings				16,832	2-8	
3.	**Masranti Sebangkoi Sdn Bhd**						
	Kampung Sebangkoi & Kampung Mawang Simunjan Division, Sarawak Estate Buildings	NCR Native Land 60 Years	2,140.16 Ha	Oil palm Plantation	20,762	N/A	27.9.13 to 23.7.14 & 7.12.2017

LIST OF PROPERTIES OF THE GROUP (Cont'd)

	Registered owner/ Location	Tenure – Year of Expiry (For leasehold)	Area	Description/ Existing Use	Net Book Value RM `000	Approximate Age of Building (years)	Date of Acquisition
4.	**Harn Len Pelita Bengunan Sdn Bhd**						
	Kara Rangua Engkaramut Bukit Bengunan, Sri Aman Division Sarawak	NCR Native Land 60 Years	1,982 Ha	Oil palm Plantation	2,141	N/A	23.08.2010
	Estate Buildings				3,199	1-13	
5.	**Harn Len Realty (Serian) Sdn Bhd**						
	Lot No 1515 TRN.: 08-LCPLS-018-000-01515 All in Bukar-Sadong Land District of Samarahan Division, Sarawak	Provisional Lease 21.01.2068	298 Ha	Oil palm Plantation	6,067	N/A	18.08.2011
6.	**Harn Len Realty (Tampoi) Sdn Bhd**						
	Lot No 6033 H.S.(D) 221662 Daerah Johor Bahru, Mukim Bandar, Johor Bahru Johor Darul Takzim	Leasehold 26.2.2074	0.8073 Ha	Depot for vehicles	2,152	N/A	04.01.2015
7.	**Zhangxern Corporation Sdn Bhd**						
	Lot No 1514 TRN: 08-LCPLS-018-000-01514 Bukar-Sadong Land District of Samarahan Division, Sarawak	Provisional Lease 21.08.2068	199 Ha	Vacant	2,268	N/A	17.11.2016
8.	**Midwest Equity Sdn Bhd**						
	Title No. H.S(D) 554637, PTB 24284, Bandar Johor Bahru Johor Bahru, Johor Darul Takzim	Freehold	3,725.8 sq. m	Rented out as a carpark	16,816	N/A	15.12. 2018
				Total	278,731		

Abbreviations
N/A – Not Applicable
NCR – Native Customary Rights
Ha – Hectares
Sq.m – Square meters

GROUP CORPORATE STRUCTURE AS AT 31 DECEMBER 2018

Harn Len Corporation Bhd
(502606-H)
(Principal Activities: Operations of Oil Palm Plantations, Oil Milling Operations, Investment Holding, Property Investment & Hotel Operations)

100%
Uniglobal Sdn Bhd
(206333-V)
Principal Activity:
Dormant

100%
Han Yin Development Sdn Bhd
(629928-U)
Principal Activity:
Dormant

100%
Sinar Majestic Sdn Bhd
(957553-H)
Principal Activity:
Dormant

100%
Golden Majestic Sdn Bhd
(957576-V)
Principal Activity:
Dormant

100%
Harn Len (Balai Ringin) Sdn Bhd
(1065764-M)
Principal Activity:
Dormant

100%
Harn Len Development (Jerok) Sdn Bhd
(1193197-X)
Principal Activity:
Dormant

100%
Masranti Plantation Sdn Bhd (MPSB)
(530036-X)
Principal Activity:
Cultivation of oil palms
& operation of a palm oil mill

100% subsidiary of MPSB
Masranti Sebangkoi Sdn Bhd
(1050728-P)
Principal Activity:
Cultivation of oil palms

100% subsidiary of MPSB
Masranti Agro Sdn Bhd
(1065816-T)
Principal Activity:
Agriculture land
& plantation development services

100%
Zhangxern Corporation Sdn Bhd
(713043-P)
Principal Activity:
Property investment

100%
Harn Len Management Sdn Bhd
(656554-M)
Principal Activity:
Oil palm estate & plantation management

100%
Midwest Equity Sdn Bhd
(961977-W)
Principal Activity:
Property Investment

100%
Premium Dragon Sdn Bhd
(643228-K)
Principal Activity:
Investment Holding

60%
Harn Len Pelita Bengunan Sdn Bhd
(671658-K)
Principal Activity:
Cultivation of oil palm

