LAGENDA
PROPERTIES

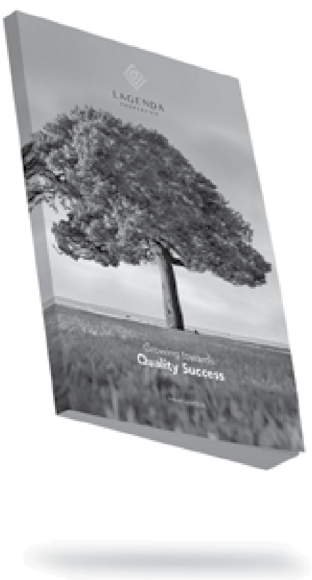
Growing towards **Quality Success**

Annual Report 2020

Content

Growing Towards Quality Success

Lagenda Properties Berhad (formerly known as D.B.E. Gurney Resources Berhad) grows progressively to greater position with its quality to meet up its reputation of sustainable developer in Malaysia. We strive to achieve beyond expectations with our formidable capabilities, allow us to deliver the best and affordable homes. We will continue to grow as a big tree, providing the best shelter to everyone within our reach.



Vision & Mission

About Lagenda Properties Berhad

We are listed on the Main Market of Bursa Malaysia Securities Berhad and started our journey in affordable housing development in early 2018 focusing on our main core expertise of developing self-sustainable townships, prioritising community-based facilities & public amenities that meets the needs of most Malaysian home buyers that fall into the B40 and the M40 income groups.

Our goal is to build economical & affordable homes while our long-term objective is to become a sustainable developer in Malaysia.

Our current two major affordable housing township projects are Bandar Baru Setia Awan Perdana in Sitiawan, Perak and Lagenda Teluk Intan in Teluk Intan, Perak which has a combined development area of 2,000 acres and 20,000 affordable homes.

Moving forward, we envisage to expand and continuously increase our market presence in the affordable housing segment and become one of the most formidable affordable housing developer in the country.

We also have our own construction arms and building materials supplies division, which enables us to optimise cost effectiveness and maintain price competitiveness.

Vision

Making home ownership affordable for all Malaysians. One Malaysian, One Home

Mission

- *To provide a quality lifestyle via self-sustainable townships encompassing a comprehensive and practical array of community-based facilities and public amenities.*
- *To be one of the largest and most reputable affordable home developer in Malaysia.*
- *To be a builder of homes that are economical and affordable to the masses.*
- *To be a long-term sustainable developer in Malaysia.*
- *To adopt and implement cutting-edge construction techniques to ensure cost efficiency in order to deliver quality and innovative properties.*

Corporate Information

Board of Directors

- **Dato' Doh Tee Leong**
  (Non-Independent Non-Executive Chairman)
- **Dato' Doh Jee Ming**
  (Group Managing Director)
- **Dato' Doh Jee Chai**
  (Non-Independent Non-Executive Director)
- **Dr. Lim Pang Kiam**
  (Independent Non-Executive Director)
- **Looi Sze Shing**
  (Independent Non-Executive Director)
- **Mohamad Ali Bin Ariffin**
  (Independent Non-Executive Director)

AUDIT AND RISK COMMITTEE

Dr. Lim Pang Kiam (Chairman)
Looi Sze Shing
Mohamad Ali Bin Ariffin

NOMINATION COMMITTEE

Looi Sze Shing (Chairperson)
Mohamad Ali Bin Ariffin
Dato' Doh Tee Leong

REMUNERATION COMMITTEE

Looi Sze Shing (Chairperson)
Mohamad Ali Bin Ariffin
Dato' Doh Jee Ming

COMPANY SECRETARIES

Jesslyn Ong Bee Fang
(SSM PC NO. 202008002969)
(MAICSA 7020672)
Eric Toh Chee Seong
(SSM PC NO. 202008002884)
(MAICSA 7016178)

REGISTERED OFFICE

No. 54-4-8, Wisma Sri Mata
Jalan Van Praagh
11600 Penang
Tel : 04-2824605
Fax : 04-2824605

SHARE REGISTRAR

Insurban Corporate Services Sdn. Bhd.
No. 149, Jalan Aminuddin Baki
Taman Tun Dr. Ismail
60000 Kuala Lumpur
Tel : 03-77295529
Fax : 03-77285948

PRINCIPAL BANKERS

CIMB Bank Berhad
AmBank (M) Berhad

AUDITORS

Moore Stephens Associates PLT
[201304000972(LLP0000963-LCA)]
Chartered Accountants (AF002096)
Unit 3.3A, 3rd Floor,
Surian Tower
No. 1, Jalan PJU7/3,
Mutiara Damansara,
47810 Petaling Jaya, Selangor
Tel : 03-77281800
Fax : 03-77289800

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia
Securities Berhad
Stock Code : 7179
Stock Name : LAGENDA

Corporate Structure

LAGENDA PROPERTIES

REGISTRATION NO. :
200101000008 (535763-A)

- **Property Development Division**
  - 100% BLOSSOM EASTLAND SDN BHD
    - 100% TARAF NUSANTARA SDN BHD
      - 50% LAGENDA TAPAH SDN BHD
    - 100% TRIPRISE SDN BHD
  - 100% LPB DEVELOPMENT SDN BHD (formerly known as DBE Development Sdn Bhd)
    - 50% BDB LAGENDA SDN BHD
- **Construction Division**
  - 100% RANTAU URUSAN SDN BHD
  - 100% LPB CONSTRUCTION SDN BHD (formerly known as D Construction Sdn Bhd)
- **Building Materials Supply Division**
  - 100% YIK WANG TRADING SDN BHD

Letter to Shareholders

Dear Shareholders,

I am pleased to address all my esteemed Lagenda Properties Berhad ("Lagenda" or "Group") shareholders in this annual report for 2020.

Without a doubt, the year 2020 was challenging, with the COVID-19 pandemic impacting the global market. Despite the negative backdrop, the Group achieved a formidable financial record with RM698 million in revenue due to the proactive strategies yet prudent approach adopted collectively by the team at Lagenda. The hard work, agility and purpose driven team supported by a sustainability approach towards our businesses and environment will continue to be our core belief moving forward, building a sustainable community and a roof for all Malaysians. In 2020, we completed our corporate exercise which allows us to unlock the land bank's value and the offerings of affordable township developments to the house buying public, specifically the underserved B40 (Bottom 40) group.

Identity with a Purpose

From our market studies, the needs of the B40 Group stem from their inability to afford current residential offerings priced beyond the means of the average B40 wage earner. Compounding this effect is the shortage of properties below the RM200,000 category in towns outside the Klang Valley. Hence, our mission to serve the needs of the B40, with well-thought-of homes complemented with township amenities that will lift the quality of life for these home buyers. Further to this, first time homebuyers will form the largest group of Lagenda's buyers in the long run.

The motivation fuelled the Group's achievement of RM698 million in revenue despite the challenging backdrop by actualising the home buying needs. The constant need for affordable housing has seen a surge in demand during the pandemic as the gap between the M40 (Middle 40), and B40 segments shrank. The Group began observing an uptrend in M40 interest, highlighting the Group's business model sustainability.

Strong Potential for Growth

As a Group, we acknowledge that we can do more than what we are currently doing. Although our existing townships of Bandar Baru Setia Awan Perdana (BBSAP) and Lagenda Teluk Intan (LTI) are providing approximately 20,000 houses, yet the populations out of Klang Valley are still substantially underserved especially the B40 group. The Department of Statistics, Malaysia (DOSM) reported that out of 7.3 million households, 5 million households live outside of Klang Valley. The statistics highlighted the lack of attention from property developers to build houses for this category of households outside of Klang Valley. The mismatch of housing development motivated the Group's ambition to develop a sizeable, affordable, and accessible township outside the Klang Valley.

In determining our homes' selling prices, we studied the median household income of the population in each of the states. In doing so, the selling prices of Lagenda's home are priced within the local community's affordability. For example, in Perak, where the Group hails from, the median household income for B40 group is approximately RM2,614 per month, while in Kedah, it is approximately RM2,686 per month. This is the main underlying factor for the Group's strategy in entering the affordable housing market with the right price point and ensuring sustainability of the Group's revenue stream, in the coming years.

With a proven track record of successful and affordable townships in Perak, we are keen to venture into Kedah as our next target market. Our mission to build 20,000 to 30,000 affordable homes in the next ten years begins with our joint venture with Bina Darulaman Berhad ("BDB") to develop an affordable housing township at a 230 acre freehold land in Sungai Petani, Kedah. We look forward to joining hands with other Kedah based landowners to bring more affordable homes to the underserved populations via land acquisitions or joint ventures to benefit the local community.

Acknowledgment

The Group announced an interim dividend of 2.5 sen per share on 22 February 2021. We hope these maiden dividends will be the first amongst the many more declaration of dividends to come as we chart steady growth for the Company. On behalf of the Group, I would like to thank our shareholders, both institutional and retail, for their continuous support and belief in us, particularly during our transformation journey into an affordable housing property developer over the years. I will also take this opportunity to record my appreciation to my fellow Board members for their guidance and oversight, the management team of Lagenda for the cohesiveness of effort to deliver the houses on time, and the Lagenda families for staying together during the year under review. Finally, the regulators, authorities, and financial institutions for their unwavering support rendered throughout the year.

I look forward to your continuous support in 2021 and beyond.

Moving forward, we hope to meet the needs of the underserved markets out of Klang Valley and even potentially out of Malaysia. It gives the team and me great pleasure to serve the housing needs of the B40 segment, and I will ensure Lagenda continued focus on this segment, bringing our brand of affordable housing across Malaysia.

Dato' Doh Jee Ming
Group Managing Director

Management Discussion & Analysis

Main Highlights of 2020

The name change from D.B.E. Gurney Resources Berhad to Lagenda Properties Berhad ('Lagenda' or 'the Group') in the year 2020 heralds an auspicious beginning for the Group. We have fully divested the remaining 49% equity from the poultry business, completing the final tranche on 28 September 2020. On behalf of the Management, I would like to thank our shareholders for their belief and continued support in the Group to continue unlocking value and monetising Lagenda's assets with this change in the business segment.

Against a backdrop of operating during the greatest pandemic in recent times, the Group is keen to play our role as Malaysia recovers from the global threat of the Covid-19 pandemic. As such, we are glad to mention that we will journey along with new homeowners, particularly the underserved B40 segment, in the growth corridors outside the Klang Valley. The Group believes that sustained demand for affordable homes priced below RM200,000 is reflective of the need for affordable housing not only for the B40, but increasingly, the M40, which during the pandemic, has seen a narrowing of the economic gap between these two income group.

Thus, the Group sees no slowdown in uptake of the newly launched properties and achieved a formidable financial record with RM698 million in revenue due to the proactive strategies yet prudent approach adopted collectively by the team at Lagenda. It translated to the Group's robust gross profit of approximately RM277 million on the back of the Group's revenue. The year on year growth is an encouraging 1.52 times from the previous year's gross profit of RM182 million (details refer to notes of the financial statements No. 36 on page 160 of this Report), further accentuating the timely turnaround strategy of poultry turned property developer.

In tandem with the change of core business from poultry to property developement, the group displayed a positive profit trend, with a profit before tax (PBT) of approximately RM216 million and profit after tax and minority interests (PATMI) of approximately RM142 million mainly attributed from the Group's principal business activity which is property development. Shareholders were rewarded for their support and belief in the Group when the Group raised the earnings per share (EPS) to 54 sen per share and 52 sen per share on a diluted basis. Also, the Group had declared an interim dividend of 2.5 sen on 22 February 2021.

Remarkable Township Take-up Rates

In all of the Group's endeavours, both ongoing township developments in Perak, namely, Bandar Baru Setia Awan Perdana (BBSAP) and Lagenda Teluk Intan (LTI) have benefitted from the Group's strategies to cater to the largely underserved segment of the B40 group and by natural extension, it benefitted the M40 Group as they are looking for affordable homes to call their own.

Due to a shortage of supply in the affordable housing market, and due to affordability concerns for this market segment, the Group has encountered a visible shortening of digestion maturity for both townships. For example, BBSAP's initial 10-year maturity is now at 6 years and the Group has decided to undertake the development and handing over of 2,000 homes per annum to our buyers.

Bandar Baru Setia Awan Perdana (BBSAP)

Located just off the West Coast Expressway (WCE), this award-winning township offers residents an Exclusive Clubhouse with community amenities such as swimming pool, badminton courts, elevated cycling and jogging paths, and fitness facilities as well as soccer fields interspersed within the 1,012 acre township.

By the end of financial year 2020, BBSAP's Phase 2D and 3A, launched in February and June 2020, had each charted 56% and 47% take-up rates. The enthusiastic demand for homes in the year under review saw a total of 68% of sales coming in by fourth quarter of 2020 itself. Within the year, the township's entire Phase 1 was completed and handed over to the owners in February 2020, with Phase 1C comprising 1,497 units and Phase 1D comprising 1,555 units with a combined Gross Development Value (GDV) of RM555 million realised. By the end of the year, BBSAP's Phase 2B, comprising 829 units of single-storey terrace homes, was also completed and handed over to owners. As of 31 December 2020, there remains only 6% of Phase 2B homes that are in ready to move in condition for the discerning homeowner.

BBSAP's growth in 2021 will continue and in tendem with target completions of two different phases from the middle of 2021 onwards. This award winning township has seen take-up rates of above 90% (as of 31 December 2020) for all the earlier phases launched, including those completed in 2021.

Lagenda Teluk Intan (LTI)

This 1,158 acre township is Teluk Intan's largest planned development and in June 2020, launched its second phase of 2,667 units of single-storey terraced homes. The first phase of 1,843 units of single-storey terraced houses is slated for completion from the middle of 2021 onwards. It is nearly sold out, with only approximately 3% of units left.

Meanwhile, the launch of Phase 2 in the middle of financial year 2020 has managed to capture the spillover interest from the first phase, nearly half of which have been taken up at the end of financial year 2020. With a remaining GDV of RM395 million, the second phase of LTI is earmarked for completion in the middle of 2023 and marks the mid-point of the township's maturity.

Other Projects

The Group's other projects of Taman Desa Harmoni and Pangsapuri Sri Iskandar have both been completed and received the Certificate of Completion and Compliance (CCC) in May 2020. Over in Batu Gajah, Taman Bemban Indah, launched in June 2019, has a take-up rate of 74% as of 31 December 2020. The development project, comprising 237 units of single-storey terrace houses, 50 units of single-storey semi-detached houses, and 3 units of single-storey detached houses, is 78% complete at the end of financial year 2020. Another development, Taman Bemban Permai, was launched in July 2020 and has continued serving the townsfolk with affordable housing.

Meanwhile, at Pengkalan Prisma, also in Batu Gajah, which was launched in July 2019, has seen a take-up rate of 74% at the end of financial year 2020. Comprising 37 units of double-storey shop offices, 268 units of single-storey terrace houses, and 177 units of double-storey terrace houses, the development is 76% completed as of 31 December 2020.

Growing Footprint Across Malaysia

Among the concerns of the home buying public, especially in the B40 and M40 segments, is not only affordability but also the location. Outside the Klang Valley, growth corridors in other states are severely underserved with homes below RM200,000 rarely made available by other developers.

The Group's role in meeting the demand of the underserved market has seen us extending our footprint to Tapah, with two land deals within the year under review. The Group acquired 623 acres of land from UEM Sunrise Berhad (UEM) for RM30 million at RM1.10 per square foot (psf) with another 230 acres of land in a joint venture with MajuPerak Holdings Berhad ("MajuPerak") forming the 852 acres Tapah township land with an estimated GDV of RM2 billion to be realised over the next 5 years. In the joint venture inked with MajuPerak, the landowner's entitlement will be for a sum of RM21 million. This township's first two phases are slated for launch in the second and third quarter of 2021 and will have a combined GDV of RM360 million over 2,400 units of single-storey terrace houses.

The Group's first foray out of Perak is in Sungai Petani, Kedah, via a joint venture with Bina Darulaman Berhad (BDB) for 230 acres of freehold land to be developed into a multi-phase township, offering affordable single-storey terrace homes, with a total GDV of RM565 million.

This is part of the Group's broader strategy to penetrate into the Kedah market with its mission to build 20,000 to 30,000 homes over the next decade. It upholds the vision to provide more affordable housing for the underserved population via further land bank acquisitions and/or joint venture with Kedah based landowners for suitable landbanks. The Group's first step in Kedah is scheduled for its first phase launch as early as 2022.

Business Risks & Management

The Group practices a prudent approach to risk management with the Enterprise Risk Management (ERM) Framework detailed in the Statement of Risk and Internal Control on page 61 of this Report. Controlling the business' principal risks and initiating the Economic, Environmental and Social (EES) approach are part of the Group's business sustainability, discussed in the Sustainability Statement on page 16 of this Report. Meanwhile, the business' key principal risks are discussed below:

Principal Risks

Key Area	Principal Risk Factor	Description	Mitigation Measures	Material Matters	Trend
Strategic	Foray into Affordable Housing Segment	Affordability & buying sentiment for B40 market is an extremely sensitive point for take-up rates	Conducting Market Research & strategically identifying target buyer groups with readily accessible funds from various financial institutions	• Affordable Housing • Business Performance • Market Presence • Regulatory Compliance	↔
	Landbanking activities	Identifying potential locations with affordable and accessible means of acquisition or pre-development ready land	Business Development surveys and joint venture partnerships to leverage on Company's development expertise	• Regulatory Compliance • Business Ethics • Business Performance • Market Presence	↔
Operational	Post-COVID recovery measures	Worksites & workforce's health & wellbeing in compliance with Ministry of Health's regulatory framework	Regular site checks and compliance to prescribed rules for operations by the Government	• Regulatory Compliance • Occupational Health & Safety • Supply Chain Management • Business Ethics	↑
Financial	Disposal of Poultry Business	The final tranche of poultry business has been fully divested in FY2020	Compliance to cooling-off periods and realising the full value of disposal gain through ongoing land banking measures	• Regulatory Compliance • Business Performance • Business Ethics	↓

Trends:

↑ Pre-mitigation risk increased

↔ Pre-mitigation risk remains unchanged

↓ Pre-mitigation risk decreased

The Nation's Affordable Housing Developer

Right from the start, the Group's vision to match the affordability of the B40 and M40 segments with well-thought-of multi-phased townships in growth corridors outside the Klang Valley was designed to address the burgeoning needs of young and growing demography. There are slim pickings in the under RM200,000 homes category based on the National Property Information Centre (NAPIC) reports with ready stock in 1st Half of year 2020 amounting to only 2.1% of the overhang nationwide.

The Nation's Affordable Housing Developer (Cont'd)

The severity of the undersupply is further highlighted in states outside the Klang Valley as affordability concerns of first-time homebuyers peak in these states. For this reason, the Group's strategy to move out from Perak to Kedah is also based on the demand for affordable housing at the nationwide level. The Management foresees that this demand for affordable homes will be replicated in other suitably underserved suburban towns.

The aspirational effect of wanting to live in a modern township with lifestyle amenities may have seemed unreachable by these underserved B40 and M40 segments outside the Klang Valley. However, Lagenda's offerings have brought the homeownership dream to the doorstep of these communities. We are delighted when the dreams of first-time homebuyers in these two segments come true.

The Group's strategy to continue serving these market segments is a sound one and we will continue to expand our market presence with affordable housing options for the B40 and M40 segments. In fact, it was during the pandemic recovery that more B40 buyers approached the Group with the need for their own space compounded by the pandemic related challenges. Having their own space, which enables social distancing and practicing Work From Home (WFH) measures in the new normal, had shown the enhanced need for space. As there were economic impacts following the pandemic, there was also a narrowing of the gap between the B40 and M40 groups.

With the divestment of our poultry business, we can now focus all our resources in property development business which will continue to spur the future growth of the Group. The Group can proceed with land banking and other operational needs thanks to the funds raised from the private placement, which was completed in January 2021. In addition, the Group's low net gearing of 0.02 times as at 31 December 2020 demonstrates its agility in terms of expansion and growth.

Supplemented by the Group's fast turnaround strategy, in which well located land banks are acquired and developed in a timely manner, Lagenda's main business strategy looks set to flourish as the different townships come online to contribute to its revenue stream. For this reason, the Group's full year sales target for financial year 2021 at RM1 billion is within reach on the back of multiple-phase launches of its ongoing townships of BBSAP and LTI, as well as the Tapah township's proposed launches.

Therefore, the Group is bullish that we can return optimum ratios of investment to our shareholders as seen in the EPS of 54 sen per share and 52 sen per share (fully diluted) and the announcement of a single interim dividend of 2.5 sen per share. This is just the beginning of the good times ahead as we hope to return shareholder trust with increasing dividend payout ratios in the coming years. We continue with our sanguine outlook for the year ahead as Malaysia continues its recovery measures from the pandemic. Whilst the home buying population considers home suitable for the next stage of their lives.

Dato' Doh Jee Ming
Group Managing Director

Board of Directors

from left to right

Looi Sze Shing
(Independent Non-Executive Director)

Dr. Lim Pang Kiam
(Independent Non-Executive Director)

Dato' Doh Jee Ming
(Group Managing Director)

Dato' Doh Tee Leong
(Non-Independent Non-Executive Chairman)

Dato'Doh Jee Chai
(Non-Independent Non-Executive Director)

Mohamad Ali Bin Ariffin
(Independent Non-Executive Director)

Profile of Board of Directors

Dato' Doh Tee Leong

Non-Independent Non-Executive Chairman

Male • Malaysian • 46

Dato' Doh Tee Leong ("DDTL") was appointed to the Board as a Non-Independent Non-Executive Director on 20 December 2017. He is a member of the Nomination Committee.

He obtained his Bachelor of Science (Hons) in Civil Engineering from The Ohio State University in 1998.

DDTL has been in the property development and construction industry for over 20 years and also sits on the Board in various medical centre companies since 2016.

He is the brother of Dato' Doh Jee Chai and Dato' Doh Jee Ming, whose are also the Directors and major shareholder of the Company.

DDTL is also a major shareholder of the Company and he holds 607,571,209 ordinary shares indirectly via his indirect interest in Doh Capital Sdn Bhd (formerly known as Doh Properties Holdings Sdn Bhd) through Setia Awan Plantation Sdn Bhd, and Lagenda Land Sdn Bhd, a major shareholder of the Company.

Save as disclosed herein, he does not have any family relationship with any director and/or major shareholder of the Company, nor any conflict of interest with the Company. He also does not hold any directorship in any other public or public listed company and has no convictions for any offences within the past 5 years (other than traffic offences, if any), nor any public sanction or penalty imposed by regulatory bodies during the financial year.

Dato' Doh Jee Ming

Group Managing Director

Male • Malaysian • 41

Dato' Doh Jee Ming ("DDJM") was appointed as a Non-Independent Non-Executive Director on 20 December 2017. He was re-designated to Executive Director on 16 January 2018. Subsequently, he was re-designated to Managing Director on 1 January 2020. He is a member of the Remuneration Committee.

DDJM holds a Master of Business Administration from the International Teaching University of Georgia in 2017.

He has vast experiences in property development and construction industry during the early years of his career and is very hands-on in the businesses of the Group. The success of the Groups owes much to his extensive involvement in its operations and management.

He is also a life corporate member of the Perak Chinese Chamber of Commerce and Industry.

He is the brother of Dato' Doh Jee Chai and Dato' Doh Tee Leong, whose are also the Directors and major shareholder of the Company.

DDJM is also a major shareholder of the Company and he holds 2,300,800 ordinary shares directly and 607,571,209 ordinary shares indirectly via his indirect interest in Doh Capital Sdn Bhd (formerly known as Doh Properties Holdings Sdn Bhd) through Setia Awan Plantation Sdn Bhd, and Lagenda Land Sdn Bhd, a major shareholder of the Company.

Save as disclosed herein, he does not have any family relationship with any director and/or major shareholder of the Company, nor any conflict of interest with the Company. He also does not hold any directorship in any other public or public listed company and has no convictions for any offences within the past 5 years (other than traffic offences, if any), nor any public sanction or penalty imposed by regulatory bodies during the financial year.

Dato' Doh Jee Chai

Non-Independent Non-Executive Director

Male • Malaysian • 48

Dato' Doh Jee Chai ("DDJC") was appointed to the Board as a Non-Independent Non-Executive Director on 11 February 2020.

DDJC obtained a Bachelor of Science in Econometric from the University of Bath, United Kingdom in 1997.

DDJC has vast experience and extensive knowledge in the oil palm plantation, property development, construction related business and provision of hotel & mall business. Currently, he is the Managing Director of Great Home Development Sdn Bhd which involved in property development business.

He is the brother of Dato' Doh Jee Ming and Dato' Doh Tee Leong, whose are also the Directors and major shareholder of the Company.

DDJC is also a major shareholder of the Company and he holds 607,571,209 ordinary shares indirectly via his indirect interest in Doh Capital Sdn Bhd (formerly known as Doh Properties Holdings Sdn Bhd) through Setia Awan Plantation Sdn Bhd, and Lagenda Land Sdn Bhd, a major shareholder of the Company.

Save as disclosed herein, he does not have any family relationship with any director and/or major shareholder of the Company, nor any conflict of interest with the Company. He also does not hold any directorship in any other public or public listed company and has no convictions for any offences within the past 5 years (other than traffic offences, if any), nor any public sanction or penalty imposed by regulatory bodies during the financial year.

Dr. Lim Pang Kiam

Independent Non-Executive Director

Male • Malaysian • 58

Dr. Lim Pang Kiam was appointed to the Board as an Independent Non-Executive Director on 1 March 2021. He was appointed as Chairman of the Audit and Risk Committee on 12 April 2021.

Dr Lim obtained a Bachelor of Science (Honours) in Housing, Building and Planning and a Master of Science in Planning from Universiti Sains Malaysia in 1988 and 1989 respectively. In 2020, he also obtained a doctor of philosophy in Business Administration from SEGi University, Kota Damansara.

He is a Certified Financial Planner, a title by the Financial Planning Association of Malaysia which he has held since 2002. He is also a Credit Risk Management specialist whereby he was awarded the designation as a Certified Risk Professional from the Bank Administration Institute for Certification in USA in 2003. He has been a member of the Council of the Asian Institute of Chartered Bankers (formerly known as Institute of Bankers Malaysia) since 1999. He is a fellow member of the Chartered Institute of Management Accountants ("CIMA") and the Institute of Corporate Director Malaysia ("ICDM"). He is also a member of the MIA, the Chartered Global Management Accountant ("CGMA") and the ASEAN Chartered Professional Accountants ("ASEAN CPA").

He has been in the banking industry for over 15 years holding various senior positions which include banking operation, commercial and corporate banking and investment banking. He left the industry in 2004 to become business owner and held several executive and non-executive directorships in public and private limited in Malaysia.

He currently sits on the Board of Inta Bina Group Berhad, Engtex Group Berhad and SDS Group Berhad and as an Independent Non-Executive Director.

He does not have any family relationship with any director and/or major shareholder of the Company nor any conflict of interest with the Company. He has no convictions for any offences within the past 5 years (other than traffic offences, if any), nor any public sanction or penalty imposed by regulatory bodies during the financial year.

He does not hold any shares in the Company.

Looi Sze Shing

Independent Non-Executive Director

Female • Malaysian • 44

Ms. Looi Sze Shing ("Ms. Looi") was appointed to the Board as an Independent Non-Executive Director on 28 June 2019. She is a member of the Audit and Risk Committee, and Chairperson of Nomination Committee and Remuneration Committee.

Ms. Looi is an Accountant by profession and graduated from Sunway University. She is a fellow member of the Association of Chartered Certified Accountants, member of Malaysia Institute of Accountants and ASEAN Chartered Professional Accountants.

She is currently the Finance Director of Mechmar Boilers Sdn Bhd. Prior to this, she was Audit Manager at H L Hong & Co. from 2003 till 2009.

She does not have any family relationship with any director and/or major shareholder of the Company, nor any conflict of interest with the Company. He also does not hold any directorship in any other public or public listed company and has no convictions for any offences within the past 5 years (other than traffic offences, if any), nor any public sanction or penalty imposed by regulatory bodies during the financial year.

She does not hold any shares in the Company.

Mohamad Ali Bin Ariffin

Independent Non-Executive Director

• Male • Malaysian • 47

Encik Mohamad Ali bin Ariffin ("En. Mohamad Ali") was appointed to the Board as an Independent Non-Executive Director on 28 June 2019. He is a member of the Audit and Risk Committee, Nomination Committee and Remuneration Committee.

He obtained a Degree in Urban and Regional Planning from University Teknologi Mara in year 2008.

En. Mohamad Ali was involved in the Rural & Town Planning of Manjung Municipal Council since year 1998. He was appointed as the Head of Rural & Town Planning Department from November 2012 to January 2019. During his tenure in the Manjung Municipal Council, he was responsible for the market survey, feasibility studies, scheduling, costing, research and planning jobs. He currently is business owner and held directorship in private limited companies and also actively involved in the operation of Koperasi Jalinan Manjung Berhad and Koperasi Keluarga Bersatu Manjung Perak Berhad, both being non-governmental organisations.

He does not have any family relationship with any director and/or major shareholder of the Company, nor any conflict of interest with the Company. He also does not hold any directorship in any other public or public listed company and has no convictions for any offences within the past 5 years (other than traffic offences, if any), nor any public sanction or penalty imposed by regulatory bodies during the financial year.

He does not hold any shares in the Company.

Profile of Key Senior Management

Lee Wei Jin

Chief Financial Officer

Male • Malaysian • 38

Mr Lee Wei Jin ("Mr Lee"), graduated from Multimedia University (Melacca) with a Degree in Accounting. He is a Chartered Accountant with the Malaysian Institute of Accountants. He started his career in 2006 as an Auditor in a medium-sized audit firm. During his tenure with the firm, he was given the opportunity to lead the audit for medium to large private companies as well as public listed companies from various industries which includes trading companies, food & beverages chain, and property development. He was also assigned for special assignments and corporate exercises of the clients during his tenure with the auditing firm.

Mr Lee then joined a property developer company in 2012 as an Assistant Finance Manager which is listed on the Main Market of Bursa Malaysia Securities Berhad. During that period, he was responsible for the overall finance and accounting matters of the group which includes development projects in Penang, Klang Valley and Singapore. In 2015, he was promoted to the position of Finance Manager and left the Company in 2018 and subsequently joined Blossom Eastland Sdn Bhd (a wholly subsidiary of Lagenda Properties Berhad) as the Head of Finance. Subsequently, he was promoted to Chief Financial Officer in September 2020.

Ngu Ung Ha

Senior Advisor, Finance & Investment

Male • Malaysian • 57

Mr Ngu Ung Ha joined the company on 1 June 2018 as the Chief Financial Officer of the Company. Subsequently, he was promoted to the position of Senior Advisor, Finance & Investment in September 2020. He is a Chartered Accountant with the Malaysian Institute of Accountants (MIA) since year 1995 and is also an Associate member of The Chartered Institute of Management Accountants.

Prior to joining Lagenda Group, he has more than 30 years experience in the accounting, finance, investment and banking. He is currently responsible for the investments and treasury functions of the Group.

Save as disclosed below, none of the senior management personnel has:

a) any directorship in public companies and listed issuers;
b) any family relationship with any directors and/or major shareholders of the Company;
c) any conflict of interest with the Company;
d) any conviction for offences (other than traffic offences) in the past 5 years; and
e) any public sanction or penalty imposed by any relevant regulatory bodies during the financial year.

Sustainability Statement

Due to the recent divestment of our poultry business in September 2020 and the COVID-19 pandemic, we understand that stakeholder concerns and priorities might have shifted. The Board of Directors ("the Board") recognises the importance of achieving the sustainable development and taking into consideration all factors that will affect the Group's business operations in order to create shareholders' value and safeguard the interest of all stakeholders in the long term.

This is the inaugural sustainability statement of the Group and outlines our approach to manage key risks and opportunities arising from business operations and communicates to our stakeholders on our Economic, Environmental and Social ("EES") performance and initiatives throughout the financial year ended 31 December 2020 ("FY2020").

The Company has conducted a materiality assessment to better understand the shift, address changes and retain the trust of key stakeholders. Further information on the materiality assessment can be found on page 23.

We have strengthened our management and monitoring approach of EES matters by establishing a three-tiered sustainability governance structure, which is illustrated and further elaborated on page 19.

SCOPE AND BOUNDARY (102-2, 102-3, 102-4, 102-46, 102-50)

We have fully advanced into the affordable housing sector in October 2020. This report covers the EES performance of the Group's headquarters in Seri Manjung, Perak and ongoing projects from 1st January 2020 to 31st December 2020.

Ongoing projects:

- Bandar Baru Setia Awan Perdana, Sitiawan, Perak
- Lagenda Teluk Intan, Teluk Intan, Perak
- Taman Bemban Indah, Batu Gajah, Perak
- Pengkalan Prisma, Batu Gajah, Perak
- Taman Bemban Permai, Perak
- Taman Mulia Phase 5, Sitiawan, Perak

Where possible, we will disclose two (2) years of quantitative data for comparability and to highlight any progresses made.

REPORTING FRAMEWORK

This report is prepared in accordance to Bursa Malaysia's Main Market Listing Requirements and Sustainability Reporting Guide (2nd Edition), and references the Global Reporting Initiative (GRI) Standards. We have also aligned our sustainability initiatives with the United Nations Sustainable Development Goals ("UN SDGs" and "SDGs").

SUSTAINABILITY STRATEGY

The vision and mission statement of Lagenda Properties reflect our commitment and drive towards incorporating sustainability throughout our operations, as we aim towards being included in the FTSE4Good rating. With a strong corporate governance framework, we focus on the material matters and take stakeholders concerns into account when developing a group-wide sustainability strategy.

Vision

Making home ownership affordable for all Malaysians; One Malaysia, One Home

Mission

1. To provide a quality lifestyle via self-sustainable townships
2. To be one of the largest and most reputable affordable home developer in Malaysia
3. To be a builder of homes that are economical and affordable to the masses
4. To be a long-term sustainable developer in Malaysia
5. Delivering quality and innovative properties. through cutting-edge construction techniques

Our Sustainability Principles

Operate in an economically feasible manner	Implement environmentally sound practices	Being socially conscious

Governance

Business Ethics	Regulatory Compliance

Economic	Environmental	Social
• Business ethics • Market presence • Supply Chain Management	• Water Management • Energy efficiency • Waste management	• Affordable Housing • Quality and Customer Satisfacetion • Occupational Health and Safety • Training and Development • Diversity and Inclusion • Community Engagement

ALIGNMENT WITH THE UN SDGS

As an emerging force in the property development sector, we are cognisant of our role in supporting the development agenda of the Eleventh Malaysia Plan 2016-2020, which is aligned with the UN SDGs. As such, we have streamlined our operations to contribute to six (6) SDGS which resonate with the Group's business direction.

1. No Poverty

- Creating employment opportunities
- Provision of paid parental leave

3. Good Health and Well-Being

- Provision of insurance for employees
- Provision of food supplies to communities impacted by COVID-19 in collaboration with various government agencies

8. Decent Work and Economic Growth

- Provide equal employment opportunities to all, regardless of gender and age
- Provide adequate training and benefits
- Developed a COVID-19 Taskforce Committee to safeguard the health of our employees

11. Sustainable Cities and Communities

- Construction of affrodable and inclusive housing areas

12. Responsible Consumption and Production

- Encourage responsible electricity usage in offices and invest in energy-efficient technology
- Installing rainwater harvesting systems at project sites
- Emply IBS for all projects and manage effluent discharge

16. Peace, Justice and Strong Institutions

- Implemented an Anti-Bribery & Anti-Corruption Policy, and a Code of Conduct and Ethics

SUSTAINABILITY LEADERSHIP (102-18, 102-19, 102-26, 102-29)

The integration of sustainability into the Group's decision-making and business processes is governed by a strong sustainability governance structure. The Board sits at the apex of this structure and is assisted by the Sustainability Steering Committee ("SSC") and the Sustainability Working Committee ("SWC").

The roles and responsibilities of the Board, SSC and SWC can be found in the table below.

Board of Directors	
	• To review and approve sustainability strategies, policies and initiatives. • Responsible for the overall oversight of sustainability across the Group.
Sustainability Steering Committee	
	• To review the reports of sustainability management activities of the departments. • To oversee the SWC for the Group's sustainability plans and progress.
Sustainability Working Committee	
	• To assist the SSC to prepare the disclosures for the Group's sustainability report. • To collect and monitor data to evaluate the Group's sustainability progress.

STAKEHOLDER ENGAGEMENT (102-40, 102-42, 102-43, 102-44)

Keeping abreast with stakeholder concerns and being aware of their interests is important for business longevity. As such, we strive to foster good relationships with key stakeholders to make better business decisions and manage their expectations. This is achieved through regular engagement sessions as showcased in the table below. In this reporting period, we have engaged two (2) more stakeholders i.e Fund Providers and Media as we believe that this will strengthen our commitment towards sustainability.

Stakeholder Group	Engagement Methods	Areas of Interest	Lagenda Properties' Response
SHAREHOLDERS / INVESTORS Why we engage: Shareholders/Investors play a major role in business development	• Corporate announcements • General meetings • Annual report • Media announcement • Company website • Project launches • Marketing and promotion	• Group's performance • Business strategy and ethics • Governance practice • Current and future project development • Share price performance • Company's prospects	• Profitable returns • Reinforce transparency • Financial sustainability • Continuous updates through quarterly results announcements and board meetings
EMPLOYEES Why we engage: Our workforce is a direct representation of the Group	• Online training programmes • Corporate activities (festive luncheon and sweet delights) • Team building exercises • Emails/Memos • Induction programme • Intranet communication	• Career development • Training competency • Safety at the workplace • Compensation and employee benefits • Work-life balance	• Manage work environment • Ensure employee benefits • Continuous engagement and motivation of employees • Results driven rewards to the employees.
REGULATORY BODIES Why we engage: Regulatory bodies ensure that professional standards are maintained	• Inspection by local authority • Meeting with regulatory bodies • Regulatory requirements and compliance reporting	• Regulatory compliance • Standards and certification • Government policies • Economic issues	• Comply with laws and regulations • Gather audit findings and reports from regulatory bodies • Engage with various authorities to discuss matters related to business operations and government policies and regulatory requirements
CUSTOMERS Why we engage: Customer support is vital for economic growth	• Corporate announcements • Company website • Media announcements • Project launches • Customer satisfaction survey • Customer events • Product brochures	• Product and service quality • Customer satisfaction Health, safety and environmental compliance • Product features and facilities • Pricing of products • Timely delivery	• Gather feedback through customer satisfaction surveys • Strengthen quality and management system • Customer community events (Hari Raya Haji, Merdeka Day)

STAKEHOLDER ENGAGEMENT (102-40, 102-42, 102-43, 102-44) (Cont'd)

Stakeholder Group	Engagement Methods	Areas of Interest	Lagenda Properties' Response
SUPPLIERS Why we engage: Supplier performance and input is critical to our business	• Suppliers registration • Contact through telephone and email • Periodic meetings and briefings • Project updates and meeting	• Transparent procurement practices • Timely pay-outs • Payment terms • Contract terms and conditions	• Promote transparent and fair pricing • Ensure timely pay-outs
LOCAL COMMUNITIES Why we engage: To have a positive impact on the local community	• Community engagement activities • CSR programme • Corporate announcements • Media announcements • Annual report • Company website • Festive season celebrations • Project launches	• Social issues • Environmental impacts • Safety and health • Employment opportunities	• Support social events • Organise charity events • Sponsorship • CSR programmes
FUND PROVIDERS Why we engage: Fund providers play a crucial role in economic stability	• General meetings • Corporate announcements • Media announcements • Annual reports • Company websites • Project launches • Marketing & Promotions	• Periodic reporting • Loan covenant compliance reporting	• Timely repayment • Constant communication
MEDIA Why we engage: To build community trust and provide transparency on our operations	• Corporate announcements • Media announcements • Annual reports • Company website • Project launches	• Impact of operations on surrounding environment and communities • Corporate governance	• Maintaining strong relationships • Update on accurate information

• Anually • Quarterly • Monthly • Weekly/ Periodically • As and when necessary

MATERIAL SUSTAINABILITY MATTERS (102-47)

Materiality Reassessment

A materiality assessment is vital to understand the importance of material sustainability matters to business operations and stakeholders. This enables the development and further enhancement of appropriate EES management plans. It is conducted when there are significant changes to our business operations or context.

In FY2018, Lagenda Properties identified 14 material matters. Due to the business transition, these were reviewed in FY2019, resulting in the removal of Animal Health and Welfare, and Food Safety as material matters; Four (4) material matters added – Business Performance, Supply Chain Management, Water Management and Affordable Housing; and consolidation of Diversity and Development, Employee Benefits and Protecting Labour Rights into one (1) material matter, Diversity and Inclusion. A total of 14 material matters were identified in FY2019.

For this reporting period, we have decided to maintain the material matters from FY2019 as they continue to be relevant to our current operations. However, in light of the business transition and COVID-19, we revisited the ranking of the material matters. This reassessment was conducted online using Google Forms and was distributed to internal and external stakeholders. Respondents were required to rank the importance of material matters to business operations and stakeholders. Due to time constraints, each respondent was required to respond on behalf of three (3) stakeholder groups to achieve a more all-rounded response that accurately represents areas of interest and concerns. Representation of a particular stakeholder group was determined based on our engagement with them and our understanding of that stakeholder group's interests.

The illustration below describes the step-by step process we undertook to establish the materiality matrix in FY2020.

Identification	Assessment	Mapping	Validation
A list of relevant material sustainability matters and key stakeholders were identified	An online materiality assessment was conducted to understand the priority of material matters to business operations and stakeholders	The results of the materiality assessment are mapped on a materiality matrix in order of priority to the business and stakeholders	The materiality matrix is validated by the Board and is reviewed annually

Materiality Matrix

Based on responses from the reassessment, a materiality matrix was generated where each material sustainability matter is plotted based on its priority to business operations and priority to stakeholders. The top right quadrant of the matrix indicates material matters of very high importance to both the Group and its stakeholders. In FY2020, the most important material matters were Affordable Housing, Quality and Customer Satisfaction, and Business Ethics.

Navigating This Report

Throughout this report, the following legends are used to illustrate connectivity between key sustainability elements:

Very high priority material sustainability matters

High priority material sustainability matters

Medium priority material sustainability matters

Each section (Governance, Economic, Environmental and Social) also indicates the SDGs and GRI indicators relevant to that section and the material matters it covers. The GRI content index can be found on page 38.

Mapping Our Material Sustainability Matters

To create a more holistic approach to sustainability reporting, it is important to understand our material sustainability matters in relation to the GRI Standards, UN SDGs and affected stakeholders. The table below illustrates the relationship between the aforementioned components.

Material Sustainability Matter	GRI Indicator	Stakeholder	UN SDG
GOVERNANCE			
Business Ethics	**102-16:** Ethics and Integrity **102-17:** Mechanisms for advice and concerns about ethics **205-1:** Operations assessed for risks related to corruption **205-2:** Communication and training about Anti-Corruption Policies and procedures	• Shareholders • Regulatory Bodies • Employees • Fund Providers	8 DECENT WORK AN ECONOMIC GROW 16 PEACE, JUSTICE AND STRONG INSTITUTIONS
Regulatory Compliance	**103-2:** Management approach **307-1:** Non-compliance with environmental laws and regulations **419-1:** Non-compliance with laws and regulations in the social and economic sector	• Regulatory Bodies • Employees • Shareholders • Fund Providers	8 DECENT WORK AN ECONOMIC GROW 16 PEACE, JUSTICE AND STRONG INSTITUTIONS
ECONOMIC			
Business Performance	**103-2:** Management approach **201-1:** Direct economic value generated and distributed	• Shareholders • Employees • Fund Providers • Media	8 DECENT WORK AN ECONOMIC GROW

Mapping Our Material Sustainability Matters (Cont'd)

Material Sustainability Matter	GRI Indicator	Stakeholder	UN SDG
ECONOMIC			
Market Presence	**103-2:** Management approach **202-2:** Proportion of senior management hired from the local community	• Shareholders • Employees • Fund Providers • Media	8 DECENT WORK AN ECONOMIC GROW
Supply Chain Management	**102-9:** Supply chain **103-2:** Management approach **204-1:** Proportion of spending on local suppliers **308-1:** New suppliers that were screened using environmental criteria **414-1:** New suppliers that were screened using social criteria	• Suppliers • Customers	8 DECENT WORK AN ECONOMIC GROW 12 RESPONSIBLE CONSUMPTION AND PRODUCTION
ENVIRONMENTAL			
Energy Efficiency	**103-2:** Management approach **302-1:** Energy consumption within the organisation **302-3:** Energy intensity	• Employees • Shareholders	12 RESPONSIBLE CONSUMPTION AND PRODUCTION
Waste Management	**103-2:** Management approach **303-2:** Management of water discharge-related impacts **306-2:** Management of significant waste-related impacts	• Shareholders • Regulatory Bodies • Communities • Employees	12 RESPONSIBLE CONSUMPTION AND PRODUCTION
Water Management	**103-2:** Management approach **303-5:** Water consumption	• Shareholders • Regulatory Bodies • Communities • Employees	12 RESPONSIBLE CONSUMPTION AND PRODUCTION
SOCIAL			
Affordable Housing	**103-2:** Management approach	Customers Communities Media	8 DECENT WORK AN ECONOMIC GROW 11 SUSTAINABLE CITIES AND COMMUNITIES 1 NO POVERTY

Mapping Our Material Sustainability Matters (Cont'd)

Material Sustainability Matter	GRI Indicator	Stakeholder	UN SDG
SOCIAL			
Quality and Customer Satisfaction	**102-43:** Approach to stakeholder engagement **103-2:** Management approach	• Customers • Employees	11 SUSTAINABLE CITIES AND COMMUNITIES
Occupational Health and Safety	**403-1:** Occupational health and safety management system **403-2:** Hazard identification, risk assessment and incident investigation (HIRARC) **403-4:** Worker participation, consultation and communication on occupational health and safety **403-5:** Worker training on occupational health and safety **403-9:** Work-related injuries	• Regulatory Bodies • Employees	8 DECENT WORK AN ECONOMIC GROW 3 GOOD HEALTH AND WELL-BEING
Diversity and Inclusion	**103-2:** Management approach **401-1:** New employee hires and employee turnover rate **401-2:** Benefits provided to full-time employees that are not provided to temporary or part-time employees **405-1:** Diversity of governance bodies and employees	• Employees	8 DECENT WORK AN ECONOMIC GROW
Training and Development	**103-2:** Management approach **404-1:** Average hours of training per year per employee **404-2:** Programmes for upgrading employee skills and transition assistance programmes	• Employees	8 DECENT WORK AN ECONOMIC GROW
Community Engagement	**103-2:** Management approach **413-1:** Operations with local community engagement, impact assessments and development programmes	• Communities • Employees	1 NO POVERTY 11 SUSTAINABLE CITIES AND COMMUNITIES 16 PEACE, JUSTICE AND STRONG INSTITUTIONS

OUR ROBUST GOVERNANCE PRACTICES

Conducting business in an ethical manner is important for us to achieve our business objectives while exhibiting transparent and honest behaviour to our stakeholders.

8 DECENT WORK AN ECONOMIC GROW

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

BUSINESS ETHICS (102-16, 102-17, 205-2)

Establishing and maintaining a robust governance is key to establishing trust between Lagenda and its shareholders. We adopted ethical policies in FY2020 that demonstrate the Group's commitment to responsible governance. Details of the policies adopted are summarised below:

Anti-Bribery & Anti-Corruption ("ABAC") Policies and Guidelines

- A comprehensive and standardised guideline to manage corruption risks, i.e., abuse of power, bribery, facilitation payments etc.
- Applicable to Directors, employees and external contractors.
- Adopted on November 2020.

Code of Conduct and Ethics (the "Code")

- Formal document on the Group's expectations of employee conduct in the workplace.
- Applicable to Directors, officers and employees.
- Revised on February 2020.

The Board plays an integral part in the implementation of the ABAC Policy and the Code. The role of the Board includes:

- Setting commitment towards the prohibition of bribery and corruption in all business conduct within the Group;
- Approves the ABAC Policy and Guidelines and the Code;
- Ensures the alignment of the ABAC Policy and Guidelines to the strategy of the Group;
- Maintains oversight on ABAC governance, to address the Group's bribery and corruption risks;
- Promotes appropriate ABAC culture within the Group.

To provide an avenue of reporting for concerned parties, our Whistleblowing Policy has a grievance mechanism. We ensure confidentiality for all reports made in good faith. The illustration below outlines the procedure we follow for handling whistleblowing cases.

Reporting
Writing to Chairman of Audit and Risk Committee (" ARC").

Screening
Assessment of evidence and inquiries with whistleblower.

Preliminary Action
Decision by the ARC on further actions for the case.

Investigation
Formal investigation process with final arbitration from BoD.

Outcome
All partners will be notified of outcome of investigation.

Policies are subject to periodic reviews to ensure they are updated. Any updates made to the policies will be communicated to all relevant stakeholders. The policies are available on the company website (https://lagendaproperties.com) for interested parties. We organised induction training for new hires in FY2020. It covered the Group's Terms of Employment, which includes the ABAC Policy and the Code.

REGULATORY COMPLIANCE (103-2, 307-1, 419-1)

From corporate governance to construction safety procedures, we strive to comply with all regulations relating to our operations to provide our customers and shareholders with a sense of security. Below are some of the key regulations that Lagenda complies with.

- Corporate Governance Guide
- Bursa Malaysia Main Market Listing Requirements
- Employment Social Security Act 1969
- Minimum Retirement Age Act 2012
- Town and Country Planning Act 1976
- Environment Quality Act 1974

We recorded one (1) case of environmental non-compliance and one (1) case of social non-compliance in this reporting period, for which we paid RM10,000 in fines. We have taken corrective measures to ensure such incidents do not repeat in the future.

OUR ECONOMIC TRACK RECORD

We are committed to creating quality jobs, driving sustainable development, opening doors to economic opportunity and running a profitable business.