100%
Harn Len Realty (Serian) Sdn Bhd
(711091-K)
Principal Activity:
Cultivation of oil palms

100%
Harn Len Realty (Tampoi) Sdn Bhd
(1041768-P)
Principal Activity:
Property Investment

100%
Nusantara Daya Sdn Bhd
(185882-X)
Principal Activity:
Ceased Operation

100%
Tanaim Sdn Bhd
(275648-K)
Principal Activity:
Transportation services

LOCATION OF OPERATIONS / PROPERTIES

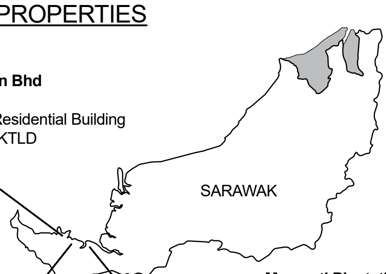
Harn Len Corporation Bhd
- Senang Estate (2,116Ha)
- Lian Hup Estate (2,124 Ha)
- Lian Hup Oil Mill
- All in Mukim Keratong
- District of Rompin

- Corporate & Business Office
  25-Storey Office Cum Hotel Building (Topical Inn)
  Jalan Gereja, Johor Bahru
- Six (6) Units of Double-Storey Terrace Shophouses
  Jalan Ngee Heng, Johor Bahru
- Two (2) Units of shopoffice
  Jalan Tan Hiok Nee & Jalan Ibrahim
  Johor Bahru
- Three (3) Units of Factory Building Cum Offices
  Kawasan Perindustrian Tebrau 1
  Johor Bahru
- Three (3) Units of Factory Building Cum Offices
  Taman Perindustrian Cemerlang
  Ulu Tiram, Johor

Harn Len Realty (Tampoi) Sdn Bhd
Lot 6033 (0.8073 Ha)
Daerah Johor Bahru
Mukim Bandar, Johor Bahru

Midwest Equity Sdn Bhd
Vacant Land (3,725.8 sq,meter)
Daerah Johor Bahru
Mukim Bandar, Johor Bahru

Harn Len Corporation Bhd
Wisma Harn Len
7-Storey Office Cum Residential Building
Lot 1634, Section 64, KTLD
Jalan Mendu, Kuching



Harn Len Realty (Serian) Sdn Bhd
Plantation Land (298 Ha)
Bukar-Sadong Land,
Samarahan Division

Zhangxern Corporation Sdn Bhd
Vacant (199 Ha)
Bukar-Sadong Land,
Samarahan Division

Masranti Plantation Sdn Bhd
- Oil Palm Estate (5,202 Ha)
- Masranti Oil Mill
  Punda-Sabal Land,
  Samarahan Division

Masranti Sebangkoi Sdn Bhd
Oil Palm Estate (1,551 Ha)
Kampung Sebangkoi &
Kampung Mawang
Simunjan Division

Harn Len Pelita Bengunan Sdn Bhd
Oil Palm Estate (6,344 Ha)
Bukit Bengunan, Sri Aman Division

ANALYSIS OF SHAREHOLDINGS AS AT 29 MARCH 2019

ISSUED AND PAID-UP SHARE CAPITAL	:	RM185,477,159 DIVIDED INTO 185,477,159 ORDINARY SHARES
NO. OF TREASURY SHARES HELD BY THE COMPANY	:	12,257,300
CLASS OF SHARES	:	ORDINARY SHARES
NO OF SHAREHOLDERS	:	2,535
VOTING RIGHTS	:	ONE VOTE PER ORDINARY SHARE