BUSINESS PERFORMANCE (201-1)

FY2020 was a challenging year for Lagenda due to the COVID-19 pandemic and the Movement Control Order (MCO) bringing changes to the way we operate. However, the global pandemic did not significantly impact our financial performance as our main market focus is affordable housing for local clientele.

The Group's FY2020 financial highlights are illustrated below:

Economic Value Generated

Total Income and Revenue
RM 704.61 Million

Economic Value Distributed

Cost of Sales
RM420.63 Million

Tax Payments
RM 52.83 Million

Employee Salary
RM12.12 Million

Employee Benefits
RM12.12 Million

Economic Value Retained

Net Profits
RM151.69 Million

Full details of our financial performance can be viewed on page 77 to page 89 of this annual report.

MARKET PRESENCE (103-2, 202-2)

As a property developer with a focus on the local market, maintaining a viable market presence is important to maintain competitive advantage. We aim to stand out among our rivals by implementing measures to better understand local market demands. The Group has engaged with universities and government agencies to broaden our business presence amongst prospective graduates and authorities.

We seek local talent during the hiring process as they are more knowledgeable of local culture required to perform market research. By providing local candidates employment, we provide them an opportunity to improve their standard of living and socio-economic conditions.

Even at the top, Senior Management in FY2020 was 100% Malaysian.

SUPPLY CHAIN MANAGEMENT (103-2, 204-1)

We seek to integrate sustainability across our entire value chain, from construction supply procurement to client handover, while engaging stakeholders such as manufacturers, dealers and stockists. We achieve this by establishing standard operating procedures (SOPs) for evaluating and grading supplier performance. As of this reporting period, the supplier evaluation criteria only includes price, payment terms and availability of material goods. However, new marking schemes are currently being developed to further refine our efforts to encourage our suppliers to adopt sustainable practices.

All suppliers we engaged in FY2020 were local suppliers, providing many advantages to Lagenda, including lower procurement cost as well as greater control and flexibility over our supply chain.

OUR ENVIRONMENTAL STEWARDSHIP

The construction sector accounts for high energy consumption to run its operations. Our environmental drive aims to minimise the adverse impacts we create and is focused on three (3) aspects: energy, waste and water.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

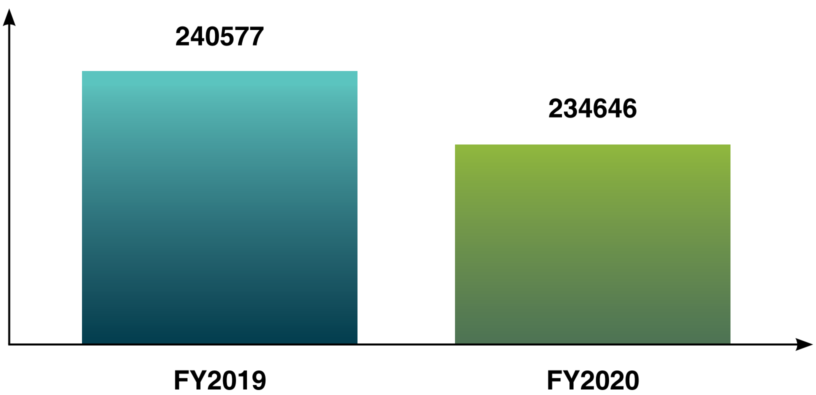
ENERGY EFFICIENCY (103-2, 302-1)

Electricity from the local power grid remains our predominant source of energy. We recognise the need to reduce the Group's electricity consumption as a measure to curb carbon emissions. We achieve this through two (2) approaches: encouraging best practices in the office and investing in energy efficient technology.

The Office Administration team periodically sends out reminders to our employees on the importance of smart electricity usage as well as ways to reduce energy consumption in the office. The Group's initiatives extend beyond our office headquarters. Our drive for energy efficiency has led us to incorporate green features and designs in our buildings. LED technology is more energy efficient and durable than conventional incandescent lighting. We have expanded the installation of LED lighting since FY2019 to include streetlights in FY2020.

Our drive for energy efficiency has led to a drop in the Group's electricity consumption by 2.5% in FY2020, as illustrated in the figure below.

Electricity Consumption (kWh)



WATER MANAGEMENT (103-2, 303-2)

Water has become a precious commodity for Lagenda to meet our growing demand. Although we are blessed with above average rainfall and are not situated in a water stressed location, we are cognisant of the importance of practising water management in our offices and project sites. We strive to minimise our impact on water bodies by reducing the quantity of water withdrawn for operational use and improving the quality of effluents discharged.

Lagenda's primary water source is potable surface water from the state-owned water treatment plant. Similar to electricity, the Office Administration team reminds employees about water saving measures in the office. Furthermore, we have included rainwater harvesting systems in all of our projects. The system serves two (2) purposes: reducing the amount withdrawn from conventional supply as well as reducing the risk of water shortage by diversifying our water sources.

In addition to water reduction initiatives, we ensure any water released from our construction sites do not contain effluents above the permissible limit set by regulatory bodies to prevent environmental contamination. Our sewage treatment plant is maintained to ensure we comply with the Department of Environment's water quality standard. The treatment plant is designed by external specialist and approved by Indah Water Konsortium. Independent consultants were also contracted to analyse our wastewater effluent according to the American Public Health Association (APHA) Standard for examination of water and wastewater 21st Ed. We recorded zero incidents of non-compliance in water quality parameters.

WASTE MANAGEMENT (103-2)

Population growth and rural to urban migration has led to an increase in construction projects for housing. Certain construction waste contains hazardous chemicals and large amounts of waste places a burden on landfills. To address this risk, we actively employ the Industrialised Building System (IBS) for all projects, where components are prefabricated off-site before being assembled in the construction site.

OUR CONTRIBUTION TO SOCIAL DEVELOPMENT

As a property developer, we place great emphasis on ensuring a safe workplace that is inclusive and fair to all employees. Our social commitment is to build townships to foster vibrant and sustainable communities

AFFORDABLE HOUSING (103-2)

Affordable housing has been our business vision since 2018. We prioritise housing and township development for middle to low-income Malaysians. Although our business operations were not significantly affected by COVID-19, the government-imposed lockdown and restrictions have led to economic slowdown and reduced spending by Malaysians. With the implementation of IBS, we are able to enact cost saving measures without compromising on the quality of our designs.

There are six (6) projects under development in FY2020 concentrated in the state of Perak, with future plans to expand our business presence to other states in Malaysia, such as Kedah.

QUALITY AND CUSTOMER SATISFACTION (103-2)

At Lagenda, we pride ourselves on the quality of our project delivery. As required by the Construction Industry Development Board (CIBD), we comply with the Quality Assessment System in Construction (QLASSIC) standards across our projects. The quality of workmanship is assessed through site inspections and benchmarking exercises against approved quality standards.

Customer feedback is important to gauge the quality of the Group's after sale services and identify areas for improvements. From the handover of house keys to the expiration of warranty period, we have implemented controls to allow customers to express opinions or complaints. A company representative will accompany the customers to perform a preliminary inspection of the house before any transaction. Photos will be attached for record and future reference.

If a customer encounters any problem during the first 24 months of occupancy, they may lodge a complaint by submitting a Defects Form to the vendor. The vendor will keep track of all complaints lodged and provide a quarterly report to Lagenda for further action to be taken as well as record-keeping purposes. In this reporting period, we recorded a total of 3071 complaints from our residents, of which 95 % were resolved with 30 days as specified in our sales and purchasing agreement.

OCCUPATIONAL HEALTH AND SAFETY (403-1, 403-3, 403-4, 403-5, 403-9)

Worker's health and safety is of utmost importance to Lagenda. Each site is governed by our Occupational Safety and Health (OSH) Policy, which aims to mitigate and minimise health and safety issues. Our OSH Committee is responsible for the management of workplace health and safety. The committee is headed by a Chairman and comprises of both employee as well as employer representatives. All project sites and work equipment are regularly inspected to ensure that safety procedures are adhered to. The committee also reviews the preparedness of emergency resources such as fire extinguishers and first aid supplies as a precautionary measure.

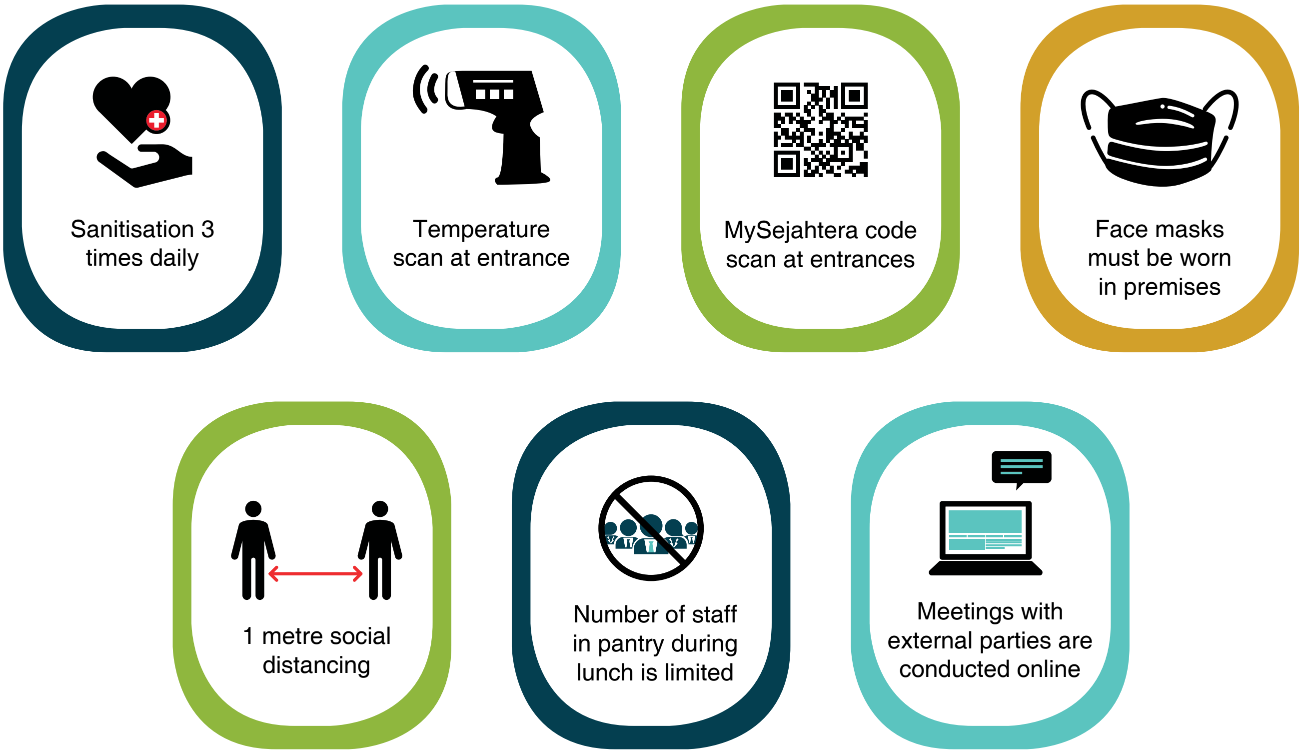
To ensure that best practices are met, the Board ensures that sufficient resources are allocated to the Health, Safety and Environment (HSE) Department by reviewing and approving the yearly budget. All our employees are fitted with adequate personal protective equipment (PPE) and are well versed in safety work measures. We also provide mandatory training and awareness programmes for our employees. In this reporting period, we conducted weekly toolbox meetings to reinforce the safety basics and to keep our workers updated on any new regulations or equipment/materials. Training were also organised for scaffolding and safety harness to instil the proper use and storage of tools to protect employees and others from injuries. As a result of our safety initiatives, out of a total of 14,976 work hours in FY2020, we recorded only two (2) work-related injuries.

COVID-19 Response

To safeguard the health of our employees, additional measures were taken in response to COVID-19. We established a COVID-19 Taskforce Committee comprising three (3) main segments, namely Advisor, Medical and Facilities, and Safety Champions. The Safety Champions were assigned to our headquarters, galleries and other premises. They serve as the focal point for employees to propose appropriate safety precautions and are responsible for ensuring that internal Standard Operating Procedures (SOPs) are adhered to.

OCCUPATIONAL HEALTH AND SAFETY (403-1, 403-3, 403-4, 403-5, 403-9) (Cont'd)

LAGENDA'S INTERNAL SOPS

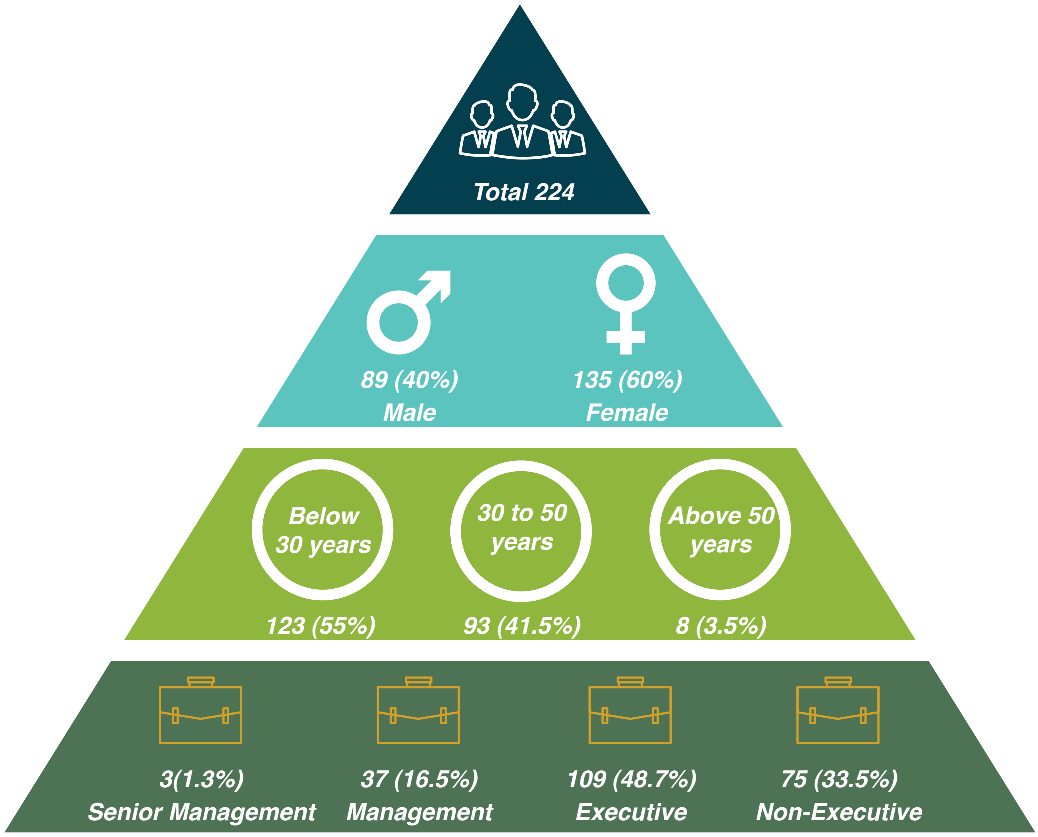


DIVERSITY AND INCLUSION (102-7, 102-8, 405-1, 401-1, 401-2)

We value workplace diversity as it opens us to different perspectives and cultures. Encouraging workplace diversity also allows our employees to feel accepted and included. In our hiring and career advancement process, we provide equal opportunities to all employees regardless of gender, age or race.

Our total staff strength in FY2020 was 224, of which 60% comprised female employees. The entire team is Malaysian and majority (55%) is below the age of 30. We value their propensity to learn and fresh perspective that this age group offers. However, we value all age groups within our team as our business benefits from the different levels of experience and industry know-how.

DIVERSITY AND INCLUSION (102-7, 102-8, 405-1, 401-1, 401-2) (Cont'd)



Employee Benefits

Providing employees with an impressive benefits scheme is key to employee satisfaction and retaining talent. As such, we ensure that our employee's professional and personal needs are met by providing attractive remuneration packages which includes benefits in the form of leave entitlement, allowances, medical provisions and statutory benefits. We are also aware that many of our employees may face challenges with regards to being a working parent while ensuring that their children are taken care off. To support our employees, we provide a kindergarten and child care services, including school holiday programmes, Islamic studies and enrichment classes, at a subsidised monthly fee. Further support was given to our employees through our initiative of providing fresh vegetables during the MCO period.

Leave Entitlement

- Annual leave
- Sick Leave
- Maternity/ Paternity Leave
- Compassionate leave
- Marriage Leave
- Training/ Seminar
- Time Off
- Unpaid Leave
- Hospitalisation

Allowance

- Replacement leave
- Overtime
- Transport
- Phone
- Outstation
- Meal
- Accommodation
- Car

Medical Benefits

- Outpatient
- Dental and annual check-ups
- GPA and GHS covergae

Statutory

- EPF
- SOCSO
- EIS

DIVERSITY AND INCLUSION (102-7, 102-8, 405-1, 401-1, 401-2) (Cont'd)

Lucky Draw Session

Fostering strong relationship among our employees is crucial towards boosting productivity and motivation. As such, we conduct regular engagement activities to build a team-centric environment. In this reporting period, we organised a lucky draw session where our employees stood the chance to win prizes such as phones and tablets. We also encouraged participation in our Lose to Win Challenge 3.0, which saw our employees working together to win the grand prize of RM5,000.

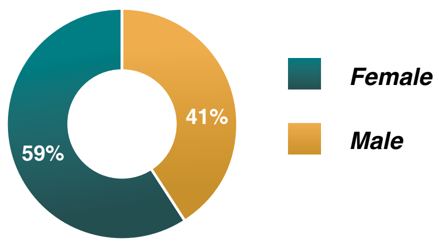
Lose to Win Challenge 3.0

DIVERSITY AND INCLUSION (102-7, 102-8, 405-1, 401-1, 401-2) (Cont'd)

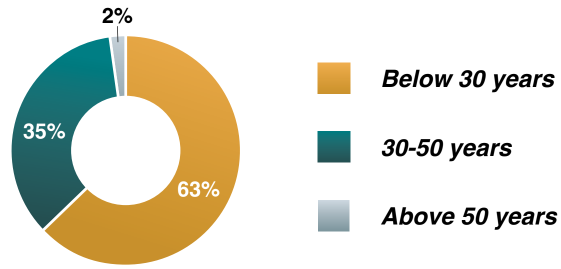
New Hires and Resignations

In FY2020, we hired 169 new staff and 59% were women. The majority of new hires were below the age of 30. However, majority employees who resigned were also female and below 30.

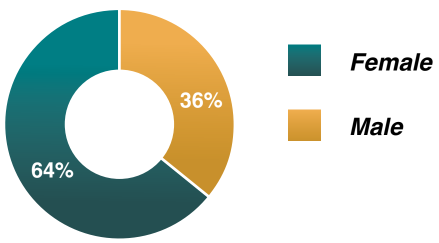
New Hires by Gender



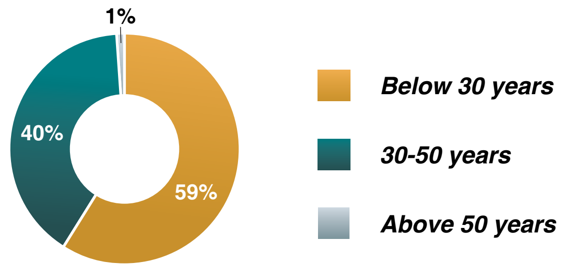
New Hires by Age Group



Employee Resignation by Gender



Employee Resignation by Age Group



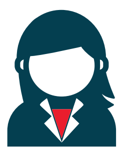
TRAINING AND DEVELOPMENT (404-1, 404-2)

Employees are the backbone of a business operation. We are cognisant of our role as a responsible employer to provide the necessary development opportunities to our employees. We believe that adequate training allows our employees to learn new competencies while strengthening existing ones, which in turn, increases productivity.

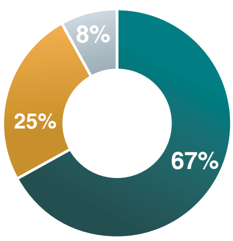
In FY2020, we recorded a total of 316 training hours, with an average of 2 hours per employee. The training provided was conducted by both internal and external organisers, and covered the areas of sales training, product knowledge, time management, Microsoft Excel training and HR training.

EMPLOYEE TRAINING HOURS

62%
196 Hours



38%
120 Hours



Management - 13 Hours
Executive - 105 Hours
Non-Executive - 40 Hours

COMMUNITY ENGAGEMENT (413-1)

In addition to contributing to the local economy, we are also committed to giving back to the community in our townships through corporate social responsibility (CSR) programmes. We recognise that creating a vibrant community requires active and ongoing engagement with local residents. Our main focus this year was to help communities affected by COVID-19 by providing food supplies, basic necessities and health essentials in collaboration with various government agencies. Moreover, we conducted various activities to foster and strengthen relationships within the community. In this reporting period, we contributed a total of RM643,000 in our efforts to support and promote societal development.

Providing food supplies, basic necessities and health essentials to communities and frontliners around the Manjung and Hilir Perak districts.

Contribution of cows to various mosques and fire stations in conjunction with Eid al-Adha festivities.

COMMUNITY ENGAGEMENT (413-1) (Cont'd)

Sponsoring back-to-school items such as bags and shoes to children around the Manjung District

Financial sponsorship of Manjung City Football Club – Kejohanan Liga M3

Organise community events at Bandar Baru Setia Awan Perdana in conjunction with Merdeka Day

CONCLUSION

The existing issues of low market sentiment have amplified within the local property market, mainly due to the lack of incentives and stimulus packages for the property industry, coupled with economic uncertainty and consumer lifestyle changes brought about by the COVID-19 crisis. However, we believe that the short and long-term effects of COVID-19 can be managed by holding true to our sustainability agenda as it strengthens business resilience. Moving forward, we aim to further embed sustainability into the core of our operations and embed transformational sustainability strategies into our business model.

GRI CONTENT INDEX (102-55)

GRI Disclosure	Description	Section	Page Number
GRI 102: General Disclosure	**Organisational Profile**		
	102-1: Name of the organisation	About this statement	16
	102-2: Activities, brands, products and services	Scope and boundary	16
	102-3: Location of headquarters	Scope and boundary	16
	102-4: Location of operations	Scope and boundary	16
	102-7: Scale of organisation	Diversity and Inclusion	32 - 35
	102-8: Information on employees and other workers	Diversity and Inclusion	32 - 35
	Ethics and Integrity		
	102-16: Values, principles, standards and norms of behaviour	Business Ethics	27
	102-17: Mechanisms for advice and concerns about ethics	Business Ethics	27
	Governance		
	102-18: Governance structure	Sustainability leadership	19
	102-19: Delegating authority	Sustainability leadership	19
	102-26: Role of highest governance body in setting purpose, values and strategy	Sustainability leadership	19
	102-29: Identifying and managing economic, environmental and social topics	Sustainability leadership	19
	Stakeholder Engagement		
	102-40: List of stakeholder groups	Stakeholder engagement	20 & 21
	102-42: Identifying and selecting stakeholders	Stakeholder engagement	20 & 21
	102-43: Approach to stakeholder engagement	Stakeholder engagement	20 & 21
	102-44: Key topics and concerns raised	Stakeholder engagement	20 & 21
	Reporting Practice		
	102-46: Defining report content and topic boundaries	Scope and boundary	16
	102-47: List of material matters	Material sustainability matters	22 - 26
	102-50: Reporting period	About this statement	16
GRI 103: Management approach	103-2: Management approach	Throughout the report	28 - 31
GRI 200: Economic	**Economic Performance**		
	201-1: Direct economic value generated and distributed	Business Performance	28
	Market Presence		
	202-2: Proportion of senior management hired from the local community	Market Presence	28
	Procurement Practices		
	204-1: Proportion of spending on local suppliers	Supply Chain Management	29
	Anti-Corruption		
	205-2: Communication and training about anti-corruption policies and procedures	Business Ethics	27

GRI CONTENT INDEX (102-55)

GRI Disclosure	Description	Section	Page Number
GRI 300: Environmental	**Energy**		
	302-1: Energy consumption within the organisation	Energy Efficiency	29
	Water and Effluents		
	303-2: Management of water discharge-related impacts	Water Management	30
	Environmental Compliance		
	307-1: Non-compliance with environmental laws and regulations	Regulatory Compliance	27
GRI 400: Social	**Employment**		
	401-1: New employee hires and employee turnover	Diversity and Inclusion	33 - 35
	401-2: Benefits provided to full time employees that are not provided to part time or temporary employees	Diversity and Inclusion	33 - 35
	Occupational Health and Safety		
	403-1: Occupational health and safety management system	Occupational Health and Safety	31 & 32
	403-3: Occupational health services	Occupational Health and Safety	31 & 32
	403-4: Worker participation, consultation and communication on occupational health and safety	Occupational Health and Safety	31 & 32
	403-5: Worker training on occupational health and safety	Occupational Health and Safety	31 & 32
	403-9: Work-related injuries	Occupational Health and Safety	31 & 32
	Training and Education		
	404-1: Average hours of training per year per employee	Training and Development	35
	404-2: Programmes for upgrading employee skills and transition assistance programmes	Training and Development	35
	Diversity and Equal Opportunity		
	405-1: Diversity of governance bodies and employees	Diversity and Inclusion	33 - 35
	Local Communities		
	413-1: Operations with local community engagement, impact assessments and development programs	Community Engagement	36 & 37
	Socioeconomic Compliance		
	419-1: Non-compliance with laws and regulations in the social and economic area	Regulatory Compliance	27

Corporate Governance Overview Statement

Year 2020 has been fraught with challenges. The COVID-19 pandemic has impacted all aspects of businesses and has changed the way businesses operate globally. The Board of Directors ("Board") of Lagenda Properties Berhad ("Lagenda" or "the Company") is committed to ensuring that good corporate governance is practiced throughout the Company and its subsidiaries ("the Group") as a fundamental part of discharging its responsibilities and for the purpose of safeguarding the interest of its shareholders and stakeholders, assets of the Group as well as to ensure sustainable long-term performance of the Group.

Following the introduction of the Malaysian Code on Corporate Governance ("Code") by the Securities Commission in 2017, the Board recognizes the growing level of expectation by regulators and stakeholders for increased corporate governance and, accordingly has taken necessary steps to ensure strong governance practices are adopted throughout the Group.

The ensuing paragraphs in this Corporate Governance Overview Statement ("Overview Statement") describe the extent of how the Group has applied and complied with the Principles and Practices of the Code for the financial year ended 31 December 2020 ("FY2020") and up to the date of this Overview Statement. This Overview Statement is made pursuant to paragraph 15.25(1) of Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities") with guidance drawn from Practice Note 9 of MMLR and the Corporate Governance Guide (3rd edition) issued by Bursa Securities.

The detailed application for each Practice as set out in the Code is disclosed in the Corporate Governance Report ("CG Report") which is available on the Company's website : www.lagendaproperties.com and through an announcement on the website of Bursa Securities. The CG Report is based on a prescribed format as outlined under paragraph 15.25(2) of the MMLR of Bursa Securities.

The Board is pleased to set out below the manner in which the Group has applied the three main principles in the Code known as Board Leadership and Effectiveness (Principal A), Effective Audit and Risk Management (Principal B) and Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders (Principal C) throughout the financial year ended 31 December 2020.

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS

I Board Roles and Responsibilities

The Board leads and controls the Group. The Board recognizes its roles and responsibilities in discharging the fiduciary and leadership functions including charting the strategic direction, establishing short, medium and long-term business goals and monitoring the achievement of these goals for the Group.

As a collective body, the Board assumes the overall responsibility for the Group by determining strategic direction, overseeing the proper conduct of the Group's business and financial performance, identifying principal risks and ensuring the implementation of systems to manage risks, succession planning, developing investor relations programme, reviewing the adequacy and integrity of the Group's internal control systems and management information systems.

The Group is led and controlled by an effective and experienced Board with the right mix of skills and balance to contribute to the achievement of the Group's objectives. The Directors collectively, with their different background and specialization, bring with them a diverse wealth of experience and expertise in areas such as business, finance, property development and construction, regulatory and operations which are relevant to the Group.

The Board plays an active role in reviewing and monitoring the Group's overall strategic and financial plans. The Board reviews and approves on a yearly basis the proposed business plan and budget of the Group as well as the capital expenditure at the Board Meetings.

The Board reviews the performance and results of the Group on a regular basis at its quarterly meetings by monitoring the Group's financial results against the budget and the preceding quarter's result. The Board members are updated on a regular basis on financial, operational, corporate, regulatory, business development and audit matters for the decisions to be made to effectively discharge the Board's responsibilities.

As part of the initiative to ensure effective discharge of its leadership role, specific powers are delegated by the Board to the Board Committees, the Group Managing Director and the Management as outlined in the Board Charter.

In order to assist in the oversight function with respect to specific responsibility areas, the Board has established four Board Committees, namely, Audit and Risk Management Committee ("ARC"), Nomination Committee ("NC"), Remuneration Committee ("RC") and Sustainability Steering Committee ("SSC"). The Board retains collective oversight over the Board Committees and notwithstanding the delegation of specific powers, the Board retains full responsibility for the direction and control of the Company and the Group. The ultimate responsibility for decision-making on all matters lies with the Board.

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

I Board Roles and Responsibilities (Cont'd)

Company Secretary

BOARD OF DIRECTORS Responsible for providing stewardship and oversight of the Group's performance			
ARC	NC	RC	SSC
Committee oversees the Group's financial reporting process, related party transactions and conflict of interest situations, internal and external audit as well as risk management matters.	Review candidates for Board appointment and re-appointment as well as conduct annual assessment of the Board, Board Committees and Directors.	Review and recommend the remuneration packages for individual Directors and Senior Management.	Review the reports of sustainability management activities of the departments and oversee the Sustainability Working Committee for the Group's sustainability plans and progress.

Internal Audit Function

Directors' Responsibilities in relation to the Financial Statements

The Board aims to provide and present a clear, balanced and comprehensive assessment of the Group's financial performance and prospects, primarily through the annual and quarterly financial statements to Shareholders as well as the Management Discussion and Analysis in this Annual Report. The Board is assisted by the ARC to oversee the Group's financial reporting processes, ensures its compliance with applicable financial reporting standards and regulatory requirements as well as the quality of its financial reporting. The financial statements are reviewed by the Audit and Risk Committee prior to recommending them to the Board for relevant announcement and issuance to shareholders. The Board ensures the integrity of the Group's financial reporting and fully recognizes that accountability in financial disclosure forms an integral part of good corporate governance practices.

The Directors have ensured that the financial statements of the Group and of the Company are drawn up in accordance with the requirements of the applicable approved accounting standards for entities other than private entities issued by the Malaysian Accounting Standards Board and the provisions of the Companies Act 2016. In preparing the financial statements, the Directors have selected and applied consistently suitable accounting policies and made reasonable and prudent judgement and estimates.

Separation of Position of Chairman and Group Managing Director

The Board has always made the distinction that the position of the Chairman and Group Managing Director ("GMD") does not reside with the same person to ensure organizational check and balance for better governance. There is a clear and separate division of responsibility in the roles and duties of the Chairman and GMD.

The Chairman provides leadership and governance on the Board. He also creates a conducive environment geared towards building and growing Directors' oversight and effectiveness and ensure that appropriate issues are discussed by the Board accordingly.

The Chairman's responsibilities encompass the following:

- Leading the Board in its responsibilities for the business affairs of the Group and its oversight of Management.
- Overseeing the Board in the effective discharge of duties and responsibilities and ensuring adequacy and integrity of the governance process.
- The efficient organization and conduct of the Board's functions and meetings and setting of the Board meeting agenda.
- Facilitating the effective contribution from all Directors as well as promotion of constructive and respectful relations amongst Board members and between Board and Management.

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

I Board Roles and Responsibilities (Cont'd)

Separation of Position of Chairman and Group Managing Director (Cont'd)

The Chairman also ensures that no member dominates discussion and Board discussions are conducted in a manner that all views are taken into account before a decision is made.

The GMD leads Management and is responsible for the day-to-day business and operational management of the Group. The GMD has overall responsibilities over the daily conduct of operating units, human resource management, financial management and business affairs as well as organizational effectiveness and implementation of Board policies and strategies. The GMD is also responsible for the development of corporate goals and objectives and the setting of strategies to achieve them. The GMD ensures that the Group's corporate identity, products and services are of high standard and reflective of market environment as well as to ensure that business practices are in compliance with governmental regulations.

Company Secretaries

The Company is supported by 2 qualified named Company Secretaries who possess the requisite qualification and are qualified to act as Company Secretaries under section 235(2) of the Companies Act 2016. They play a supportive role by ensuring adherence to the Company's Constitution and compliance with the relevant regulatory requirements, codes or guidance and legislations from time to time. The Company Secretaries monitor corporate governance developments and assist the Board in applying governance practices to meet the Board's needs and stakeholders' expectations.

The Company Secretary is present at meetings to record deliberations, issues discussed and conclusions in discharging her duties and responsibilities and also provide a central source of guidance and advice to the Board and assist in determining board agenda, formulating governance, coordinates board assessment process and other board-related matters.

The Company Secretaries ensures that all Board meetings are properly convened, and that accurate and proper records of the proceedings and resolutions passed are recorded and maintained in the statutory register of the Company. Other roles of the Company Secretaries included coordinating the preparation of Board papers with Management, ensure Board procedures and applicable rules are observed as well as provide timely dissemination of information relevant to the Directors' roles and functions and keeping them updated on evolving regulatory requirements.

Access to Information and Advice

The Board meets on a quarterly basis, with additional meetings convened as and when necessary. The notices of Board and Board Committee meetings are sent out to the Directors via email at least 7 days prior to the meetings. The Board papers are circulated on a timely basis, at least 3 days in advance of the meetings to enable the members to have sufficient time to review the papers prepared. The Board papers are comprehensive and encompass both quantitative and qualitative factors so that informed decisions can be made.

All proceedings from the Board and Board Committee meetings are recorded and confirmed by the Chairman or Chairperson of the meetings. The minutes of Board and Board Committee meetings are circulated to all Directors for their perusal prior to confirmation of the minutes to be done at the commencement of the following Board and Board Committee meetings.

Meeting papers on issues or corporate proposals which are deemed confidential and sensitive would only be presented to the Directors during the meeting itself. Verbal explanations and briefings are also provided by the Group Managing Director, Management and external consultants to enhance understanding of matters in relation to the Group's business and operations.

All Directors have access to the advice and service of the Company Secretaries. The Board of Directors, whether as a full board or in their individual capacity, may upon approval of the Board of Directors, seek independent professional advice if required, in furtherance of their duties, at the Group's expense.

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

I Board Roles and Responsibilities (Cont'd)

Board Charter

The Board has adopted a Board Charter that provides reference for Directors in relation to the Board's role, powers, duties and functions. The Board will review the Board Charter from time to time to ensure its compliance with relevant rules and regulations and to enhance governance practices on the Board in line with recommendations from the Code and the MMLR. The Board Charter is made available on the Company's website at www.lagendaproperties.com.

Code of Conduct and Ethics

The Group's Handbook for Employees ("Handbook") continues to govern the standard of ethics and good conduct expected of Directors and employees. In addition, the Company has also formalized a Code of Conduct and Ethics for the Group. The objective of the Code of Conduct and Ethics is to set out the ethical standards to all Directors and employees in their dealings with fellow colleagues, customers, shareholders, suppliers, competitors, the wider community and the environment. Every employee must display and behave in a manner which is consistent with the Group's philosophy and core values.

Through the Code of Conduct and Ethics and also the Handbook, the Board sets the tone for proper ethical behavior expected of the Board members and the employees. The Board will periodically review the Code of Conduct and Ethics to ensure it remains relevant and appropriate. Details of the Code of Conduct and Ethics are available for reference at the Company's website at www.lagendaproperties.com.

Whistleblowing Policy

The Board has adopted a new Whistleblowing Policy on 16 November 2020 to facilitate the stakeholders of the Group to report genuine concerns about alleged unethical behavior, illegal acts, suspected fraud within the Group or improper business conduct affecting the Group. All cases will be independently investigated and appropriate actions taken where required.

All malpractices or wrongdoings reported by the whistleblower are to be directed to the Chairperson of Audit and Risk Committee of the Company. The Whistleblowing Policy is published on the Company's website at www.lagendaproperties.com.

Anti-Bribery and Anti-Corruption Policy

The Board has adopted an Anti-Bribery and Corruption Policy on 16 November 2020 whereby it outlines the Board's commitment to conduct business to the highest ethical standards as well as act professionally, fairly and with integrity at all times. The Group strictly does not tolerate any bribes given for purposes of obtaining or retaining business for the Group or provides an advantage to the business of Lagenda Group. The Group does not tolerate any such acts of bribery even in a personal capacity. Employees who refuse to pay or receive bribes or participate in acts of corruption will not be penalized even if such refusal may result in the Group losing its business or not meeting the targets.

A copy of the Anti-Bribery and Anti-Corruption Policy is also available on the Company's website at www.lagendaproperties.com. These policies will be reviewed from time to time to ensure its relevance.

Time Commitment, Board Meetings and Directors' Training

During the FY2020, five (5) Board meetings were held where the Board deliberated upon and considered a variety of matters including the Group's quarterly operations and financial results, major investments and strategic decisions, business plan and any other strategic issues that may affect the Group's businesses. In the intervals between Board meetings, approvals are obtained via circular resolutions for exceptional matters requiring urgent Board decision-making which are then supported with information necessary for informed decision-making.

In order to ensure all the Directors are able to attend the Board and Board Committees meetings, Board and Board Committees meetings are scheduled ahead to enable the Directors to plan and adjust their schedule to ensure good attendance and the expected degree of attention to the Board meeting agenda. The Board is also mindful of the importance of devoting sufficient time and effort to carry out their responsibilities and enhance their professional skills.

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

I Board Roles and Responsibilities (Cont'd)

The listing of the Board members and their attendance at Board meetings held during the financial year under review are as tabulated below:

No.	Name of Directors	Position	No. of Meeting Attended
1.	Dato' Doh Tee Leong	Non-Independent Non-Executive Chairman	5/5
2.	Dato' Doh Jee Ming	Group Managing Director	5/5
3.	Dr. Lim Pang Kiam*	Independent Non-Executive Director	-
4.	Ms. Looi Sze Shing	Independent Non-Executive Director	5/5
5.	En. Mohamad Ali bin Ariffin	Independent Non-Executive Director	5/5
6.	Dato' Doh Jee Chai	Non-Independent Non-Executive Director	5/5

Note:
**Appointed as Director on 1 March 2021*

The Board is satisfied with the time commitment given by the Directors given full attendance by all Directors at all meetings convened. All the Directors do not hold more than 5 directorships as required under paragraph 15.06 of the MMLR of Bursa Securities.

Management personnel and external consultants are also invited to attend the Board meetings as and when required in order to present and advise the members with information and clarification on certain meeting agenda item(s) to facilitate informed decision-making.

The Board is cognizant of the need to ensure that its members undergo continuous trainings to enhance their knowledge, expertise and professionalism in discharging their duties. As at the date of this Overview Statement, all the Directors have attended and successfully completed the Mandatory Accreditation Programme ("MAP").

The Directors will continue to attend various seminars and training programmes necessary to enhance and keep abreast with relevant changes, development and updates affecting industry that the Group operates in as well as regulatory requirements. The Directors are updated by the Company Secretaries on any changes to new statutory, corporate and regulatory developments relating to Directors' duties and responsibilities or the discharge of their duties as Directors of the Company.

The trainings attended by the Directors during the financial year under review are as follows:

Directors	Seminars / Workshops / Courses	Date
Dato' Doh Tee Leong	Workshop Training on Corporate Liability Provision MACC New Section 17A	16 Nov 2020
Dato' Doh Jee Ming	Workshop Training on Corporate Liability Provision MACC New Section 17A	16 Nov 2020
Dato' Doh Jee Chai	Mandatory Accreditation Programme for Directors of Public Listed Companies	20-22 July 2020
	Grow Investing (Level 1)	26-27 Sept 2020
	Workshop Training on Corporate Liability Provision MACC New Section 17A	16 Nov 2020

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

I Board Roles and Responsibilities (Cont'd)

Directors	Seminars / Workshops / Courses	Date
Looi Sze Shing	Financial Forecasting, Budgeting & What-If Analysis E- Learning Programme	13-14 Oct 2020
	Workshop Training on Corporate Liability Provision MACC New Section 17A	16 Nov 2020
	Laying Out A Financial Model	4 Dec 2020
Mohamad Ali bin Ariffin	Workshop Training on Corporate Liability Provision MACC New Section 17A	16 Nov 2020
Dr. Lim Pang Kiam	Power X: Building The Mindset of Tomorrow	23 March 2021
	Accelerated Digital Transformation of Legacy Companies	25 March 2021
	KPMG Tax Webinar: Navigating ways through tax audit and investigation - Good practices when dealing with the Inland Revenue Board	29 March 2021

The Board had, through the Nomination Committee, undertaken an assessment of the training needs of the Directors and concluded that the Directors are to determine their training needs as they are in the better position to assess their areas of concern. Nonetheless, the Directors are recommended for training to enhance financial literary and keep up with changes to financial reporting environment as well as understanding the impact of the changes arising from implementation of any other related laws.

The Company also facilitates the organization of training programs for Directors and maintain a record of the trainings attended by the Directors.

II. Board Composition

The Board endeavours to ensure that its composition reflects the requisite boardroom ingredients in terms of skill sets, experience and diversity.

As at the date of this Overview Statement, the Board has 6 members, comprising 3 Independent Non-Executive Directors, 2 Non-Independent Non-Executive Directors and 1 Executive Director. The Chairman of the Board is a Non-Independent Non-Executive Director. The current composition of the Board is in compliance with Paragraph 15.02 of the MMLR of Bursa Securities and the Board has also applied/adopted Practice 4.1 of the Code that at least half of the Board comprises independent directors. Brief profile of each Board member is presented in this Annual Report under Profile of Directors.

With its diversity of qualifications and skills, and the governance structure of the Board and its Board Committees, the Board has been able to provide clear and effective collective leadership to the Group and has delivered informed and independent judgment to the Group's strategy and performance to ensure that the highest standards of conduct and integrity are always at the core of the Group's undertakings.

The Independent Non-Executive Directors ("INEDs") do not participate in daily management of the Group. During meetings, the INEDs participate fully during deliberations and fulfill crucial role in corporate accountability by providing independent, impartial, unbiased and objective views, opinions, advice and judgement in the evaluation of various issues on strategies, performance and resources.

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

II. Board Composition (Cont'd)

Board Committees

The Board is supported by relevant Board Committees, i.e. ARC, NC, RC and SSC. These Committees play a significant part in reviewing matters within their defined roles, and facilitating the Board's discharge of its duties and responsibilities. Each of these Committees have specific terms of reference ("TOR"), scope and specific authorities to review matters tabled before the Committees prior to decisions by the Board as a whole.

The TOR for the Board Committees will be reviewed as and when necessary to enhance governance practices in line with the Code and the MMLR.

Nomination Committee

The Nomination Committee, comprises solely of Non-Executive Directors with its present composition as follows:

Chairperson
Ms. Looi Sze Shing

Members
En. Mohamad Ali bin Ariffin
Dato' Doh Tee Leong

The NC would meet at least once (1) annually with additional meetings convened as and when the need arises. The NC chose to meet post financial year to evaluate the performance of Directors for the immediate past financial year.

The NC operates within defined TOR that has been drawn up in accordance with the best practices prescribed by the Code. The details of the terms of reference of NC are available for reference at the Company's website at www.lagendaproperties.com.

Having regard to the operations of the Group and composition of the Board, the Board has dispensed with the formality of appointing a senior INED from amongst the Board Members. Any concerns from the shareholders can be conveyed to any of the INED of the Board.

During the year under review, key activities undertaken by the NC are summarized as follows :

(a) assessed the effectiveness of the Board as a whole, the Board Committees and the contribution of each individual Director;

(b) reviewed the mix of skills, experience, boardroom diversity and other qualities, including core competence of the members of the Board;

(c) assessed and reviewed the independence of Independent Directors;

(d) assessed the training needs of the Directors and collated training information from all Directors;

(e) reviewed the size and composition of the Board and Board Committees;

(f) considered the nomination of new membership of the Board;

(g) discussed the character, experience, integrity and competence of the Directors, chief executive or chief financial officer and to ensure they have the time to discharge their respective roles; and

(h) nominating the Directors who are due for retirement and are eligible to stand for re-election or re-appointment at AGM.

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

II. Board Composition (Cont'd)

Board Appointment

The Nomination Committee has leveraged on the Directors' wide network of professional and business contacts in their search for new directors. The NC also utilizes a variety of approaches and independent sources to identify suitably qualified candidate(s) for consideration as a Director and will ensure that the procedures for evaluating and selecting new Director are transparent and formal with the appointment made on merit basis. The NC will then recommend the candidates to be approved and appointed by the Board. The Company Secretaries will ensure that all appointments are properly effected with the necessary legal and regulatory obligations duly met.

The appointment process of a new Director is summarised as follows:

(a) The candidate identified upon the recommendations from the Directors and Management or their contacts in the related industries, finance accounting, legal professions and/or major shareholders;

(b) In evaluating the suitability of candidates to the Board, the NC considers, inter-alia, the required mix of skills, expertise, experience, time commitment and contribution of the candidates can bring to the Board. In the case of candidates proposed for appointment as INEDs, the candidate's independency will be considered;

(c) Recommendation to be made by NC to the Board. This also includes recommendation for appointment as a member of the various Board Committees, where necessary; and

(d) Decision to be made by the Board on the proposed new appointment including appointment to the various Board Committees.

Clause 95 of the Company's Constitution provides that 1/3 of the directors for the time being shall retire from office by rotation every year. Clause 102 of the Company's Constitution further provides that any newly appointed director shall hold office only until the next following AGM of the Company and shall be eligible for re-election but shall not be taken into account in determining the retirement of directors by rotation at such meeting. A retiring Director is eligible for re-appointment. This provides an opportunity for shareholders to renew their mandates. The re-election of each Director is voted on separately. The director who is subject to re-election or re-appointment at next AGM is assessed by the NC before recommendation is made to the Board and shareholders for re-election or re-appointment. Appropriate assessment and recommendation by the NC is based on the annual assessment conducted.

The following Directors are up for retirement at the forthcoming AGM of the Company and have offered themselves for re-election or re-appointment at the said AGM:

(i)	Dato' Doh Jee Ming	Retiring pursuant to Clause 95
(ii)	Mohamad Ali bin Ariffin	Retiring pursuant to Clause 95
(iii)	Dr. Lim Pang Kiam	Retiring pursuant to Clause 102

Gender Diversity Policy

Whilst acknowledging the recommendation of the Code on gender diversity, the Board is of the collective opinion that there is no necessity to adopt a formal gender diversity policy as the Group is committed to provide fair and equal opportunities and nurturing diversity within the Group. There is currently one female Director on the Board, in line with the gender diversity recommended by the Code.

The Board adheres to the practice of non-discrimination of any form, whether based on age, race, religion or gender, throughout the Group. The Company believes in, and provides equal opportunity to candidates with merit.

The Board is of the view that the suitability of a candidate for the Board is dependent on the candidate's qualifications, competencies, professionalism, skills, experience, expertise, character, time commitment, integrity and other qualities in meeting the needs of the Company, regardless of gender, ethnicity and age.

Nevertheless, the NC and the Board will consider gender diversity as part of its future selection process and will endeavor to look into increasing female board representation going forward as and when the need arises.

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

II. Board Composition (Cont'd)

Board Evaluation and Assessment

The Board, through the NC conducted the annual assessment on the effectiveness of the Board, Board Committees and individual Directors of the Company internally by way of a set of self-assessment questionnaires.

The evaluation process is carried out by the NC and guided by the Corporate Governance Guide - Towards Boardroom Excellence. The individual Directors and Committee members are required to complete the separate evaluation questionnaires regarding the processes of the Board and its Committees, their effectiveness and where improvements could be considered.

The Board Committees carried out their evaluation with the view to maximize the performance of the individual committees in the interest of the Company. The evaluation process also involved a peer and self-review assessment, where Directors will assess their own performance and that of their fellow Directors. All assessments and evaluations carried out by the NC in the discharge of all its functions are documented. The assessment and comments are summarized and discussed at NC meeting before it is presented to the Board.

Tenure of Independent Directors

The Board is mindful of the recommendation of the Code for the tenure of an INED not to exceed a cumulative or consecutive term of 9 years. However, an INED who had exceeded the prescribed 9 years may continue to serve in the Board subject to re-designation as Non-INED. The assessment of the independence of each of its INED is undertaken by the NC annually according to set criteria as prescribed by the MMLR. As at to-date, none of the INEDs have served on the Board for a cumulative or consecutive term of 9 years.

As for the term limit for INED, the Board has adopted Practice 4.2 of the Code to seek shareholders' approval in the event the Board desires to retain as an INED, a person who has served in that capacity for more than 9 years. If the Board continues to retain the INED after the 12th year, the Board will justify their decision and seek shareholders' approval annually through a 2-tier voting process.

III. Remuneration

The Remuneration Committee which was established by the Board comprises mainly of INEDs and its composition is as follows:

Chairperson
Ms. Looi Sze Shing

Members
En. Mohamad Ali bin Ariffin
Dato' Doh Jee Ming

The RC held 1 meeting during the financial year to carry out its function and duties within its terms of reference. The RC also passed circular resolutions for exceptional matters requiring urgent decision-making which were then supported with information necessary for informed decision-making. The details of the TOR of RC are available for reference at the Company's website at www.lagendaproperties.com.

The primary function of the RC is to set up and review the policy and procedures of remuneration framework and recommend to the Board the remuneration packages of all the Directors and Senior Management according to the Group's financial performance, the skills, level of responsibilities, experience and performance of the Directors and Senior Management.

The RC reviews the remuneration of the Board and Senior Management from time to time with a view to ensuring the Company offers fair compensation and is able to attract and retain talent who can add value to the Company. Fees paid to Non-Executive Directors are tabled at the Company's AGM for approval. Individual Director is not allowed to participate in discussion of his/her own remuneration.