A) LIST OF SUBSTANTIAL SHAREHOLDERS

		Direct		Deemed interest in shares	
No.	**Name of Shareholders**	**No. of Shares**	**%**	**No. of Shares**	**%**
1.	Tan Sri Dato' Low Nam Hui *(Deceased)*	5,384,333	3.11	108,975,275*1	62.91
2.	Puan Sri Datin Chan Pui Leorn	550,000	0.32	113,809,608*2	65.70
3.	Dato Liew Kuek Hin	-	-	114,507,245*3	66.10
4.	Low Quek Kiong	75,000	0.04	114,284,608*4	65.98
5.	Low Kueck Shin	-	-	114,359,608*5	66.02
6.	Low Kwek Lee	-	-	114,359,608*5	66.02
7.	Low Kuek Kong	-	-	114,359,608*5	66.02
8.	Low Kuit Son	-	-	114,359,608*5	66.02
9.	Low Kok Yong	720,000	0.42	113,639,608*6	65.60
10.	Low Kok Yaow	-	-	114,359,608*5	66.02
11.	Low Siew Eng	200,800	0.12	114,158,808*7	65.90
12.	LNH Enterprise Sdn Bhd	49,145,896	28.37	8,003,030*8	4.62
13.	Low Nam Hui United Holdings Sdn Bhd	34,744,679	20.06	-	-
14.	Shande Ancestral Park Berhad	10,500,000	6.06	-	-

Notes:-

**1. Deemed interested in the shares held by Low Nam Hui United Holdings Sdn Bhd, Low Nam Hui & Sons Sdn Bhd, LNH Enterprise Sdn Bhd, Seri Cemerlang Plantation (Pahang) Sdn Bhd, Yong Yaow Properties Sdn Bhd and Shande Ancestral Park Berhad and the shares held by his immediate family members namely, Puan Sri Datin Chan Pui Leorn, Low Quek Kiong, Low Kok Yong and Low Siew Eng pursuant to Section 8 of the Companies Act, 2016.*

**2. Deemed interested in the shares held by Low Nam Hui United Holdings Sdn Bhd, Low Nam Hui & Sons Sdn Bhd, LNH Enterprise Sdn Bhd, Seri Cemerlang Plantation (Pahang) Sdn Bhd, Yong Yaow Properties Sdn Bhd and Shande Ancestral Park Berhad and the shares held by her immediate family members namely, the late Tan Sri Dato' Low Nam Hui, Low Quek Kiong, Low Kok Yong and Low Siew Eng pursuant to Section 8 of the Companies Act, 2016.*

**3. Deemed interested in the shares held by Lian Hup Manufacturing Company Sdn Berhad, Syarikat Senang Oil Palm Estate Sdn Bhd, Perdana Properties Berhad, Low Nam Hui & Sons Sdn Bhd, LNH Enterprise Sdn Bhd and Seri Cemerlang Plantation (Pahang) Sdn Bhd and the shares held by his siblings, Low Quek Kiong and Low Kok Yong pursuant to Section 8 of the Act. The legal action vide Johor Bahru High Court Suit No. 23NCVC-8-01-2013 instituted by Dato' Liew has been settled on 23 July 2013. The settlement has affected Dato Liew's indirect shareholdings but no notification has been received from Dato' Liew to the effect.*

ANALYSIS OF SHAREHOLDINGS AS AT 29 MARCH 2019 (Cont'd)

Notes:- (Cont'd)

**4. Deemed interested in the shares held by Low Nam Hui United Holdings Sdn Bhd, Low Nam Hui & Sons Sdn Bhd, LNH Enterprise Sdn Bhd, Seri Cemerlang Plantation (Pahang) Sdn Bhd, Yong Yaow Properties Sdn Bhd and Shande Ancestral Park Berhad and the shares held by his immediate family members namely, the late Tan Sri Dato' Low Nam Hui, Puan Sri Datin Chan Pui Leorn, Low Kok Yong and Low Siew Eng pursuant to Section 8 of the Companies Act, 2016.*

**5. Deemed interested in the shares held by Low Nam Hui United Holdings Sdn Bhd, Low Nam Hui & Sons Sdn Bhd, LNH Enterprise Sdn Bhd, Seri Cemerlang Plantation (Pahang) Sdn Bhd, Yong Yaow Properties Sdn Bhd and Shande Ancestral Park Berhad and the shares held by his immediate family members namely, the late Tan Sri Dato' Low Nam Hui, Puan Sri Datin Chan Pui Leorn, Low Quek Kiong, Low Kok Yong and Low Siew Eng pursuant to Section 8 of the Companies Act, 2016.*