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

III. Remuneration (Cont'd)

Details of the aggregate remuneration of the Directors of the Company (comprising remuneration received and/or receivable from the Company and its subsidiaries) during FYE 2020 are categorized as follows:

Company

	Salaries (RM)	Fees (RM)	Other Emoluments (RM)	Allowance (RM)	Total (RM)
Non-Executive Directors					
Dato' Doh Tee Leong	-	30,000	-	6,000	36,000
Dato' Doh Jee Chai	-	27,500	-	2,000	29,500
Looi Sze Shing	-	30,000	-	6,000	36,000
Mohamad Ali bin Ariffin	-	30,000	-	6,000	36,000
Executive Director					
Dato' Doh Jee Ming	240,000	-	180,308	3,500	423,808
Total	**240,000**	**117,500**	**180,308**	**23,500**	**561,308**

Group

	Salaries (RM)	Fees (RM)	Other Emoluments (RM)	Allowance (RM)	Total (RM)
Non-Executive Directors					
Dato' Doh Tee Leong*	140,000	30,000	25,739	6,000	201,739
Dato' Doh Jee Chai*	120,000	27,500	22,062	2,000	173,062
Looi Sze Shing	-	30,000	-	6,000	36,000
Mohamad Ali bin Ariffin	-	30,000	-	6,000	36,000
Executive Director					
Dato' Doh Jee Ming	1,380,000	-	750,923	3,500	2,132,923
Total	**1,640,000**	**117,500**	**798,724**	**23,500**	**2,579,724**

Notes:
* *Both of them are Directors of the subsidiaries prior to the proposed acquisitions and subsequently resigned as Directors on 1 September 2020. The disclosure of salaries and other emoluments are for the period from 1 January 2020 to 31 August 2020.*

Given the confidential and commercial sensitivities associated with remuneration matters and the highly competitive human resource environment and the importance of ensuring stability and continuity of business operations with a competent and experienced Management team in place, the Board takes the view that there is no necessity for the Group to disclose the remuneration of the Company's Senior Management personnel who are not Directors.

The Board is aware of the need for transparency in the disclosure of its Senior Management remuneration. Nonetheless, it is of the view that such disclosure could be detrimental to its business interests given the highly competitive human resource environment in which the Group operates where intense headhunting for personnel with the right expertise, knowledge and relevant working experience is the norm. As such, disclosure of specific remuneration information could give rise to recruitment and talent retention issues going forward.

The Board ensures that the remuneration of the Senior Management personnel commensurate with the level of responsibilities, with due consideration in attracting, retaining and motivating Senior Management to lead and run the Company successfully.

PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT

I Audit and Risk Committee

The ARC of the Company currently comprises 3 Independent Non-Executive Directors. The ARC is chaired by an Independent Non-Executive Director, Dr. Lim Pang Kiam with appropriate professional qualifications including accounting and related financial management expertise. The ARC oversees the integrity of the financial statements, compliance with relevant accounting standards and the Group's risk management and internal controls.

The Company has complied with Practice 8.1 of the Code which stipulates that the Chairman of the ARC is not the Chairman of the Board and Practice 8.4 which stipulates that the ARC should comprise solely of Independent Directors. The ARC has a policy that requires a former key audit partner to observe a cooling-off period of at least 2 years before being appointed as a member of the ARC and such practice was formalized and incorporated in the TOR of the ARC.

Compliance with applicable financial reporting standards

The Directors aim to present a fair assessment of the Group's financial performance, position and prospects primarily through the quarterly reports to Bursa Securities as well as the Annual Report to shareholders.

The Board aims to ensure that it fulfills its responsibility in the area of financial reporting by appointing suitably qualified Chief Financial Officer ("CFO") to oversee the financial reporting function. The Board is also assisted by the ARC to oversee the Group's financial reporting process and the quality of its financial reporting. Towards this end, the ARC meets to discuss and review the quarterly results and the year-end financial statements together with the CFO and the external auditors where applicable before the financial reports are recommended to the Board for approval and public release.

Suitability, objectivity and independence of external auditors

The external auditors fulfill an essential role in giving assurance to the shareholders and other parties of the reliability of the financial statements of the Company. The Company has always maintained a formal and transparent relationship with the external auditors in ensuring the Company's compliance with applicable approved accounting standards and statutory requirements.

The ARC is responsible for recommending the appointment or re-appointment of external auditors. In assessing the suitability of external auditors, the ARC will ensure that only firms which have experience in the audit of listed companies and are registered with the Audit Oversight Board will be considered.

The ARC recognizes that the regular provision of non-audit services by the external auditors may lead to impairment of the external auditors' independence and objectivity. The external auditors are therefore not normally engaged for non-audit related services. However, the external auditors may be engaged for services related to corporate exercises carried out by the Group from time to time, which are not regular in nature, for which the engagement of the external auditors may be deemed to be more effective for the Group. The external auditors have affirmed that members of their engagement team and the firm have complied with the relevant ethical requirements regarding independence in the conduct of their audit engagement.

An annual assessment on Moore Stephens Associates PLT ("MS") was conducted on 12 April 2021 in accordance with the criteria set out in the evaluation process. The ARC was satisfied with the performance of MS and has recommended to the Board to put forth the proposal for re-appointment of MS as External Auditors of the Company for FY2021 to the shareholders for approval at the upcoming 20th Annual General Meeting. Assurance from the External Auditors has been received by the Board confirming that they are and have been independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements for the year under review.

II Risk Management and Internal Control Framework

The Board has ultimate responsibility for reviewing the Group's risks, approving the risk management framework and policy and overseeing the Group's strategic risk management and internal control framework to achieve its objectives within an acceptable risk profile as well as safeguarding the interest of stakeholders and shareholders and the Group's assets. The internal control system is designed to identify the risks to which the Group is exposed and mitigate the impacts thereof to meet the particular needs of the Group.

PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT (Cont'd)

II Risk Management and Internal Control Framework (Cont'd)

The Board had established both Risk Management Working Group ("RMWG") and SSC headed by the GMD and assisted by members of key management team. The RMWG oversees and manages the Group's operational risks whilst the SSC oversees the overall sustainability strategies and initiatives of the Group. Both committees shall report to the ARC and the Board respectively on a regular basis. The responsibilities and purposes of the RMC and SSC are:

(i) to assist the ARC in fulfilling its responsibility with respect to identifying, evaluating, controlling, reviewing and monitoring the Group's risk management framework and activities on an on-going basis. The RMWG reports to the ARC regarding the Group's risk exposures, including review risk assessment model used to monitor the risk exposures and Management's view on the acceptable and appropriate level of risks faced by the Group; and

(ii) to establish and implement the sustainability framework, review of the adequacy of the sustainability processes, ensuring effectiveness in identification, management and reporting of the Material Sustainability Matters in Economic, Environmental and Social aspects of the Group, monitoring and overseeing all sustainable strategies and initiatives of the Group.

The Group has established an internal audit function within the Group which is currently outsourced to an independent internal audit consulting firm that reports directly to the ARC. The outsourcing of the internal audit function coupled with the fact that the Internal Auditors report directly to the ARC helps to ensure that internal audit is carried out objectively and is independent from the management of the Company and the functions which it audits. The personnel who carry out internal audit work are free from any relationships or conflict of interest which could impair their objectivity and independence.

The Board is cognizant of the fact that they are responsible for the adequacy and effectiveness of the Group's risk management and internal control system. The Board recognizes the importance of good corporate governance and is committed to maintaining a sound system of internal controls and risk management. This includes the establishment of an appropriate control environment and risk management framework, processes and structures, and a continuous review of the adequacy and integrity of the said systems.

The Board is pleased to provide the Statement on Risk Management and Internal Control furnished separately in this Annual Report, providing an overview on the state of internal controls within the Group during the year, in an effort to manage risk.

The Audit and Risk Committee Report set out separately in this Annual Report provides a summary of the internal audit function and the internal audit activities carried out during the financial year.

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

I Communication with Stakeholders

The Group recognizes the value of transparent, consistent and coherent communications with the investment community consistent with commercial confidentiality and regulatory considerations. The Group aims to build long-term relationships with shareholders and potential investors through appropriate channels for disclosure of information.

The annual reports, press releases, quarterly results and any announcements on material corporate exercises are the primary modes of disseminating information on the Group's business activities and financial performance.

Investors are provided with sufficient business, operational and financial information on the Group to enable them to make informed investment decisions. All announcements are reviewed and endorsed by the Board prior to release to the public through Bursa Securities.

The GMD is the designated spokesperson for all matters related to the Group and dedicated personnel are tasked to prepare and verify material information for timely disclosure upon approval by the Board.

The Group maintains a website at www.lagendaproperties.com for shareholders and the public to access information on the Group for up to date information about the Company and its business as well as announcements made to Bursa Securities. Stakeholders can at any time seek clarification or raise queries through the corporate website with the primary contact details as stated.

PRINCIPLE C – INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (Cont'd)

II Conduct of General Meetings

The AGM serves as a platform for the Group to engage with shareholders, present its annual financial results, operational performance and business outlook and provide the opportunity for shareholders to raise concerns or questions. Lagenda has conducted its first fully virtual 19th AGM and EGM during the COVID-19 pandemic on 14 July 2020. All the Directors attended the fully virtual general meetings. The conduct of the fully virtual 19th AGM and EGM is in compliance with the Constitution of the Company which allows General Meetings to be held using any technology or electronic means.

During the 19th AGM and EGM, shareholders took the opportunity to raise questions on the agenda items as well as the current developments of the Group. The Chairman and GMD responded to all questions raised and provided clarification as required by shareholders.

In line with good corporate governance practices, the notice of the 19th AGM was circulated at least 28 days before the date of the AGM to enable shareholders to make the necessary arrangements to participate in the AGM. As a precautionary measure amid COVID-19 and in accordance with the Guidance Note issued by SC, the notifications of a fully virtual 19th AGM and EGM were issued to the shareholders on 15 June 2020, 17 June 2020, 19 June 2020 and 22 June 2020 to keep shareholders informed on the conduct of the AGM and EGM.

To strengthen transparency and efficiency in the voting process, the Company adopted electronic poll voting at its 19th AGM and EGM. An independent scrutineer for the electronic poll voting process was appointed to validate all the votes. The results of the voting process were displayed on the screen before the closure of the AGM and EGM. Subsequently, the poll results were announced via Bursa LINK on the same day.

Statement on Compliance

The Board will continue to strive for sound standards of corporate governance throughout the Group. Presently, the Board is of the view that the Company has in all material aspects satisfactory complied with the principles and practices set out in the Code.

This Corporate Governance Overview Statement was approved by the Board of Directors on 12 April 2021.

Directors' Responsibility Statement

for preparing the Audited Financial Statements

Directors are legally responsible to prepare financial statements for each financial year which gives a true and fair view of the state of affairs of the Group and of the Company at the end of the financial year and of the results and cash flows of the Group and of the Company for the financial year.

In preparing those financial statements, the Directors ensured that:

- they complied with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards ("IFRSs") and Companies Act 2016 ("the Act");
- appropriate accounting policies are used and applied consistently;
- the going concern basis used in preparation of the financial statements are appropriate; and
- where judgements and estimates are made, they are reasonable and prudent.

The Directors are responsible to ensure that proper accounting records are kept and disclosed with reasonable accuracy at any time the financial position of the Group and of the Company and to ensure that the financial statements comply with MFRSs, IFRSs, the Act and the Main Market Listing Requirements of Bursa Securities.

The Directors have a general responsibility for taking such steps as are reasonably available to them to manage risks associated to the business of the Group, safeguard the Group's assets, to prevent and detect fraud and other irregularities.

This Statement was approved by the Board of Directors on 12 April 2021

Additional Compliance Information

(i) Utilisation of Proceeds from Private Placement

On 26 February 2020, the Company had announced the private placement of up to 135,000,000 new ordinary shares ("Placement Shares") in the Company, representing up to 13.78% of the Company's enlarged issued share capital:-

(a) the Company had completed the listing of and quotation for 50,000,000 units of Placement Shares on the Main Market of Bursa Securities on 26 August 2020;
(b) the Company had completed the listing of and quotation for 85,000,000 units of Placement Shares on the Main Market of Bursa Securities on 21 January 2021

As at 31 March 2021, the Company had utilised approximately RM31.428 million of the total gross proceeds of RM134.35 million, details of which are disclosed in the following table:

Proposed utilisation of proceeds	Proposed Utilisation RM'000	Actual Utilisation RM'000	Balance RM'000	Expected timeframe for utilisation (from the date of listing of Placement Shares)
Repayment of bank borrowings	18,000	6,479	11,521	Within 12 months
Working Capital	108,350	17,800	90,550	Within 12 months
Estimated expenses for the corporate exercise*	8,000	7,149	851	Within 1 month
Total#	134,350	31,428	102,922	

Notes:
* *Any shortfall or excess in funds allocated for estimated expenses will be funded from or used for the Group's working capital requirements*
\# *The actual amount of proceeds to be raised from the Private Placement will depend on, amongst other, the actual issue price and the number of Placement Shares issued. The Company shall adjust the utilization of proceeds from the working capital accordingly.*

(ii) Audit and Non-Audit Fees

The amount of audit and non-audit fees incurred for services rendered to the Group and to the Company by the external auditors and its affiliates in Malaysia for the financial year are as follows:

	Group (RM)	Company (RM)
Audit Fees	290,500	68,000
Non-Audit Fees	-	173,500

(iii) Material Contracts Involving Directors and Major Shareholders

Save as disclosed, there were no material contracts entered into by the Group involving the interest of Directors and major shareholders, either still subsisting at the end of the financial year ended 31 December 2020 or entered into since the end of the previous financial period:

The Company had on 26 February 2020 entered into:

(i) a conditional share sale agreement with Doh Properties Holdings Sdn Bhd for the proposed acquisition of the entire equity interest in Blossom Eastland Sdn Bhd, for a purchase consideration of RM642,546,412 ("Proposed Blossom Acquisition")

(ii) a conditional share sale agreement with Dato' Doh Jee Ming, Dato' Doh Tee Leong and Dato' Doh Jee Chai for the proposed acquisition of the entire equity interest in Rantau Urusan (M) Sdn Bhd for a purchase consideration of RM148,269,909 ("Proposed Rantau Acquisition"); and

(iii) Material Contracts Involving Directors and Major Shareholders (Cont'd)

(iii) a conditional share sale agreement with Dato' Doh Jee Ming, Dato' Doh Tee Leong, Dato' Doh Jee Chai, Dato' Doh Neng Chiong and Datin Lee Hong King for the proposed acquisitions of the entire equity interest in Yik Wang Trading Sdn Bhd, for a purchase consideration of RM32,500,000 ("Proposed Yik Wang Acquisition").

(The Proposed Blossom Acquisition, Proposed Yik Wang Acquisition and Proposed Rantau Acquisition are collectively referred to as the "Proposed Acquisitions")

The Proposed Acquisitions were completed on 12 August 2020 in accordance with the terms of the above executed shares sale agreements.

(iv) Contract Relating to Loans

Save as disclosed, there were no contracts relating to loans entered into by the Company and its subsidiaries involving the interests of major shareholders and/or Directors at the financial year ended 31 December 2020:

<table>
<tr><td>Name of Bank</td><td>AmBank (M) Berhad</td></tr>
<tr><td>Name of Borrower</td><td>Lagenda Properties Berhad</td></tr>
<tr><td>Purpose</td><td><u>Term Loan 1 ("TL 1")</u>
To finance up to RM100 million the Company's acquisition of the shares of the following companies from Dato' Doh Jee Ming, Dato' Doh Tee Leong and Dato' Doh Jee Chai:-

a) Blossom Eastland Sdn Bhd;
b) Rantau Urusan (M) Sdn Bhd; and
c) Yik Wang Trading Sdn Bhd

<u>Term Loan 2 ("TL 2")</u>
To finance the purchase of keyman insurance/Reducing Term Assurance (RTA)/Level Term Assurance (LTA) insurance premium for Dato' Doh Jee Chai, Dato' Doh Tee Leong and Dato' Doh Jee Ming from the preferred insurer.

<u>Revolving Credit ("RC")</u>
To finance up to RM50 million of the Proposed Acquisition and thereafter for working capital purposes.</td></tr>
<tr><td>Amount of the Loan</td><td><table>
<tr><th>Facility(ies)</th><th>Limit (RM)</th></tr>
<tr><td>TL 1</td><td>100, 000,000</td></tr>
<tr><td>TL 2</td><td>3,000,000</td></tr>
<tr><td>RC</td><td>50,000,000</td></tr>
<tr><td>Total</td><td>153,000,000</td></tr>
</table></td></tr>
<tr><td>Interest Rate</td><td>BLR 6.20% per annum

<table>
<tr><th></th><th>TL 1</th><th>TL 2</th><th>RC</th></tr>
<tr><td>1st and 2nd year interest rate</td><td>0% p.a. above BLR</td><td>0% p.a. above BLR</td><td>0% p.a. above BLR</td></tr>
<tr><td>3rd year interest rate onwards</td><td>2.0% p.a. above BLR</td><td>2.0% p.a. above BLR</td><td>2.0% p.a. above BLR</td></tr>
</table></td></tr>
</table>

(iv) Contract Relating to Loans (Cont'd)

Save as disclosed, there were no contracts relating to loans entered into by the Company and its subsidiaries involving the interests of major shareholders and/or Directors at the financial year ended 31 December 2020: (Cont'd)

<table>
<tr><td>Terms of Payment</td><td><u>TL 1</u>
Up to 60 months (inclusive of 24 months interest service) from the first day of the following month from the date of first drawdown

<u>TL 2</u>
Up to 60 months from the first day of the following month from the date of first drawdown

<u>RC</u>
Rollover on 3, 6 or 9 months but subject to not more than 60 months from the date of first drawdown.</td></tr>
<tr><td>Security</td><td><u>Principal Instrument</u>
Open All Monies Facilities Agreement to be entered into between the Company and the Bank

<u>Secondary Instrument</u>
(a) Pledge of 100% equity shares in the share capital of the following table (the "Pledged Shares") by way of first party Open All Monies memorandum of deposit to be created by the Company incorporating a power of attorney giving the Bank the absolute right to inter alia deal with the Pledged Shares in any way the Bank may deem appropriate. All the Pledged Shares are to be registered in the name of Amsec Nominees (Tempatan) Sdn. Bhd. or any other nominee company approved by the Bank:

<table><tr><th>Company</th><th>No. of Shares</th></tr><tr><td>Blossom Eastland Sdn. Bhd.</td><td>50,500,000</td></tr><tr><td>Rantau Urusan (M) Sdn. Bhd.</td><td>1,000,000</td></tr><tr><td>Yik Wang Trading Sdn. Bhd.</td><td>4,000,000</td></tr></table>
(b) Open All Monies first party debenture by way of fixed and floating charge to be created by the Company over all its present and future assets.</td></tr>
</table>

Audit & Risk Committee Report

The objective of the Audit and Risk Committee ("ARC" or "Committee"), as a Committee of the Board is to assist the Board in the effective discharge of its fiduciary responsibilities for corporate governance, financial reporting and internal control system of Lagenda Properties Berhad and its subsidiaries ("the Group").

The primary functions of the ARC, include, among others, the followings:
(a) Oversee the Group's financial reporting process and integrity of the financial statements;
(b) Assess the Group's process relating to its risks and control environment;
(c) Evaluate the internal and external audit process; and
(d) Review any related party transaction and conflict of interest situation that may arise within the Group.

The terms of reference of the ARC is published on the Company's website at www.lagendaproperties.com.

COMPOSITION, MEETINGS AND ATTENDANCE

As at the date of this report, the current ARC comprises 3 members, all of whom are Independent Non-Executive Directors and 2 of the ARC members are members of the Malaysian Institute of Accountants (MIA). Dr. Lim Pang Kiam is also a Member of ASEAN Chartered Professional Accountants (ASEAN CPA) and a Fellow Member of the Chartered Institute of Management Accountants whilst Ms. Looi Sze Shing is also a Member of the Association of Chartered Certified Accountants. Hence, the Company has complied with Paragraph 15.09 of the Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities") and Practice 8.4 of the Malaysian Code on Corporate Governance ("Code").

The members of the ARC and their attendance at the five (5) meetings held during the financial year under review are as tabulated:

No.	Name of Directors	Position	No. of Meeting Attended
1.	Dr. Lim Pang Kiam*	Chairman	-
2.	Ms. Looi Sze Shing	Member	5/5
3.	En. Mohamad Ali bin Ariffin	Member	5/5
4.	Dato' Doh Tee Leong#	Member	5//5

Notes:
* *appointed as member on 12 April 2021*
\# *resigned as member on 12 April 2021*

The Group Managing Director and relevant Management Team members are invited to attend the ARC meetings as and when the need arises to provide explanations, answer queries and clarification to the ARC on specific matters related to their areas of responsibility. The External and Internal Auditors are also invited to attend the ARC meetings to present their reports on financial and operation results, internal audit reports, audit findings and other matters for the information and/or approval of the ARC.

The Company Secretary acts as Secretary to the ARC and shall circulate the minutes of meetings of the ARC to all members of the Board. The minutes of each ARC meeting were recorded and tabled for confirmation at the following ARC meeting. The ARC Chairperson reported to the Board on the activities undertaken and the key recommendations for the Board's consideration and decision. During FY2020, the ARC met five (5) times to discuss matters, among others, in relation to the accounting and financial reporting practices, related party transactions, major acquisitions, corporate exercises as well as internal and external audits of the Group.

TRAINING

The details of training programmes attended by each ARC member in FY2020 are set out in the Corporate Governance Overview Statement 2020.

TERM OF OFFICE & PERFORMANCE

In order to assess the term of office of the ARC members and performance of the ARC in accordance with the Listing Requirements, each of the ARC members has performed the self and peer evaluation assessment. The evaluation of the term of office and performance of the ARC and each of its members are carried out annually and presented to the Board for information. The Board was satisfied that the ARC and each of its members have discharged their functions, duties and responsibilities in accordance with the terms of reference and supported the Board in ensuring the Group upholds appropriate Corporate Governance standards.

TERM OF OFFICE & PERFORMANCE (Cont'd)

The ARC also conducted an annual review and evaluation in an effort to enhance and improve its processes of the control environment. The ARC was assessed based on five (5) key areas, namely composition and charter, committee process, external auditors, internal audit, financial statements and quarterly results.

The ARC's responsibility is to monitor and review the practices and processes performed by management and the external auditors. It is not the ARC's duty or responsibility to conduct auditing or accounting reviews. The ARC members are not employees of the Company. Therefore, the ARC has relied, without independent verification, on management's representation that the financial statements have been prepared with integrity and objectivity, in conformity with approved accounting principles and on the representations of the external auditor included in its reports on the Company's financial statements and internal control over financial reporting.

SUMMARY OF WORK OF ARC

The ARC met at scheduled times during the year, with due notices of meetings issued, and with agendas planned and itemised so that matters were deliberated and discussed in a focused and detailed manner. The minutes of each meeting held were distributed to each member of the Board at subsequent Board Meetings. The Board was briefed on significant matters deliberated during the ARC meetings.

The key activities carried out by the ARC during the financial year are as follows:

Financial Reporting

- Reviewed and discussed the Group's quarterly unaudited financial results and final draft audited financial statements with the management and external auditors before recommending to the Board for its consideration and approval and subsequent announcement to Bursa Securities.

- Reviewed the Company's compliance, in particular, the quarterly and year-end financial statements, with the Listing Requirements of Bursa Securities, applicable approved accounting standards of the Malaysian Accounting Standards Board and other relevant legal and statutory requirements.

External Auditors

- Discussed the audit plan, scope of work, audit and reporting obligations as well as proposed audit fee for the financial year under review with the external auditors before commencement of audit engagement.

- Reviewed and discussed with the external auditors, the findings and results arising from the audit of the FY2020 including key audit matters raised by the external auditors in their auditors' report and management letter together with management's response and comments.

- Responded to external auditors' enquiries and recommendations to ensure compliance with the various approved accounting standards in the preparation of the Group's financial statements.

- Met with the external auditors twice without the presence of management to facilitate discussions on key audit challenges.

- Reviewed the extent of assistance rendered by management in the course of the audit and based on feedback from the external auditors, the ARC was satisfied that management had co-operated fully and the external auditors were able to obtain information requested to carry out their work.

- Reviewed the performance, suitability and independence of the external auditors for reappointment as auditors of the Company for the ensuing year and their audit fees. Pursuant thereto, ARC has recommended to the Board for the re-appointment of Moore Stephens Associates PLT as external auditors of the Company at the forthcoming Annual General Meeting based on the suitability, performance, objectivity, professionalism and independence of the external auditors.

Internal Auditors

- Reviewed and approved the internal audit plan for year 2020 from the outsourced internal auditors to ensure that the scope and coverage of the internal audit on the operations of the Group is adequate and major risk areas are audited accordingly in line with the latest development of the Group and the business environment.