**6. Deemed interested in the shares held by Low Nam Hui United Holdings Sdn Bhd, Low Nam Hui & Sons Sdn Bhd, LNH Enterprise Sdn Bhd, Seri Cemerlang Plantation (Pahang) Sdn Bhd, Yong Yaow Properties Sdn Bhd and Shande Ancestral Park Berhad and the shares held by his immediate family members namely, the late Tan Sri Dato' Low Nam Hui, Puan Sri Datin Chan Pui Leorn, Low Quek Kiong and Low Siew Eng pursuant to Section 8 of the Companies Act, 2016.*

**7. Deemed interested in the shares held by Low Nam Hui United Holdings Sdn Bhd, Low Nam Hui & Sons Sdn Bhd, LNH Enterprise Sdn Bhd, Seri Cemerlang Plantation (Pahang) Sdn Bhd, Yong Yaow Properties Sdn Bhd and Shande Ancestral Park Berhad and the shares held by her immediate family members namely, the late Tan Sri Dato' Low Nam Hui, Puan Sri Datin Chan Pui Leorn, Low Quek Kiong and Low Kok Yong pursuant to Section 8 of the Companies Act, 2016.*

**8. Deemed interested in the shares held by Seri Cemerlang Plantation (Pahang) Sdn Bhd pursuant to Section 8 of the Companies Act, 2016.*

B) LIST OF DIRECTORS' SHAREHOLDINGS

No.	Name of Directors	Direct		Deemed Interest in Shares	
		No. of Shares	%	No. of Shares	%
1.	Puan Sri Datin Chan Pui Leorn	550,000	0.32	113,809,608*1	65.70
2.	Low Quek Kiong	75,000	0.04	114,294,608*2	65.98
3.	Low Kueck Shin	-	-	114,359,608*3	66.02
4.	Low Kwek Lee	-	-	114,359,608*3	66.02
5.	Low Kuek Kong	-	-	114,359,608*3	66.02
6.	Lee Chon Sing	1	0.00	-	-
7.	Low Kok Yong	720,000	0.42	113,639,608*4	65.60
8.	Low Kok Yaow	-	-	114,359,608*3	66.02
9.	Loh Wann Yuan	1	0.00	-	-
10.	Brig. Jen. (B) Dato' Ali Bin Hj. Musa	-	-	-	-
11.	Law Piang Woon	-	-	-	-
12.	Mohamed Akwal Bin Sultan Mohamad	-	-	-	-

ANALYSIS OF SHAREHOLDINGS AS AT 29 MARCH 2019 (Cont'd)

Notes:

*1. *Deemed interested in the shares held by Low Nam Hui United Holdings Sdn Bhd, Low Nam Hui & Sons Sdn Bhd, LNH Enterprise Sdn Bhd, Seri Cemerlang Plantation (Pahang) Sdn Bhd, Yong Yaow Properties Sdn Bhd and Shande Ancestral Park Berhad and the shares held by her immediate family members namely, the late Tan Sri Dato' Low Nam Hui, Low Quek Kiong, Low Kok Yong and Low Siew Eng pursuant to Section 8 of the Companies Act, 2016.*

*2. *Deemed interested in the shares held by Low Nam Hui United Holdings Sdn Bhd, Low Nam Hui & Sons Sdn Bhd, LNH Enterprise Sdn Bhd, Seri Cemerlang Plantation (Pahang) Sdn Bhd, Yong Yaow Properties Sdn Bhd and Shande Ancestral Park Berhad and the shares held by his immediate family members namely, the late Tan Sri Dato' Low Nam Hui, Puan Sri Datin Chan Pui Leorn, Low Kok Yong and Low Siew Eng pursuant to Section 8 of the Companies Act, 2016.*

*3. *Deemed interested in the shares held by Low Nam Hui United Holdings Sdn Bhd, Low Nam Hui & Sons Sdn Bhd, LNH Enterprise Sdn Bhd, Seri Cemerlang Plantation (Pahang) Sdn Bhd, Yong Yaow Properties Sdn Bhd and Shande Ancestral Park Berhad and the shares held by his immediate family members namely, the late Tan Sri Dato' Low Nam Hui, Puan Sri Datin Chan Pui Leorn, Low Quek Kiong, Low Kok Yong and Low Siew Eng pursuant to Section 8 of the Companies Act, 2016.*

*4. *Deemed interested in the shares held by Low Nam Hui United Holdings Sdn Bhd, Low Nam Hui & Sons Sdn Bhd, LNH Enterprise Sdn Bhd, Seri Cemerlang Plantation (Pahang) Sdn Bhd, Yong Yaow Properties Sdn Bhd and Shande Ancestral Park Berhad and the shares held by his immediate family members namely, the late Tan Sri Dato' Low Nam Hui, Puan Sri Datin Chan Pui Leorn, Low Quek Kiong and Low Siew Eng pursuant to Section 8 of the Companies Act, 2016.*

C) DISTRIBUTION OF SHAREHOLDINGS

	No. of Holders	Holdings	Total Holdings	Percentage (%)
	48	Less than 100	1,385	0.000
	949	100 to 1,000	253,684	0.146
	1,009	1,001 to 10,000	5,161,609	2.979
	454	10,001 to 100,000	15,720,657	9.075
	71	100,001 to less than 5% of issued shares	57,691,949	33.305
	4	5% and above of issued shares	94,390,575	54.491
Total:	2,535		173,219,859	100.00

D) TOP 30 LARGEST SECURITIES ACCOUNT HOLDERS

No.	Name	NO. OF SHARES HELD	PERCENTAGE (%)
1.	LOW NAM HUI UNITED HOLDINGS SDN BHD	34,744,679	20.06
2.	LNH ENTERPRISE SDN. BHD.	31,451,896	18.16
3.	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LNH ENTERPRISE SDN BHD	17,694,000	10.21
4.	SHANDE ANCESTRAL PARK BERHAD	10,500,000	6.06
5.	SERI CEMERLANG PLANTATION (PAHANG) SDN BHD	8,003,030	4.62
6.	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TNTT REALTY SDN BHD	7,000,000	4.04

ANALYSIS OF SHAREHOLDINGS AS AT 29 MARCH 2019 (Cont'd)

D) TOP 30 LARGEST SECURITIES ACCOUNT HOLDERS (Cont'd)

No.	Name	NO. OF SHARES HELD	PERCENTAGE (%)
7.	MALGOLD CONSTRUCTION SDN BHD	5,500,000	3.18
8.	DB (MALAYSIA) NOMINEE (ASING) SDN BHD EXEMPT AN FOR BANK OF SINGAPORE LIMITED	5,405,000	3.12
9.	LOW NAM HUI	5,384,333	3.11
10.	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT – AMBANK (M) BERHAD FOR YONG YAOW PROPERTIES SDN. BHD. (SMART)	5,034,800	2.91
11.	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR LEE KENG HONG (PB)	5,000,000	2.89
12.	TOH EAN HAI	2,000,000	1.16
13.	GAN SIOW YONG	794,000	0.46
14.	MAH FOONG HONG	652,000	0.38
15.	CIMB GROUP NOMINEES (ASING) SDN BHD EXEMPT AN FOR DBS BANK LTD (SFS)	610,700	0.35
16.	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHAN PUI LEORN (7000640)	550,000	0.32
17.	GAN HONG LIANG	548,100	0.32
18.	CHIN HON PUN	473,200	0.28
19.	TEO KWEE HOCK	454,600	0.26
20.	TAN AIK SENG	438,000	0.25
21.	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LOW KOK YONG (E-TJJ)	390,000	0.23
22.	LOW KOK YONG	330,000	0.19
23.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR NG CHING SOONG (470478)	328,100	0.19
24.	RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LU LIP LAI (731389)	318,800	0.18
25.	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR NG FAAI @ NG YOKE PEI (SRB/PMS)	315,000	0.18
26.	WAN SOO MOY @ WAN YOKE LIN	315,000	0.18
27.	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR NG CHING SOONG	269,000	0.16
28.	EU LEE CHUAN ENTERPRISE SDN BERHAD	250,000	0.14
29.	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR KENG CHIN ENG (E-SGM)	240,100	0.14
30.	S'NG HOOI SEAH	240,000	0.14

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汉联机构有限公司 (502606-H)
HARN LEN CORPORATION BHD.
(Incorporated in Malaysia under the Companies Act, 1965)

FORM OF PROXY

I/We____NRIC No.______________________
(Full Name in Capital Letters)

of____
(Full Address)

being a member/members of HARN LEN CORPORATION BHD (Co. No. 502606-H) do hereby appoint
____NRIC No.__________________________
(Full Name in Capital Letters)

of ____ *and/or failing him /her
(Full Address)