SUMMARY OF WORK OF ARC (Cont'd)

Internal Auditors (Cont'd)

- Reviewed the internal audit reports, audit recommendations made and management's response to these recommendations and actions taken to improve the system of internal control and procedures.
- Monitored the feedback and reports from the Internal Auditors for matters of non-compliance, weakness in internal control systems or the lack of it as well as recommendations and management's response.
- The ARC has, where appropriate, directed management to rectify and improve control procedures and workflow processes based on the internal auditors' suggestions for improvement.
- Reviewed the implementation of these recommendations through follow up audit reports.
- Met with the internal auditors without the presence of management to provide the internal auditors with an avenue to express any concern they may have.

Risk Management

- Assisted the Board to oversee the implementation of the Group's enterprise risk management policy and framework, by reviewing the adequacy and effectiveness of the Group's risk management process including the process in identifying, evaluating, approving and reporting risk.
- Reviewed and discussed the activities and reports by the Risk Management Working Group on the Group's risk profile and the mitigation controls implemented to manage identified risks within the Group.
- Reviewed operational and financial performance of the Group to ensure that appropriate measures were taken to address any significant risks highlighted by the internal auditors.
- Reviewed thoroughly on the Group's enterprise risk especially on the issues of concern identified under process risk, compliance risk, external and internal factor risk, operational risk, people risk and technological risk.
- Appraised the adequacy and effectiveness of management response in resolving the key risk issues reported and assessed the overall effectiveness of the system of internal controls within the Group.

Related Party Transaction and Conflict of Interest

- The ARC reviewed, considered and took note of all related party transactions of the Company and its Group including any transaction, procedure or course of conduct that raises questions of management integrity.
- During the year, the ARC had reviewed numerous related party transactions and conflict of interest situations presented by the management prior to the Company entering into such transactions. The ARC also ensured that adequate oversight over the controls and monitoring conflict of interest situations and transactions and the key consideration to be taken in reviewing the related party transactions or conflict of interest situation.

Corporate Governance

- Reviewed the relevant regulatory changes and ensure compliance by the Company and the Group.
- Reviewed and approved / recommended, as applicable, the Audit and Risk Committee Report, Statement of Risk Management and Internal Control, Corporate Governance Overview Statement for Board's approval before inclusion in the Company's Annual Report.

INTERNAL AUDIT FUNCTION

The Board acknowledges the need for an effective system of internal control covering all aspects of the Group's activities including the mapping and management of risks which the Group may be exposed to.

The Group has engaged an independent professional consulting firm, CAS Consulting Services Sdn Bhd to provide outsourced internal audit function to carry out internal audit of the Group. This is to assist the ARC in discharging its duties and responsibilities. The cost incurred for the internal audit function of the Group in respect of FY2020 was RM50,000.

INTERNAL AUDIT FUNCTION (Cont'd)

The principal role of the internal audit function is to undertake independent and periodic reviews of the system of internal controls and risk management so as to provide reasonable assurance that such system continues to operate satisfactorily and effectively. It is the responsibility of the internal audit function to provide the ARC with independent and objective reports on the risk management profile as well as the state of internal control of the various operating units within the Group and the extent of compliance of the units with the Group's established policies and procedures as well as relevant statutory requirements. The internal auditor adopts a risk-based approach to plan and prioritize audit work on high risk auditable areas.

The internal auditor is authorized with unrestricted access to any and all of the Company's records, physical properties, to carrying out any internal audit work. The internal auditor reports directly to the ARC at least twice a year by presenting their audit reports which included their findings and recommendations for improvements to the ARC for review and deliberation. The ARC evaluated the adequacy of the responses, actions and measures taken by the management within the required timeframe in resolving the audit issues reported. The internal auditors also carried out follow-up reviews to monitor the implementation of the said actions plans and measures reported to the ARC. The ARC Chairperson then briefed the Board on the internal audit reports on any major findings.

During FY2020, the internal audit function carried out 2 cycles of internal audits to test the adequacy and effectiveness of the internal control system for the Group's property development in relation to its Billing and Collection System and Tendering and Procurement Management System. Further information on the internal audit function and its activities are set out in the Statement on Risk Management and Internal Control in this Annual Report.

This Audit and Risk Committee Report was approved by the Board of Directors on 12 April 2021.

Statement on Risk Managament & Internal Control

The Statement on Risk Management and Internal Control ("SORMIC") for the financial year ended 31 December 2020 has been prepared in compliance with Paragraph 15.26(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and Principle B of the Malaysian Code on Corporate Governance 2017, with guidance from the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers ("SRMICG").

RESPONSIBILITY OF THE BOARD

The Board affirms its overall responsibility over the Group's system of risk management and internal controls, which includes the existence of an appropriate control environment and framework, and the review of its effectiveness and adequacy to ensure that the Group's assets and shareholders' interests are safeguarded. The system of internal control covers governance, risk management, financial strategy, organisational, operational, regulatory and compliance control matters. The Board recognises that this system is designed to manage rather than eliminate risks that may impede the achievement of the Group's policies and corporate objective.

Accordingly, the Board, which are true to the best of knowledge and belief, there exists an ongoing process, within the Group for identifying, evaluating and managing the significant risks faced by the Group and has been regularly reviewed by the Board. The ongoing process, in accordance with the SRMICG has been in place for the year under review and up to the date of the SORMIC for inclusion in the annual report. Therefore, such a systems can only provide reasonable and not absolute assurance against any material misstatement or loss, contingencies, fraud or irregularities.

ENTERPRISE RISK MANAGEMENT

The Group had embarked on risk management initiatives by establishing an Enterprise Risk Management Framework ("ERM"). It is the responsibilities of the Board to ensure proper risk governance and to determine the nature and extend of the significant risk which the Board is willing to take in achieving its strategic objectives. In providing oversight of ERM of the Group, the Board is assisted by the ARC and Risk Management Working Group ("RMWG") to:

- Ensure that Management maintains a sound system of risk management and internal controls to safeguard shareholders' interests and the Group's assets; and
- Ascertain the nature and extent of principal risks that may impact the Group's strategic objectives.

The RMWG, comprises of the Head of Divisions will have the overall responsibility to report on the current and emerging risks to the attention of the Group Managing Director, Chairman of the RMWG. The key responsibilities of the RMWG are to provide regular reporting and update to the ARC & Board on key risk management issues. The RMWG is also responsible to promote and ensure that the risk management process and culture are embedded throughout the Group:

Risk Management Working Group ▶ **Audit and Risk Committee** ▶ **Board of Director**

In the course of deriving the principal risks, the following four (4) main stages involved:

Stage 1	Stage 2	Stage 3	Stage 4
Ascertain & identify principal risks	Impact assessment and evaluation	Risk response & mitigation procedures	Implementation & Risk Monitoring
Risk identification	Risk mapping	Risk response management	Risk monitoring

ENTERPRISE RISK MANAGEMENT (Cont'd)

The identification and rating of the current key business risks were conducted on the following departments during the financial year ended 31 December 2020:

- Construction
- Planning
- Credit control
- Sales & Marketing
- Accounts & Finance
- Human Resource & payroll
- Investment & Corporate Finance

Through these mechanisms, risks identified can be managed and monitored on a continual basis, so that the impact of the risks may be mitigated to avoid any loss or damage to the Group or divisions or business units. However, certain risks which are rated significant or high could be due to the business environment it operates in and may not be managed and eliminated by the Group. The risk responses have been formulated to address threats arising from significant risks to minimise the likelihood of such risks occurring or reducing the impact of such risks.

INTERNAL AUDIT FUNCTION

The internal audit function is carried out by an independent internal audit firm, namely CAS Consulting Services Sdn Bhd, which provides the Board with a reasonable assurance and adequacy of the scope, function and resources of the internal audit function. The internal audit reviews are performed based on an internal audit plan which has been reviewed and approved by the ARC on 26 February 2020.

The findings of the internal audit reviews including action plans to be taken by management to address the weaknesses noted and identified enhancement opportunities are presented and reviewed by the ARC at the quarterly meetings, who in turn reports these matters to the Board. Follow-up reviews will be conducted to report to the ARC on the status of implementation of management action plans. Based on the internal audit reviews conducted, none of the weaknesses noted have resulted in any material losses, contingencies or uncertainties that would require separate disclosure in this Annual Report. The total costs incurred for the outsourced internal audit function for the financial year ended 2020 amounted to RM50,000.00.

The key elements of the Group's internal control system are described as follows:

- **Control Environment**

  The Board is committed towards maintaining a strong control structure and environment for the proper conduct of the Group's business operations and towards achieving a sound system of internal control.

  Management has established, with board oversight, structures, reporting lines and appropriate authorities and responsibilities, in pursuit of objectives. There is a defined organization structure with scopes of responsibility lines of reporting, and appropriate levels of delegated authority, including proper approval and authorization limits. This is reinforced by a process of hierarchical reporting which provides for a documented and auditable trail of accountability.

- **Risk Assessment**

  With the setting up of a risk management framework, which would be embedded in the Group's management system, it defines the authority and accountability in implementing the risk management process and internal control system.

  The management of each business unit, in establishing its business objectives, would be required to identify and document all possible risks that can affect their achievement upon taking into consideration the effectiveness of controls that are capable of mitigating such risks. By this process, each business unit's identified risks, the controls and processes for managing them are tabulated in a risk assessment report. Significant risks of business units are presented to ARC for their attention and deliberation.

- **Control Activities**

  The Group has standard operating procedures and controls to ensure regular and comprehensive information is provided to management, covering financial and operational performance and key business indicators, for effective monitoring and decision making. The procedures are designed to mitigate risks to acceptable levels of risk.

INTERNAL AUDIT FUNCTION (Cont'd)

- **Information and Communication**

  The Board communicates and disseminates across the organization the vision, role and direction of the Group. Management communicated key policies and procedures to the operating staff for their guidance and implementation.

  The Board has a preset agenda of items to ensure that all pertinent issues and relevant information are bring to its attention for discussion and deliberation.

- **Monitoring Activities**

  The Group's operating procedures are designed to facilitate tracking and evaluation to ascertain that the main components of internal controls are intact.

  There would be a formal approach to risk management review and monitoring, with the key risk factors identified together with the risk mitigation procedures, as well as the establishment of a comprehensive risk register to facilitate tracking of risks. Risk criteria, risk policies and risk management procedures are reviewed annually or sooner, if necessary.

  Financial and other results and performance are reviewed and tracked. There is close monitoring of results against budget, with major variances being followed up and management action taken, where necessary.

  The monitoring activities are further supported by the outsourced internal audit functions performing the audit visits, based on the Audit Plan approved by the ARC, to key business operations areas every quarter. The outsourced internal audit function performs systematic review of the effectiveness of internal controls of the key operations areas and report accordingly to the ARC.

ASSURANCE

The Board has received assurance from the Group Managing Director and Chief Financial Officer that the Group's risk management and the internal control system are operating effectively, in all material aspects.

CONCLUSION

The Board is of the view that the risk management and internal control system are satisfactory and have not resulted in any material losses, contingencies or uncertainties that would require disclosure in this Annual Report. The Board continues to take pertinent measures to sustain and, where required, to improve the Group's risk management and internal control system in meeting the Group's strategic objectives.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

Pursuant to paragraph 15.23 of the Bursa Malaysia Main Market Listing Requirements, the External Auditors have reviewed this Statement on Risk Management and Internal Control for inclusion in the Annual Report for the financial year ended 31 December 2020. Based on their procedures performed, the External Auditors have reported that nothing has come to their attention that would cause them to believe that the Statement. Statement is not prepared, in all material respect, in accordance with the disclosures required by Paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, nor is factually inaccurate.

This Statement on Risk Management and Internal Control was approved by the Board of Directors on 12 April 2021.

Directors' Report & Financial Statements

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

CHANGE OF NAME

On 16 July 2020, the Company changed its name from D.B.E. Gurney Resources Berhad to Lagenda Properties Berhad.

PRINCIPAL ACTIVITIES

The Company is an investment holding company. The principal activities of its subsidiaries are disclosed in Note 12 to the financial statements.

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

RESULTS

	Group RM	Company RM
Net profit for the financial year	**151,686,940**	**(12,419,229)**
Attributable to:		
Owners of the Company	**142,486,700**	
Non-controlling interests	**9,200,240**	
	151,686,940	

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.

ISSUANCE OF SHARES AND DEBENTURES

Ordinary shares

On 17 February 2020, the Company has increased its issued ordinary shares from RM56,842,332 to RM61,075,332 through private placement by the issuance and allotment of 159,000,000 new ordinary shares at an issue price of RM0.027 per ordinary share for working capital purpose and net off with incurred placement fee of RM60,000.

**The abovementioned shares were issued prior to the consolidation of 25 existing ordinary shares into 1 new ordinary share on 6 August 2020. ("Share Consolidation")*

On 12 August 2020, the Company has increased its issued ordinary shares from RM61,075,332 to RM175,535,474 by the issuance and allotment of the following:

- 108,733,864 new ordinary shares at a market price of RM0.75 per share for the purpose of acquisition of subsidiaries; and
- 41,266,137 new ordinary shares at an issue price of RM0.7975 per share for the purpose of settlement of Directors' related companies balances on behalf of subsidiaries.

On 25 August 2020, the Company has increased its issued ordinary shares from RM175,535,474 to RM339,580,184 by the issuance and allotment of the following:

- 50,000,000 new ordinary shares through private placement at an issue price of RM0.80 per share for working capital purpose and net off with incurred placement fee of RM744,000; and
- 170,000,000 new ordinary shares through conversion of 170,000,000 RCPS at the conversion ratio of 1 RCPS for 1 new ordinary share.

ISSUANCE OF SHARES AND DEBENTURES (Cont'd)

Ordinary shares (Cont'd)

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

Redeemable Convertible Preference Shares ("RCPS")

On 12 August 2020, the Company has issued and allotted 639,641,716 new RCPS at an issue price of RM0.7975 per RCPS.

On 25 August 2020, the RCPS of the Company decreased from 639,641,716 to 469,641,716 units with the conversion of 170,000,000 RCPS to 170,000,000 new ordinary shares at the conversion ratio of 1 RCPS for 1 new ordinary share.

Total unredeemed and unconverted RCPS as at year end is 469,641,716 units.

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

OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up unissued shares of the Company during the financial year apart from the issuance of options pursuant to Warrants B.

Warrants B

On 27 January 2017, the Group completed the listings of bonus issue of 580,644,468 free warrants on the basis of one (1) warrant for every two (2) existing shares held on the entitlement date. The Group executed the Deed Poll constituting the warrants and the issue price and exercise price of the warrants have been fixed at RM0.05 each respectively.

Pursuant to the Share Consolidation and in accordance with the provisions of the Deed Poll, the exercise price and the outstanding number of Warrants B held by a Warrants Holder are required to be adjusted to ensure that the status of the Warrants Holders would not be prejudiced after the completion of the Share Consolidation. The total number of warrants before Share Consolidation was 580,644,468 and the adjusted total number of warrants was 23,225,777.

As at 31 December 2020, the total number of warrants that remain unexercised were 23,225,777 (2019: 580,644,468).

Further information is disclosed in Note 21 to the financial statements.

DIVIDENDS

On 22 February 2021, the Board of Directors has declared an interim single tier dividend of 2.5 sen per ordinary share for the financial year ended 31 December 2020.

The entitlement date has been fixed on 10 March 2021. The interim dividend is payable on 9 April 2021 and will be credited into the entitled depositors' securities accounts maintained with Bursa Malaysia Depository Sdn Bhd.

These dividends will be accounted for in the equity as an appropriation of retained profits in the financial year ending 31 December 2021.

The Board of Directors does not propose any final dividend for the financial year ended 31 December 2020.

DIRECTORS OF THE COMPANY

The Directors in office since the beginning of the financial year to the date of this report are:

Dato' Doh Jee Ming	
Dato' Doh Tee Leong	
Looi Sze Shing	
Mohamad Ali Bin Ariffin	
Dato' Doh Jee Chai	Appointed on 11 February 2020
Dr Lim Pang Kiam	Appointed on 1 March 2021
Dato' Ding Seng Huat, DSAP	Resigned on 1 January 2020
YM Ungku A Razak Bin Ungku A Rahman	Resigned on 14 February 2020
Sandeep Singh A/L Gurbachan Singh	Resigned on 14 February 2020

DIRECTORS OF SUBSIDIARIES OF THE COMPANY

Pursuant to Section 253(2) of the Companies Act 2016, the Directors who served in the subsidiaries (including Directors who are also Directors of the Company) since the beginning of the financial year to the date of this report are as follows:

Dato' Doh Jee Ming	
Ha Siok Ching	
Lee Wei Jin	Appointed on 3 August 2020
Meera Bhai A/P Kalimuthu	Appointed on 1 March 2021

DIRECTORS' INTERESTS

According to the register of Directors' shareholdings, the interest of Directors in office at the end of financial year in shares of the Company and its related corporations were as follows:

	Number of ordinary shares						
	At 1.1.2020 Unit	Bought Unit	Sold Unit	Number of shares after share consolidation Unit	Allotment/ Conversion Unit	Sold Unit	At 31.12.2020 Unit
Name of Directors							
The Company							
Direct interest:							
- Dato' Doh Jee Ming	57,520,000	-	-	2,300,800	-	-	2,300,800
Indirect interest:							
- Dato' Doh Jee Ming *	939,280,220	-	-	37,571,208	320,000,001	-	357,571,209
- Dato' Doh Tee Leong *	939,280,220	-	-	37,571,208	320,000,001	-	357,571,209
- Dato' Doh Jee Chai *	939,280,220	-	-	37,571,208	320,000,001	-	357,571,209

	Number of RCPS			
	At 1.1.2020 Unit	Allotment Unit	Conversion Unit	At 31.12.2020 Unit
Name of Directors				
The Company				
Indirect interest:				
- Dato' Doh Jee Ming ^	-	639,641,716	(170,000,000)	469,641,716
- Dato' Doh Tee Leong ^	-	639,641,716	(170,000,000)	469,641,716
- Dato' Doh Jee Chai ^	-	639,641,716	(170,000,000)	469,641,716

DIRECTORS' INTERESTS (Cont'd)

According to the register of Directors' shareholdings, the interest of Directors in office at the end of financial year in shares of the Company and its related corporations during the financial year were as follows: (Cont'd)

* *Indirect interest pursuant to Section 8(4) of the Companies Act 2016 via Lagenda Land Sdn. Bhd. and Setia Awan Plantation Sdn. Bhd., which wholly owned Doh Properties Holdings Sdn. Bhd.*

^ *Indirect interest pursuant to Section 8(4) of the Companies Act 2016 via Lagenda Land Sdn. Bhd.*

Dato' Doh Jee Ming, Dato' Doh Tee Leong and Dato' Doh Jee Chai are deemed to have interest in the shares held by the Company in its subsidiaries by virtue of their substantial interest in shares:

- via Setia Awan Plantation Sdn. Bhd., which in turn holds 100% equity interest in Doh Properties Holdings Sdn. Bhd.
- via Lagenda Land Sdn. Bhd.

None of the other Directors in office at the end of the financial year had any interest in shares of the Company or its related corporations during the financial year.

DIRECTORS' REMUNERATION AND BENEFITS

The amount of fees and other benefits paid to or receivable by the Directors or past Directors of the Company and the estimated money value of any other benefits received or receivable by them otherwise than in cash from the Company and its subsidiaries for their services to the Company and its subsidiaries were as follows:

	Company RM	Subsidiaries RM
Directors' fee	**117,500**	**-**
Salaries, allowances and bonus	**263,500**	**1,400,000**
Contributions to defined contribution plan	**120,000**	**616,800**
Others	**60,308**	**2,463**
Total fees and other benefits	**561,308**	**2,019,263**

Since the end of the previous financial year, no Director of the Company has received nor become entitled to receive any benefit (other than Directors' emoluments received or due and receivable as disclosed in Note 6(b) to the financial statements or the fixed salary of a full-time employee of the Company) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest, other than those as disclosed in Note 30 to the financial statements.

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

OTHER STATUTORY INFORMATION

(a) Before the statements of comprehensive income and statements of financial position of the Group and of the Company were made out, the Directors took reasonable steps:

 (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that all known bad debts had been written off and that provision need not be made for doubtful debts; and

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

OTHER STATUTORY INFORMATION (Cont'd)

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

(i) which would render the amount written off for bad debts inadequate to any substantial extent or necessitate the making of provision for doubtful debts;

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

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

(iv) not otherwise dealt with in the report or financial statements which would render any amount stated in the financial statements misleading.

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

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

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

(d) In the opinion of the Directors:

(i) no contingent or other liability has become enforceable, or likely to become enforceable, within the period of twelve months after the end of the financial year, which will or may affect the ability of the Group and of the Company to meet their obligations as and when they fall due;

(ii) the results of the 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; and

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

(e) The total amount paid to or receivable by the auditors as remuneration for their services as auditors for the financial year from the Company and its subsidiaries are set out as below:

	Company RM	Subsidiaries RM
Audit fee	**68,000**	**222,500**
Other services	**173,500**	**-**
Total auditors' remuneration	**241,500**	**222,500**

(f) There was no amount paid to or receivable by any third party in respect of the services provided to the Company or any of its subsidiaries by any Director or past Director of the Company.

(g) There was no indemnity given to or insurance effected for any Director, officer or auditor of the Group and of the Company.

HOLDING COMPANY

The Directors regard Lagenda Land Sdn. Bhd., a company incorporated in Malaysia as the holding company.

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

Details of significant events during the financial year are disclosed in Note 37 to the financial statements.

EVENTS SUBSEQUENT TO THE END OF FINANCIAL YEAR

Details of significant events subsequent to the end of financial year are disclosed in Note 38 to the financial statements.

AUDITORS

The auditors, Messrs. Moore Stephens Associates PLT, have expressed their willingness to continue in office.

Approved and signed on behalf of the Board in accordance with a resolution of the Directors dated 12 April 2021.

Dato' Doh Tee Leong

Dato' Doh Jee Ming

Statement by Directors

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

We, the undersigned, being two of the Directors of the Company, do hereby state that, in the opinion of the Directors, the accompanying financial statements as set out on page 77 to 161 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the Companies Act 2016 in Malaysia, so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2020 and of their financial performance and cash flows for the financial year then ended.

Approved and signed on behalf of the Board in accordance with a resolution of the Directors dated 12 April 2021.

Dato' Doh Tee Leong

Dato' Doh Jee Ming

Statutory Declaration

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

I, Lee Wei Jin (MIA No.: 339922), being the Officer primarily responsible for the financial management of the Company, do solemnly and sincerely declare that the financial statements as set out on page 77 to 161 the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the
abovenamed
at Kuala Lumpur in the Federal Territory
on 12 April 2021

Lee Wei Jin

Report on the Audit of the Financial Statements

Independent Auditors’ Report

to the Members of Lagenda Properties Berhad

Opinion

We have audited the financial statements of Lagenda Properties Berhad (formerly known as D.B.E. Gurney Resources Berhad), which comprise the statements of financial position as at 31 December 2020 and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 77 to 161.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2020, 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 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 (including International Independence Standards)* (“IESBA Code”), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of the 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.

Impairment assessment on goodwill and investment in subsidiaries

Goodwill

As at 31 December 2020, as shown in Note 11 to the financial statements, the carrying amount of the Group’s goodwill amounted to RM24,505,996.

The Group is required to, at least annually, perform impairment assessments of goodwill that has an indefinite useful life. For the purpose of performing impairment assessments, goodwill has been allocated to respective cash-generating units (“CGUs”). The recoverable amount of the underlying CGUs is supported by VIU or fair value less costs of disposal calculations which are based on future discounted cashflows. The management concluded that no impairment on goodwill is required as at 31 December 2020.

Investment in subsidiaries

As at 31 December 2020, as shown in Note 12 to the financial statements, the carrying amount of the Company’s investment in subsidiaries amounted to RM771,592,682.

A lower of net assets recorded by certain subsidiaries have resulted in an indication that the carrying amount of investment in subsidiaries may be impaired. Accordingly, the Company estimated the recoverable amount of the investment in subsidiaries either based on value-in-use (“VIU”) calculations using cashflows projections derived from the most recent financial forecast approved by the Directors covering a five-year period or fair value less costs of disposal (as the case may be).

Key Audit Matters (Cont'd)

Impairment assessment on goodwill and investment in subsidiaries (Cont'd)

Investment in subsidiaries (Cont'd)

We have identified the impairment review of investment in subsidiaries and goodwill as a key audit matter as impairment test involves significant judgement in estimating the underlying assumptions to be applied in the discounted cash flows projections of the VIU calculations and of the fair value less costs of disposal calculations. The recoverable amount of investment in subsidiaries and goodwill is highly sensitive to key assumptions applied in respect of future revenue growth rate, gross margin and the pre-tax discount rate used in the cash flows projections. A small change in the assumption can have a significant impact on the estimation of the recoverable amount.

Our audit performed and responses thereon

In addressing the matters above, we have performed the following audit procedures to evaluate management's basis and assumptions used in the VIU and the estimate of fair value less cost of disposal for respective subsidiaries and CGUs:

- Assessed whether the recoverable amounts were prepared by management based on the approved budgets by the Directors;

- Compared the key assumptions including projected revenue, growth rates, gross margin and discount rate against our knowledge of the subsidiaries' and CGUs' historical performance, business and cost management strategies based on facts and circumstances currently available;

- Performed a sensitivity analysis by changing certain key assumptions used in the VIU and fair value less costs of disposal calculations and assessed the impact of the recoverable amounts of the cost of investment and goodwill;

- Assessed the fair value less costs of disposal of the respective subsidiaries and CGUs in deriving the recoverable amounts of the cost of investment and goodwill; and

- Evaluated the adequacy of the work of the Management's expert including reviewing significant assumptions, methods and reasonableness in deriving the fair value less costs of disposal calculations.