____ NRIC No. ______________________
(Full Name in Capital Letters)

of____ as *my/our proxy to
(Full Address)

attend and vote for *me/us on *my/our behalf at the Nineteenth (19th) Annual General Meeting of the Company to be held on Friday, 28 June 2019 at 9.30 am at Merdeka Hall, Ground Floor, Johor Tower, 15 Jalan Gereja, 80100 Johor Bahru and at any adjournment thereof. *My/our proxy is to vote as indicated below:-

Ordinary Resolution ("OR") / Special Resolution ("SR") No.		FOR	AGAINST
Ordinary Business:-			
OR 1	To approve the payment of Directors' fees of RM200,000 for the financial year ended 31 December 2018.		
OR 2	To approve the payment of Directors' Benefits payable to the Directors up to RM280,000 for the period 1 July 2019 to 30 June 2020.		
OR 3	To re-elect Puan Sri Datin Chan Pui Leorn as Director.		
OR 4	To re-elect Mr Loh Wann Yuan as Director.		
OR 5	To re-elect Mr Low Kuek Kong as Director.		
OR 6	To re-appoint Messrs Deloitte PLT as Auditors and to authorize the Directors to fix their remuneration.		
Special Business:-			
OR 7	Continuing in office as Independent Non-Executive Director - Mr Loh Wann Yuan		
OR 8	Continuing in office as Independent Non-Executive Director - Brig. Jen. (B) Dato' Ali Bin Hj. Musa		
OR 9	Continuing in office as Independent Non-Executive Director - Mr Law Piang Woon		
OR 10	To grant authority to allot shares pursuant to Sections 75 and 76 of the Companies Act, 2016		
OR 11	To approve Proposed Renewal of Share Buy-Back		
OR 12	To approve Proposed Renewal of Shareholders' Mandate - Low Nam Hui & Sons Sdn Bhd		
OR 13	To approve Proposed Renewal of Shareholders' Mandate - KangHui Travel Sdn Bhd		
OR 14	To approve Proposed Renewal of Shareholders' Mandate - LNH Enterprise Sdn Bhd		
SR	To approve the Proposed Adoption of the New Constitution		

(Please indicate with a cross ("X") in the appropriate space(s) whether you wish your votes to be cast for or against the resolution. In the absence of such specific directions, your proxy will vote or abstain as he/she thinks fit.)

Number of shares held	

For appointment of two (2) proxies, percentage of shareholdings to be represented by the proxies must be indicated below:-		
	Number of Shares	Percentage (%)
First Proxy		
Second Proxy		

Dated this____________________ day of _____________________ 2019

____
Signature of Member / Members

Notes:-

1. *Only members registered in the Record of Depositors as at 19 June 2019 are eligible to attend, speak and vote at the Company's 19th Annual General Meeting or to appoint proxy to attend, speak and vote on his/her behalf.*
2. *A member who is entitled to attend and vote at the meeting of the Company is entitled to appoint not more than two (2) proxies to attend and vote instead of the member at the meeting. A proxy need not be a member and there shall be no restriction as to the qualification of the proxy.*
3. *Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991 ("SICDA"), it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.*
4. *Where a member is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under SICDA which is exempted from compliance with the provision of subsection 25A(1) of SICDA.*
5. *Where a member or the authorised nominee appoints two (2) proxies, or where an exempt authorised nominee appoints two (2) or more proxies, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies. The appointment shall be invalid unless he specifies the proportion of his shareholdings to be represented by each proxy.*
6. *Where the Proxy Form is executed by a corporation, it must be either under its Common Seal or under the hand of its attorney duly authorised.*
7. *The Proxy Form must be deposited with the Company Secretary at the Registered Office, 6th Floor, Johor Tower, 15 Jalan Gereja, 80100 Johor Bahru, Johor, not less than 48 hours before the time set for holding the meeting.*

Fold This Flap For Sealing

Then Fold Here

Stamp

THE COMPANY SECRETARY
HARN LEN CORPORATION BHD (502606-H)

6th Floor, Johor Tower
15 Jalan Gereja
80100 Johor Bahru
Johor Darul Takzim

1st Fold Here

汉联机构有限公司 (502606-H)
HARN LEN CORPORATION BHD

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