Revenue recognition

Revenue from property development activity recognised during the year as disclosed in Note 4 to the financial statements amounted to RM528,665,878.

Property development revenue is recognised over the period of the project by reference to the progress towards complete satisfaction of the performance obligation. The progress towards complete satisfaction of the performance obligation is measured based on the Group's efforts or inputs to the satisfaction of the performance obligation (e.g. by reference to the property development costs incurred to date as a percentage of the estimated total costs of development of the project).

Judgement is required in determining the progress of property development towards the complete satisfaction of the performance obligation, which include relying on past experience and continuous monitoring of the budgeting process. The management's estimates and judgements affect the cost-based input method computations and the amount of revenue and profit recognised during the year.

We focused on this area because of the magnitude of the revenue and the costs recognised by the Group from these activities, which are based on significant estimates and judgements.

Our audit performed and responses thereon

In addressing the matters above, we have performed the following audit procedures to assess the revenue recogntion:

- Agreeing to the contracted selling price of the property development units and multiplied with their respective stage of completion;

- Tested the operating effectiveness of the key controls in respect of the review and approval of project cost budgets to assess the reliability of these budgets and the determination of the extent of costs incurred to date;

Key Audit Matters (Cont'd)

Revenue recognition (Cont'd)

Our audit performed and responses thereon (Cont'd)

- Verified the costs incurred to supporting documentation such as the sub-contractors' claim certificates and invoices from vendors;
- Performed site-visits for individually significant on-going projects to arrive at an overall assessment towards stage of completion;
- Checked reasonableness of the stage of completion based on actual costs incurred to date over the estimated total property development costs with architect certificates;
- Performed reasonableness test on accrued contractor costs to be incurred by the Group of which invoice/progress claim has yet to be received;
- Performed re-computation of percentage of completion and percentage of sales; and
- Examined material non-standard journal entries and other adjustments posted to revenue and cost of sales accounts.

Information Other than the Financial Statements and Auditors' Report Thereon

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

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

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the Annual Report and, in doing so, consider whether the 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 the Annual Report, we are required to report the 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 also 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.

Auditors' Responsibilities for the Audit of the Financial Statements (Cont'd)

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

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

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

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

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

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

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

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

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.

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

Other Matter

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

MOORE STEPHENS ASSOCIATES PLT
201304000972 (LLP0000963-LCA)
Chartered Accountants (AF002096)

STEPHEN WAN YENG LEONG
02963/07/2021 J
Chartered Accountant

Petaling Jaya, Selangor
Date: 12 April 2021

Statements of Comprehensive Income

for the financial year ended 31 December 2020

	Note	Group 2020 RM	Group 2019 RM	Company 2020 RM	Company 2019 RM
Revenue	4	**697,612,454**	462,784,642	**-**	-
Cost of sales	5	**(420,630,254)**	(281,248,359)	**-**	-
Gross profit		**276,982,200**	181,536,283	**-**	-
Other income		**7,002,131**	2,378,332	**2,963,043**	37,800,227
Administrative expenses		**(25,258,662)**	(19,572,651)	**(9,508,416)**	(2,399,157)
Selling and marketing expenses		**(18,055,179)**	(13,654,715)	**-**	-
Other expenses		**(14,565,696)**	(412,953)	**-**	(80,742)
Profit/(Loss) from operations		**226,104,794**	150,274,296	**(6,545,373)**	35,320,328
Finance costs		**(9,561,766)**	(10,083,453)	**(5,515,305)**	-
Share of results of associates	13	**(600,347)**	-	**-**	-
Profit/(Loss) before tax	6	**215,942,681**	140,190,843	**(12,060,678)**	35,320,328
Income tax expense	7	**(64,255,741)**	(40,872,958)	**(358,551)**	-
Profit/(Loss) net of tax, representing total comprehensive income for the financial year		**151,686,940**	99,317,885	**(12,419,229)**	35,320,328
Total comprehensive income attributable to:					
Owners of the Company		**142,486,700**	96,059,645		
Non-controlling interests		**9,200,240**	3,258,240		
		151,686,940	99,317,885		
Earnings per ordinary share attributable to Owners of the Company (RM):					
- Basic	8	**0.54**	0.40		
- Diluted	8	**0.52**	0.40		

The annexed notes form an integral part of, and should be read in conjunction with, these financial statements.

Statements of Financial Position

as at 31 December 2020

		Group		Company	
	Note	2020 RM	2019 RM	2020 RM	2019 RM
ASSETS					
Non-current assets					
Property, plant and equipment	9	**13,522,598**	8,764,504	**10,157**	4
Investment properties	10	**4,940,682**	1,438,942	**-**	-
Goodwill	11	**24,505,996**	-	**-**	-
Investment in subsidiaries	12	**-**	-	**771,592,682**	250,001
Investment in associates	13	**-**	-	**-**	9,800,000
Other investment	15	**1,038,000**	1,038,000	**-**	-
Inventories	16	**110,509,895**	117,052,866	**-**	-
Other receivables	19	**19,067,297**	-	**19,067,297**	17,598,217
		173,584,468	128,294,312	**790,670,136**	27,648,222
Current assets					
Inventories	16	**361,434,162**	213,249,611	**-**	-
Contract assets	17	**177,473,938**	113,791,694	**-**	-
Trade receivables	18	**203,346,187**	137,589,274	**-**	-
Other receivables	19	**32,294,165**	44,469,157	**52,468,129**	19,732,784
Tax recoverable		**-**	910,202	**-**	-
Cash and cash equivalents	20	**214,279,976**	69,200,635	**1,860,519**	329
		988,828,428	579,210,573	**54,328,648**	19,733,113
TOTAL ASSETS		**1,162,412,896**	707,504,885	**844,998,784**	47,381,335

Statements of Financial Position

as at 31 December 2020 (Cont'd)

		Group		Company	
	Note	2020 RM	2019 RM	2020 RM	2019 RM
EQUITY AND LIABILITIES					
Equity					
Ordinary shares	21	**220,520,194**	50,500,000	**339,580,184**	56,842,332
Redeemable convertible preference shares ("RCPS")	22	**-**	-	**303,394,098**	-
Other reserves	23	**(5,864,104)**	-	**-**	-
Retained earnings		**403,882,141**	261,395,441	**(22,045,876)**	(9,626,647)
Equity attributable to Owners of the Company		**618,538,231**	311,895,441	**620,928,406**	47,215,685
Non-controlling interests	12	**7,811,169**	9,718,477	**-**	-
Total equity		**626,349,400**	321,613,918	**620,928,406**	47,215,685
Non-current liabilities					
Redeemable convertible preference shares ("RCPS")	22	**-**	-	**95,031,357**	-
Borrowings	24	**180,687,494**	83,354,039	**100,512,916**	-
Lease liabilities	25	**2,655,096**	3,226,122	**-**	-
Deferred tax liabilities	26	**2,236,026**	358,433	**-**	-
Trade payables	27	**-**	25,155,347	**-**	-
Other payables	28	**13,807,708**	-	**13,807,708**	-
		199,386,324	112,093,941	**209,351,981**	-
Current liabilities					
Trade payables	27	**182,713,777**	107,350,992	**-**	-
Other payables	28	**81,698,400**	121,835,290	**2,394,628**	165,650
Amounts due to Directors	29	**-**	18,348,844	**-**	-
Contract liabilities	17	**3,797,480**	4,437,140	**-**	-
Borrowings	24	**41,527,749**	7,777,232	**12,010,218**	-
Lease liabilities	25	**1,310,099**	1,060,935	**-**	-
Tax payable		**25,629,667**	12,986,593	**313,551**	-
		336,677,172	273,797,026	**14,718,397**	165,650
Total liabilities		**536,063,496**	385,890,967	**224,070,378**	165,650
TOTAL EQUITY AND LIABILITIES		**1,162,412,896**	707,504,885	**844,998,784**	47,381,335

The annexed notes form an integral part of, and should be read in conjunction with, these financial statements.

Statements of Changes in Equity

for the financial year ended 31 December 2020

	Note	---------------- Attributable to Owners of the Company ---------------- -------- Non-distributable -------- Ordinary Shares RM	Other Reserves RM	Distributable Retained Earnings RM	Equity attributable to Owners of the Company RM	Non-controlling Interests RM	Total Equity RM
Group							
At 1 January 2019		500,000	-	156,479,552	156,979,552	15,516,481	172,496,033
Profit for the year, representing total comprehensive income for the financial year		-	-	96,059,645	96,059,645	3,258,240	99,317,885
Transactions with Owners of the Company							
Issuance of ordinary shares		50,000,000	-	-	50,000,000	-	50,000,000
Additional investment in a subsidiary		-	-	8,856,244	8,856,244	(9,056,244)	(200,000)
Total transactions with Owners of the Company		50,000,000	-	8,856,244	58,856,244	(9,056,244)	49,800,000
At 31 December 2019		50,500,000	-	261,395,441	311,895,441	9,718,477	321,613,918

Statements of Changes in Equity

for the financial year ended 31 December 2020 (Cont'd)

		---------------- Attributable to Owners of the Company ----------------					
		-------- Non-distributable --------					
	Note	Ordinary Shares RM	Other Reserves RM	Distributable Retained Earnings RM	Equity attributable to Owners of the Company RM	Non-controlling Interests RM	Total Equity RM
Group (Cont'd)							
At 1 January 2020		50,500,000	-	261,395,441	311,895,441	9,718,477	321,613,918
Profit for the year, representing total comprehensive income for the financial year		-	-	142,486,700	142,486,700	9,200,240	151,686,940
Transactions with Owners of the Company							
Issuance of shares pursuant to:							
- direct acquisition of subsidiaries	12(b)	14,418,992	-	-	14,418,992	-	14,418,992
- private placement	21	39,256,000	-	-	39,256,000	-	39,256,000
- reverse acquisition	12(a)	83,613,748	-	-	83,613,748	-	83,613,748
- settlement of amounts due to Directors' related companies and Directors	21(b)	32,909,744	-	-	32,909,744	-	32,909,744
Dividend declared by a subsidiary		-	-	-	-	(11,107,548)	(11,107,548)
Expenses incurred pursuant to issuance of RCPS	22,23	-	(20,800)	-	(20,800)	-	(20,800)
RCPS dividend paid/payable during the year	22,23	-	(6,021,594)	-	(6,021,594)	-	(6,021,594)
Conversion of RCPS		(178,290)	178,290	-	-	-	-
Total transactions with Owners of the Company		170,020,194	(5,864,104)	-	164,156,090	(11,107,548)	153,048,542
At 31 December 2020		220,520,194	(5,864,104)	403,882,141	618,538,231	7,811,169	626,349,400

Statements of Changes in Equity

for the financial year ended 31 December 2020 (Cont'd)

		-- Attributable to Owners of the Company --			
		----- Non-Distributable -----			
	Note	Ordinary Shares RM	RCPS (Note 22) RM	Accumulated Losses RM	Total Equity RM
Company					
At 1 January 2019		56,842,332	-	(44,946,975)	11,895,357
Profit for the year, representing total comprehensive income for the financial year		-	-	35,320,328	35,320,328
At 31 December 2019/ 1 January 2020		**56,842,332**	**-**	**(9,626,647)**	**47,215,685**
Loss for the year, representing total comprehensive income for the financial year		**-**	**-**	**(12,419,229)**	**(12,419,229)**
Transactions with Owners of the Company					
Issuance of shares pursuant to:					
- direct acquisition of subsidiaries	12(b)	**14,418,992**	**-**	**-**	**14,418,992**
- private placement	21	**43,489,000**	**-**	**-**	**43,489,000**
- reverse acquisition	12(a)	**67,131,406**	**397,829,098**	**-**	**464,960,504**
- settlement of amounts due to Directors' related companies and Directors	21(b)	**32,909,744**	**-**	**-**	**32,909,744**
Conversion of RCPS	21,22	**124,788,710**	**(94,435,000)**	**-**	**30,353,710**
Total transactions with owners of the Company		**282,737,852**	**303,394,098**	**-**	**586,131,950**
At 31 December 2020		**339,580,184**	**303,394,098**	**(22,045,876)**	**620,928,406**

The annexed notes form an integral part of,and should be read in conjunction with, these financial statements.

Statements of Cash Flows

for the financial year ended 31 December 2020

	Note	Group 2020 RM	Group 2019 RM	Company 2020 RM	Company 2019 RM
Cash Flows from Operating Activities					
Profit/(Loss) before tax		**215,942,681**	140,190,843	**(12,060,678)**	35,320,328
Adjustments for:					
Accretion of interest income on deferred other receivable		**(612,116)**	-	**(1,469,080)**	-
Attributable gain on retained interest as associate		**-**	-	**-**	(9,800,000)
Depreciation of:					
- property, plant and equipment		**1,742,020**	1,496,797	**172**	-
- investment properties		**30,083**	-	**-**	-
Gain on disposal of property, plant and equipment		**(446,874)**	(33,980)	**-**	-
Gain on disposal of investment in unquoted shares		**-**	-	**-**	(1)
Gain on disposal of subsidiaries		**-**	-	**-**	(10,200,000)
Gain on remeasurement of lease liabilities		**(46,519)**	-	**-**	-
Interest expense		**9,561,766**	10,083,453	**5,515,305**	-
Interest income		**(2,500,083)**	(283,580)	**(1,232,235)**	-
Inventories written down		**6,331,468**	-	**-**	-
Loss on disposal of associates		**2,047,979**	-	**-**	-
Loss on fair value adjustment on amount due from an associate		**-**	-	**-**	4,785,391
Loss on remeasurement of deferred trade payables		**6,175,271**	-	**-**	-
Balance carried forward		**238,225,676**	151,453,533	**(9,246,516)**	20,105,718

		Group		Company	
	Note	2020 RM	2019 RM	2020 RM	2019 RM
Cash Flows from Operating Activities					
Balance bought forward		**238,225,676**	151,453,533	**(9,246,516)**	20,105,718
Reversal of impairment loss on:					
- amounts due from subsidiaries		**-**	-	**-**	(22,585,617)
- other receivables		**(620,108)**	-	**-**	-
Share of results of associates		**600,347**	-	**-**	-
Written off on:					
- amount due from an associate		**-**	-	**-**	80,742
- other receivables		**115**	412,953	**-**	-
- property, plant and equipment		**4,328**	-	**4**	-
- trade receivables		**6,535**	-	**-**	-
Operating profit/(loss) before changes in working capital		**238,216,893**	151,866,486	**(9,246,512)**	(2,399,157)
Inventories		**(68,823,114)**	(15,422,119)	**-**	-
Receivables		**211,774,020**	(49,520,282)	**4,325,459**	1
Payables		**(93,702,806)**	(5,750,377)	**1,002,698**	87,259
Contract assets/liabilities		**(10,027,361)**	(54,754,827)	**-**	-
Cash generated from/ (used in) operations		**277,437,632**	26,418,881	**(3,918,355)**	(2,311,897)
Interest paid		**(9,073,390)**	(9,567,856)	**(2,243,320)**	-
Interest received		**2,500,083**	283,580	**1,232,235**	-
Income tax paid		**(52,830,256)**	(39,131,657)	**(45,000)**	-
Income tax refunded		**169,020**	76,787	**-**	-
Net cash from/(used in) operating activities		**218,203,089**	(21,920,265)	**(4,974,440)**	(2,311,897)

Statement of Cash Flows

for the financial year ended 31 December 2020 (Cont'd)

		Group		Company	
	Note	2020 RM	2019 RM	2020 RM	2019 RM
Cash Flows from Investing Activities					
Direct acquisition of subsidiaries, net of cash and cash equivalent acquired	12(b)	**(141,436,243)**	-	**(150,000,000)**	-
Acquisition through reverse acquisition, net of cash and cash equivalent acquired	12(a)	**11,997,168**	-	**-**	-
(Advances to)/ Repayment from subsidiaries		**-**	-	**(4,151,060)**	1,190,577
Investment in subsidiaries		**-**	(200,000)	**-**	-
Purchase of property, plant and equipment	9(b)	**(1,021,480)**	(1,312,607)	**(10,329)**	-
Purchase of investment properties		**(40)**	(40)	**-**	-
Proceeds from disposal of:					
- property, plant and equipment		**973,494**	440,000	**-**	-
- associates	13	**9,800,000**	-	**9,800,000**	-
- subsidiaries		**-**	-	**-**	1,000,000
Repayment from Directors' related companies		**14,740,580**	24,588,510	**-**	-
Net cash (used in)/from investing activities		**(104,946,521)**	23,515,863	**(144,361,389)**	2,190,577

		Group		Company	
	Note	2020 RM	2019 RM	2020 RM	2019 RM
Cash Flows from Financing Activities					
Dividend paid to:					
- RCPS holders		**(4,749,187)**	-	**(4,749,187)**	-
- non-controlling interest		**(11,107,548)**	-	**-**	-
Expenses incurred pursuant to issuance of RCPS		**(20,800)**	-	**-**	-
Repayment to Directors' related companies	(c)	**(87,547,872)**	(1,146,658)	**(66,928)**	-
Advances from Directors	(c)	**-**	11,347,216	**-**	-
Repayment to corporate shareholders	(c)	**(1,706,600)**	-	**-**	-
Drawdown/(Repayment) of borrowings	(c)	**98,396,628**	(11,725,013)	**112,523,134**	-
Issuance of ordinary shares		**-**	50,000,000	**-**	-
Increase in fixed deposits pledged		**(20,443,614)**	(1,566,770)	**-**	-
Payment for the principal portion of lease liabilities	(b)(c)	**(1,017,853)**	(1,129,922)	**-**	-
Proceeds from private placement		**39,256,000**	-	**43,489,000**	-
Repayment from former subsidiary		**-**	-	**-**	121,267
Net cash from financing activities		**11,059,154**	45,778,853	**151,196,019**	121,267
Net increase/(decrease) in cash and cash equivalents		**124,315,722**	47,374,451	**1,860,190**	(53)
Cash and cash equivalents at beginning of the year		**64,614,723**	17,240,272	**329**	382
Cash and cash equivalents at end of the year	(a)	**188,930,445**	64,614,723	**1,860,519**	329

(a) Cash and cash equivalents comprise the following:

		Group		Company	
	Note	2020 RM	2019 RM	2020 RM	2019 RM
Cash and bank balances	20	**69,748,606**	64,251,395	**1,860,519**	329
Fixed deposits with licensed banks	20	**26,494,422**	4,949,240	**-**	-
Short term fund	20	**118,036,948**	-	**-**	-
		214,279,976	69,200,635	**1,860,519**	329
Less:					
Bank overdraft	24	**(320,005)**	-	**-**	-
Fixed deposits pledged with licensed banks	20(b)	**(25,029,526)**	(4,585,912)	**-**	-
		188,930,445	64,614,723	**1,860,519**	329

(b) Cash outflows for leases as a lease are as follow:

	Group		Company	
	2020 RM	2019 RM	2020 RM	2019 RM
Included in net cash used in operating activities:				
Interest paid in relation to lease liabilities	**231,210**	201,575	**-**	-
Payment related to short term lease of:				
- premises	**278,022**	1,494,719	**120,130**	-
- equipment	**28,839**	15,683	**-**	-
Included in net cash from financing activities:				
Payment for the principal portion of lease liabilities	**1,017,853**	1,129,922	**-**	-
	1,555,924	2,841,899	**120,130**	-

(c) Reconciliation of movements of liabilities to cash flows arising from financing activities:

	Note	Lease liabilities RM	Borrowings (excluded bank overdraft) RM	Amounts due to Directors' related companies and corporate shareholders RM	Amount due to a Director RM
Group					
2020					
At beginning of the year		**4,287,057**	**91,131,271**	**91,670,497**	**18,348,844**
Payment for the principal portion of lease liabilities		**(1,017,853)**	**-**	**-**	**-**
Drawdown		**-**	**153,000,000**	**-**	**-**
Repayment		**-**	**(54,603,372)**	**(89,254,472)**	**-**
Net changes in cash flow from financing activities		**(1,017,853)**	**98,396,628**	**(89,254,472)**	**-**
Direct acquisition of subsidiaries	12(b)	**-**	**27,737,339**	**11,511,514**	**60,310**
Acquisition of new leases	9(b)	**1,033,923**	**-**	**-**	**-**
Net changes in cash flow from operating activities		**-**	**-**	**737,566**	**-**
Lease modification		**(337,932)**	**-**	**-**	**-**
Reverse acquisition	12(a)	**-**	**4,630,000**	**-**	**-**
Settlement of debts through issuance of ordinary shares	21(b)	**-**	**-**	**(14,500,590)**	**(18,409,154)**
At end of the year		**3,965,195**	**221,895,238**	**164,515**	**-**

(c) Reconciliation of movements of liabilities to cash flows arising from financing activities: (Cont'd)

	Note	Lease liabilities RM	Borrowings (excluded bank overdraft) RM	Amounts due to Diretors' related companies and corporate shareholders RM	Amount due to a Director RM
Group					
2019					
At beginning of the year, as previously reported		2,279,321	102,856,284	89,992,300	7,001,628
Effect of adoption of MFRS 16		415,138	-	-	-
At beginning of the year, as restated		2,694,459	102,856,284	89,992,300	7,001,628
Repayment		(1,129,922)	(11,725,013)	(1,146,658)	-
Advances from		-	-	-	11,347,216
Net changes in cash flow from financing activities		(1,129,922)	(11,725,013)	(1,146,658)	11,347,216
Acquisition of new leases	9(b)	2,722,520	-	-	-
Net changes in cash flow from operating activities		-	-	2,824,855	-
At end of the year		4,287,057	91,131,271	91,670,497	18,348,844

	Borrowings (excluded bank overdraft) RM	Amounts due to Directors' related companies RM
Company		
2020		
At beginning of the year	-	-
Drawdown	**153,000,000**	**-**
Repayment	**(40,476,866)**	**(66,928)**
Net changes in cash flow from financing activities	**112,523,134**	**(66,928)**
Net changes in cash flow from operating activities	**-**	**224,590**
At end of the year	**112,523,134**	**157,662**

The annexed notes form an integral part of, and should be read in conjunction with, these financial statements

1. CORPORATE 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 registered office of the Company is located at No. 54-4-8, Wisma Sri Mata, Jalan Van Praagh, 11600, Jelutong, Penang.

The principal place of business of the Company is located at Level 4, No. 131, Persiaran PM2/1, Pusat Bandar Seri Manjung, Seksyen 2, 32040 Seri Manjung, Perak Darul Ridzuan.

The Company is principally engaged in investment holdings. The principal activity of the subsidiaries is disclosed in Note 12. There have been no significant changes in the nature of these activities of the Group and of the Company during the financial year.

The Directors regard Lagenda Land Sdn. Bhd., a company incorporated in Malaysia as the holding company.

The financial statements were authorised for issue in accordance with a Board of Directors' resolution dated 12 April 2021.

2. BASIS OF PREPARATION

(a) Statement of compliance

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

The Group and the Company have considered the below new accounting pronouncements in the preparation of the financial statements.

(i) Accounting pronouncements that are effective and adopted during the financial year

The Group and the Company have adopted the following new accounting pronouncements that are mandatory for the current financial year:

Amendments to MFRS 9 and MFRS 7	Interest Rate Benchmark Reform
Amendments to MFRS 3	Definition of a Business
Amendments to MFRS 101 and MFRS 108	Definition of Material
Amendments to References to the Conceptual Framework in MFRSs	

The adoption of the above accounting pronouncements did not have any significant effect on the financial statements of the Group and of the Company.

(ii) Accounting pronouncements that are issued but not yet effective and have not been early adopted

The Group and the Company have not adopted the following accounting pronouncements that have been issued as at the date of authorisation of these financial statements but are not yet effective for the Group and for the Company:

Effective for financial periods beginning on or after 1 June 2020

Amendments to MFRS 16	Covid-19-Related Rent Concessions

Effective for financial periods beginning on or after 1 January 2021

Amendments to MFRS 9, MFRS 7, MFRS 4 and MFRS 16	Interest Rate Benchmark Reform – Phase 2

2. BASIS OF PREPARATION (Cont'd)

(a) Statement of compliance (Cont'd)

(ii) Accounting pronouncements that are issued but not yet effective and have not been early adopted (Cont'd)

Effective for financial periods beginning on or after 1 January 2022

Amendments to MFRS 3	Reference to the Conceptual Framework
Amendments to MFRS 116	Property, Plant and Equipment – Proceeds before Intended Use
Amendments to MFRS 137	Onerous Contracts - Cost of Fulfilling a Contract
Annual Improvements to MFRSs 2018 - 2020	

Effective for financial periods beginning on or after 1 January 2023

Amendments to MFRS 4	Insurance Contracts (Extension of the Temporary Exemption from Applying MFRS 9)
MFRS 17	Insurance Contracts
Amendments to MFRS 17	Insurance Contracts
Amendments to MFRS 101	Classification of Liabilities as Current or Non-Current and Disclosure of Accounting Policies
Amendments to MFRS 108	Definition of Accounting Estimates

Effective date to be announced

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

The Group and the Company will adopt the above accounting pronouncements when they become effective in the respective financial periods. These accounting pronouncements are not expected to have any effect to the financial statements of the Group and of the Company upon their initial application.

(b) Basis of Measurement

The financial statements of the Group and of the Company have been prepared on the historical cost convention except for those as disclosed in the accounting policy notes.

(c) Functional and presentation currency

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

(d) Significant accounting estimates and judgements

The summary of accounting policies as described in Note 3 are essential to understand the Group's and the Company's result of operations, financial position, cash flows and other disclosures. Certain of these accounting policies require critical accounting estimates that involve complex and subjective judgements and the use of assumptions, some of which may be for matters that are inherently uncertain and susceptible to change. Directors exercise their judgement in the process of applying the Group's and the Company's accounting policies.

Estimates, assumptions concerning the future and judgements are made in the preparation of the financial statements. They affect the application of the Group's and of the Company's accounting policies and reported amounts of assets, liabilities, income and expenses, and disclosures made. Estimates and underlying assumptions are assessed on an on-going basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances. The actual results may differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results.

2. BASIS OF PREPARATION (Cont'd)

(d) Significant accounting estimates and judgements (Cont'd)

The key assumptions concerning the future and other key sources of estimation or uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are set out below.

(i) Property development

Revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation.

The progress towards complete satisfaction of the performance obligation is measured based on the Group's efforts or inputs to the satisfaction of the performance obligation (i.e. by reference to the property development costs incurred to date as a percentage of the estimated total costs of development of the contract). In making the estimate, management relies on opinion/service of experts, past experience and a continuous monitoring mechanism.

(ii) Impairment of goodwill

Goodwill is tested for impairment annually and at other times when such indicators exist. This requires management to estimate the expected future cash flows of the cash-generating unit to which goodwill is allocated and to apply a suitable discount rate in order to determine the present value of those cash flows. The future cash flows are most sensitive to budgeted gross margins, growth rates estimated and discount rate used. If the expectation is different from the estimation, such difference will impact the carrying value of goodwill.

(iii) Carrying value of investment in subsidiaries

Investments in subsidiaries are reviewed for impairment annually in accordance with its accounting policy or whenever events or changes in circumstances indicate that the carrying values may not be recoverable.

Significant judgement is required in the estimation of the present value of future cash flows generated by the subsidiaries, which involves uncertainties and are significantly affected by assumptions and judgements made regarding estimates of future cash flows and discount rates. Changes in assumptions could significantly affect the carrying value of investments in subsidiaries.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to the periods presented in these financial statements, except as disclosed in Note 3(a).

(a) Basis of consolidation

Consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the reporting date. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied for like transactions and events in similar circumstances. The Company controls an investee if and only if the Company has all the following:

(i) Power over the investee (i.e. existing rights that give it the current ability to direct the relevant power activities of the investee);
(ii) Exposure, or rights, to variable returns from its investment with the investee; and
(iii) The ability to use its power over the investee to affect its returns.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(a) Basis of consolidation (Cont'd)

Consolidation (Cont'd)

When the Company has less than a majority of the voting rights of an investee, the Company considers the following in assessing whether or not the Company's voting rights in an investee are sufficient to give it power over the investee:

(i) The size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
(ii) Potential voting rights held by the Company, other vote holders or other parties;
(iii) Rights arising from other contractual arrangements; and
(iv) Any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Subsidiaries are consolidated when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary.

Losses within a subsidiary are attributed to the non-controlling interests even if that results in a deficit balance.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interest and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. The resulting difference is recognised directly in equity and attributed to owners of the Company.

When control ceases, the disposal proceeds and the fair value of any retained investment are compared to the Group's share of the net assets disposed. The difference together with the carrying amount of allocated goodwill and the exchange reserve that relate to the subsidiary is recognised as gain or loss on disposal.

Business combination

Acquisitions of subsidiaries are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. The Group elects on a transaction-by-transaction basis whether to measure the non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Transaction cost incurred are expensed and included in administrative expenses.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes in the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognised in accordance with MFRS 9 either in profit or loss or a change to other comprehensive income. If the contingent consideration is classified as equity, it will not be remeasured. Subsequent settlement is accounted for within equity. In instances where the contingent consideration does not fall within the scope of MFRS 9, it is measured in accordance with the appropriate MFRS.

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

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

Reverse acquisition accounting

During the financial year, the Company completed the acquisition of the entire equity interest in Blossom Eastland Sdn. Bhd. and its subsidiaries ("Blossom Group") for a total consideration of RM593,604,357, satisfied through a combination of the issuance of 89,508,542 units of ordinary shares, 639,641,716 units of Redeemable Convertible Preference Shares ("RCPS") and 76,550,572 units of deferred RCPS to shareholders of Blossom Group. This transaction is treated as a reverse acquisition for accounting purpose as the shareholders of Blossom Group became the controlling shareholders of the Company upon the completion of the transaction. Accordingly, Blossom Group (being the legal subsidiaries in the transaction) is regarded as the accounting acquirer, and the Company (being the legal parent in the transaction) is regarded as the accounting acquiree.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(a) Basis of consolidation (Cont'd)

Reverse acquisition accounting (Cont'd)

The consolidated financial statements represent a continuation of the financial position, financial performance and cash flows of Blossom Group. Accordingly, the consolidated financial statements are prepared on the following basis:

(a) the assets and liabilities of Blossom Group are recognised and measured in the consolidated statement of financial position of the Group at their pre-acquisition carrying amounts;

(b) the assets and liabilities of the Company are recognised and measured in the consolidated statement of financial position of the Group at their acquisition-date fair values;

(c) the retained earnings and other equity balances recognised in the consolidated financial statements are the retained earnings and other equity balances of Blossom Group immediately before the reverse acquisition;

(d) the amount recognised as issued equity interests in the consolidated financial statements is determined by adding to the issued equity of Blossom Group immediately before the Reverse Acquisition the fair value of the consideration effectively transferred based on the issue price of the Company's share. However, the equity structure appearing in the consolidated financial statements (i.e. the number and type of equity instruments issued) reflects the equity structure of the legal parent (i.e. the Company), including the equity instruments issued by the Company to effect the reverse acquisition;

(e) the consolidated statement of comprehensive income for the financial year ended 31 December 2020 reflects the full financial year results of Blossom Group together with the post-acquisition results of the Company; and

(f) the comparative figures presented in these consolidated financial statements are those of Blossom Group, except for its capital structure which is retroactively adjusted to reflect the legal capital of the accounting acquiree.

The consolidated statement of comprehensive income, consolidated statement of cash flows and consolidated statement of changes in equity of the Group for the financial year ended 31 December 2020 refers to the Group which includes the results of Blossom Group from 1 January 2020 to 31 December 2020 and the post-acquisition results of the Company from the date of completion of the reverse acquisition to 31 December 2020. The consolidated statement of comprehensive income, consolidated statement of cash flows and consolidated statement of changes in equity of the Group for the financial year ended 31 December 2019 refer to the results of Blossom Group from 1 January 2019 to 31 December 2019.

Separate financial statements of the Company

The above accounting method applies only at the consolidated financial statements. In the Company's separate financial statements, investments in the legal subsidiaries (the Blossom Group) is accounted for at cost less accumulated impairment losses, if any, in the Company's statement of financial position. The initial cost of the investment in the Blossom Group is based on the fair value of the ordinary shares, RCPS and deferred RCPS issued by the Company as at the acquisition date.

On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in the profit or loss.

Non-controlling Interests

Non-controlling interests represents the equity in subsidiaries not attributable directly or indirectly, to Owners of the Company, and is presented separately in the consolidated profit or loss and within equity in the consolidated financial position, separately from equity attributable to Owners of the Company.

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the non-controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to Owners of the Company.

Losses within a subsidiary are attributed to the non-controlling interests even if that results in a deficit balance.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(a) Basis of consolidation (Cont'd)

Associates

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

Investments in associates are accounted for in the consolidated financial statements using the equity method less any impairment losses. The cost of the investment includes transaction costs. The consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of the associates, after adjustments if any, to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases.

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

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

When the Group's interest in an associate decrease but does not result in a loss of significant influence, any retained interest is not re-measured. Any gain or loss arising from the decrease in interest is recognised in profit or loss. Any gains or losses previously recognised in other comprehensive income are also reclassified proportionately to profit or loss.

Joint arrangement

Joint arrangement is arrangement of which the Group has joint control, established by contracts requiring unanimous consent for decisions about the activities that significantly affect the arrangement's returns.

Joint arrangement is classified as "joint operation" when the Group has rights to the assets and obligations for the liabilities relating to an arrangement. The Group accounts for each of its share of the assets, liabilities and transactions, including its share of those held or incurred jointly with the other investors, in relation to the joint operation.

Transactions eliminated on consolidation

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

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

(b) Revenue and other income recognition

(i) Revenue from contracts with customers

The Group is in the business of property development, construction of building and trading of building materials and hardware.

Revenue from contracts with customers is recognised by reference to each distinct performance obligation in the contract with customer and is measured at the consideration specified in the contract of which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, net of sales and service tax, returns, rebates and discounts.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(b) Revenue and other income recognition (Cont'd)

(i) Revenue from contracts with customers (Cont'd)

The Group recognises revenue when (or as) it transfers control over a product or service to customer. An asset is transferred when (or as) the customer obtains control of that asset.

Depending on the substance of the contract, revenue is recognised when the performance obligation is satisfied, which may be at a point in time or over time. The Group transfers control of a good or service at a point in time unless one of the following over time criteria is met:

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

Property development revenue

The Group recognises revenue from property development over time if it creates an asset with no alternative use to the Group and the Group has an enforceable right to payment for performance completed to date. Revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation.

The progress towards complete satisfaction of the performance obligation is measured based on the Group's efforts or inputs to the satisfaction of the performance obligation (i.e. by reference to the property development costs incurred to date as a percentage of the estimated total costs of development of the contract).

Certain bundled contracts provide the customer with an option to purchase an on-going property development unit with furniture and fittings. Furniture and fittings can also be obtained separately from another provider. As sale of an on-going property development unit and furniture and fittings are capable of being distinct and separately identifiable, there are two performance obligations within a bundled transaction. Accordingly, the Group allocates the transaction price based on relative stand-alone selling prices of the property development unit and furniture and fittings.

Stand-alone selling price are based on observable sales prices; however, where stand-alone selling prices are not directly observable, estimates will be made maximising the use of observable inputs.

Construction contracts revenue

Contract revenue includes the initial amount agreed in the contract plus any variations in contract work and claims. Under the terms of the contracts, the Group has an enforceable right to payment for performance completed to date and that the customer controls the assets during the course of construction by the Group and that the construction services performed does not create an asset with an alternative use to the Group.

Revenue from construction contracts is recognised progressively over time based on the percentage of completion by using the cost-to-cost method ("input method"), based on the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs. The Directors consider that this input method is an appropriate measure of the progress towards complete satisfaction of these performance obligations under MFRS 15. Work done is measured based on actual and expected cost incurred for project activities.

There is no significant financing component in construction contracts with customers as the period between the recognition of revenue under the percentage of completion and the milestone payment is generally within the normal business operating cycle.

Sale of land

Revenue from the sale of land is measured at fair value of the consideration received or receivable, net of returns and allowances and trade discounts. Revenue is recognised upon signing of the sales and purchase agreement when the significant risks and rewards of ownership have been transferred to the buyer, 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 land.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(b) Revenue and other income recognition (Cont'd)

(i) Revenue from contracts with customers (Cont'd)

Furniture and fittings revenue

Revenue from sale of furniture and fittings are recognised at the point in time when control of the asset is transferred to the customer, usually on delivery and acceptance of the furniture and fittings.

Sale of completed properties

Revenue from sales of completed properties is recognised upon delivery of properties where the control of the properties has been passed to the buyers.

Trading of building materials and hardware

Revenue from sales of building materials and hardware is recognised upon delivery of goods where the control of the goods have been transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods, net of indirect taxes and discounts.

Incremental costs of obtaining a contract with a customer

The Group pays sales commissions to external sales agent and employees as an incentive for sales of each unit of on-going property development to the customers. Sales commissions have been determined to be an incremental cost of obtaining a contract and are capitalised as contract costs when the Group expects these costs to be recovered over a period of more than one year.

Contract costs are amortised over the revenue recognition by reference to the progress towards complete satisfaction of the performance obligation. For contract costs with an amortisation period of less than one year, the Group has elected to apply the practical expedient to recognise as an expense when incurred. Amortisation of contract costs are included as part of selling and marketing expenses in the profit or loss, based on the nature of commission costs, and not under amortisation expenses.

Contract assets and contract liabilities

Contract asset is the right to consideration in exchange for goods or services transferred to the customers. The Group's contract asset is the excess of cumulative revenue earned over the billings to-date.

When there is objective evidence of impairment, the amount of impairment losses is determined by comparing the contract asset's carrying amount and the present value of estimated future cash flows to be generated by the contract asset.

Contract asset is reclassified to trade receivables at the point at which invoices have been billed to customers.

Contract liability is the obligation to transfer goods or services to customers for which the Group has received the consideration or has billed the customer. The Group's contract liability is the excess of the billings to-date over the cumulative revenue earned. Contract liabilities are recognised as revenue when the Group performs its obligation under the contract.

(ii) Interest income

Interest income is recognised on a time proportion basis that reflects the effective yield on asset.

(iii) Rental income

Rental income is recognised 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.

(iv) Other income

Other income comprises of net income received from sale of fresh fruit bunches from the land held for sale which is classified as inventories of the Group. The Group has outsourced the harvesting of fresh fruit bunch process to a Director's related company.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(c) Employee benefits

(i) Short term employee benefits

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

The expected cost of accumulating compensated absences is measured as additional amount expected to be paid as a result of the unused entitlement that has accumulated at the end of the reporting period.

(ii) Defined contribution plan

As required by law, companies in Malaysia make contributions to the state pension scheme, the Employees Provident Fund ("EPF"). Such contributions are recognised as an expense as incurred. Once the contributions have been paid, the Group and the Company have no further payment obligations.

(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.

Interest incurred on borrowing costs that are directly attributable to the acquisition, construction or production pf a qualifying asset related to property development activities or construction of assets are capitalised as part of the cost of the asset during the period of time require to complete and prepare the asset for its intended use. Capitalisation of borrowing costs ceased when the assets are ready for their intended use or sale whereby the assets are no longer qualifying asset.

(e) Income taxes

Current tax

Tax expense represents the aggregate amount of current and deferred tax. Current tax is the expected amount payable in respect of taxable income for the financial year, using tax rates enacted or substantively enacted by the reporting date, and any adjustments recognised for prior years' tax. When an item is recognised outside profit or loss, the related tax effect is recognised either in other comprehensive income or directly in equity.

Deferred tax

Deferred tax is recognised using the liability method, on all temporary differences between the tax base of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is not recognised if the temporary difference arises from the initial recognition of an asset or liability in a transaction, which is not a business combination and at the time of the transaction, affects neither accounting nor taxable profit or loss. Deferred tax is measured at the tax rates that are expected to apply in the period in which the assets are realised or the liabilities are settled, based on tax rates and tax laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets are recognised only to the extent that there are sufficient taxable temporary differences relating to the same taxable entity and the same taxation authority to offset or when it is probable that future taxable profits will be available against which the assets can be utilised.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefits will be realised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will be available for the assets to be utilised.

Deferred tax assets relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transactions either in other comprehensive income or directly in equity and deferred tax arising from business combination is adjusted against goodwill on acquisition or the amount of any excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the acquisition cost.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(f) Leases

As a lessee

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

The right-of-use assets are presented within property, plant and equipment and lease liabilities are presented as a separate line in the statements of financial position.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment.

In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability. The Group applies MFRS 136 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in Note 3(n)(ii).

The lease liability is initially measured at the present value of the future lease payments at the commencement date, discounted using the Group's incremental borrowing rates. Lease payments included in the measurement of the lease liability include fixed payments, any variable lease payments, amount expected to be payable under a residual value guarantee, and exercise price under an extension option that the Group is reasonably certain to exercise.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, or if the Group changes its assessment of whether it will exercise an extension or termination option.

The Group and the Company apply the short-term lease recognition exemption to its short-term leases of properties and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

As a lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease.

The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of "other income".

(g) Earnings per share

Basic earnings per share ("EPS") is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the year.

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 the effects of all dilutive potential ordinary shares, which comprise RCPS. Whilst free warrants B granted to shareholders do not have any dilution effect on the weighted average number of ordinary shares as the exercise price of Warrants B has exceeded the average market price of ordinary shares during the financial year.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(h) Property, plant and equipment

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

(i) Recognition and measurement

Cost includes expenditures that are directly attributable to the acquisition of the assets and any other costs directly attributable to bringing the asset to working condition for its intended use, cost of replacing component parts of the assets, and the present value of the expected cost for the decommissioning of the assets after their use. 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. All other repair and maintenance costs are recognised in profit or loss as incurred.

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.

Property, plant and equipment are derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in profit or loss.

(ii) Subsequent costs

The cost of replacing part 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 part will flow to the Group and to the Company and their costs can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in the profit or loss as incurred.

(iii) Depreciation

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

Depreciation is recognised in the profit or loss on straight line basis over its estimated useful lives of each component of an item of property, plant and equipment as follows:

Freehold properties	50 years
Warehouse	50 years
Machineries	10 years
Furniture and fittings	10 years
Motor vehicles	5 years
Office equipment	10 years
Renovation	10 years
Leased properties	3 to 6 years, or over the lease term, if shorter

Freehold land has an indefinite useful life and therefore is not depreciated.

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

Fully depreciated property, plant and equipment are retained in the financial statements until they are no longer in use and no further charge for depreciation is made in respect of these property, plant and equipment.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(i) Investment properties

Investment properties are properties held to earn rental income or for capital appreciation or both. Investment properties that are constructed or developed for future use as investment properties.

Investment properties are initially measured at cost, which includes transaction costs. After the initial recognition, investment properties are stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is recognised in profit or loss on straight line basis over its estimated useful lives of each investment properties as follows:

Freehold properties	50 years

Freehold land has an indefinite useful life and therefore is not depreciated.

Investment properties are derecognised when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The gain or loss arising from the retirement or disposal of an investment property is determined as being the difference between the net disposal proceeds, if any, and the carrying amount of the asset and is recognised in profit or loss in the period of retirement or disposal.

(j) Goodwill

Goodwill is initially measured at cost, being excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

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

(k) Inventories

Inventories are measured at the lower of cost and net realisable value. The inventories of the Group are made up of relevant cost of land and development expenditure. Land costs comprise cost incurred via acquisition or business arrangement. Any consideration payable for the land with deferred payment will be determined based on the present value of the deferred payment.

<u>Land held for property development</u>

Land held for property development consists of land on which no significant development work has been undertaken or where development activities are not expected to be completed within the normal operating cycle. Such land is classified as non-current asset and is stated at lower of cost and net realisable value.

Costs associated with the acquisition of land include the purchase price of the land, professional fees, stamp duties, commissions, conversion fees and other relevant levies. Where an indication of impairment exists, the carrying amount of the asset is assessed and written down immediately to its net realisable value.

Land held for property development is transferred to property development costs (under current assets) when significant development work has been undertaken and is expected to be completed within the normal operating cycle of the Group or the developers.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(k) Inventories (Cont'd)

<u>Property development costs</u>

Property development costs comprise all costs that are directly attributable to development activities or that can be allocated on a reasonable basis to such activities.

When the financial outcome of a development activity can be reliably estimated, property development revenue and expenses are recognised in profit or loss by using the stage of completion method. The stage of completion is determined by the proportion that property development costs incurred for work performed to date bear to the estimated total property development costs.

Where the financial outcome of a development activity cannot be reliably estimated, property development revenue is recognised only to the extent of property development costs incurred that is probable will be recoverable, and property development costs on properties sold are recognised as an expense in the period in which they are incurred.

Any expected loss on a development project, including costs to be incurred over the defects liability period, is recognised as an expense immediately.

<u>Unsold completed properties</u>

The cost of unsold properties is stated at the lower of cost and net realisable value. Cost includes the relevant cost of land and development expenditure.

(l) Cash and cash equivalents

Cash and cash equivalents consist of cash at bank and on hand, short term fund and fixed deposits placed with licensed banks that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value. For the purpose of the statements of cash flows, cash and cash equivalents are presented net of bank overdrafts and pledged deposits, if any.

(m) Financial instruments

(i) Initial recognition and measurement

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

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

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

(ii) Financial instrument categories and subsequent measurement

The Group and the Company categorise financial instruments as follows:

<u>Financial assets</u>

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

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(m) Financial instruments (Cont'd)

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

Financial assets (Cont'd)

Amortised cost

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

All financial assets, are subject to impairment assessment under Note 3(n)(i).

Financial liabilities

The category of financial liabilities at initial recognition is as follows:

Amortised cost

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

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

(iii) Offsetting of financial instruments

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

(iv) Financial guarantee contracts

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

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

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

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

(v) Regular way purchase or sale of financial assets

A regular way purchase or sale is a purchase or sale of a financial asset under a contract whose terms require delivery of the asset within the time frame established generally by regulation or convention in the marketplace concerned.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(m) Financial instruments (Cont'd)

(v) Regular way purchase or sale of financial assets (Cont'd)

A regular way purchase or sale of financial assets is recognised and derecognised, as applicable, using trade date accounting. Trade date accounting refers to:

(a) the recognition of an asset to be received and the liability to pay for it on the trade date; and

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

(vi) Derecognition

A financial asset or part of it is derecognised when, and only when the contractual rights to the cash flows from the financial asset expire or control of the asset is not retained or substantially all of the risks and rewards of ownership of the financial asset are transferred to another party. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in equity is recognised in profit or loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged, cancelled or expires. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

(n) Impairment of assets

(i) Financial assets

The Group and the Company recognise loss allowances for expected credit losses ("ECLs") on financial assets and contract assets measured at amortised cost. Expected credit losses are a probability-weighted estimate of credit losses.

Loss allowances of the Group and of the Company are measured on either of the following bases:

(a) 12-month ECLs - represents the ECLs that result from default events that are possible within the 12 months after the reporting date (or for a shorter period if the expected life of the instrument is less than 12 months); or

(b) Lifetime ECLs - represents the ECLs that will result from all possible default events over the expected life of a financial instrument or contract asset.

The impairment methodology applied depends on whether there has been a significant increase in credit risk.

<u>Simplified approach - trade receivables and contract assets</u>

The Group and the Company apply the simplified approach to provide ECLs for all trade receivables and contract assets as permitted by MFRS 9. The simplified approach required expected lifetime losses to be recognised from initial recognition of the receivables. 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 applicable.

<u>General approach - other financial instruments and financial guarantee contracts</u>

The Group and the Company apply the general approach to provide for ECLs on all other financial instruments and financial guarantee contracts, which requires the loss allowance to be measured at an amount equal to 12-month ECLs at initial recognition.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(n) Impairment of assets (Cont'd)

(i) Financial assets (Cont'd)

General approach - other financial instruments and financial guarantee contracts (Cont'd)

At each reporting date, the Group and the Company assess whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECLs. In assessing whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group and the Company consider reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's and the Company's historical experience and informed credit assessment and including forward looking information, where available.

If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instruments improves such that there is no longer a significant increase in credit risk since initial recognition, loss allowance is measured at an amount equal to 12-month ECLs.

The Group and the Company consider the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that a financial asset to be in default when:

- The borrower is unlikely to pay its credit obligations to the Group and the Company in full, without recourse by the Group and the Company to actions such as realising security (if any is held); or
- The financial asset is more than 1 year past due.

The Group and the Company consider a financial guarantee contract to be in default when the debtor of the loan is unlikely to pay its credit obligations to the creditors in full, without recourse by the Group and the Company to action such as realising security (if any is held). The Group and the Company only apply a discount rate if, and to the extent that, the risks are not taken into account by adjusting the expected cash shortfalls.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group and the Company are exposed to credit risk.

Credit impaired financial assets

At each reporting date, the Group and the Company assess whether financial assets carried at amortised cost is credit impaired. A financial asset is credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit impaired includes the observable data about the following events:

- Significant financial difficulty of the borrower or issuer;
- A breach of contract such as a default or past due event (e.g being more than 240 days past due);
- The lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider (e.g the restructuring of a loan or advance by the Group and the Company on terms that the Group and the Company would not consider otherwise);
- It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- The disappearance of an active market for security because of financial difficulties.

Write-off policy

The gross carrying amount of a financial asset is written off (either partially or full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group and the Company determine that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's and the Company's procedure for recovery of amounts due. Any recoveries made are recognised in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(n) Impairment of assets (Cont'd)

(ii) Non-financial assets

The carrying amounts of non-financial assets (except for inventories) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised immediately in profit or loss, unless the asset is carried at a revalued amount, in which such impairment loss is recognised directly against any revaluation surplus of the assets to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same asset. A cash-generating unit is the smallest identifiable asset group that generates cash flow that largely are independent from other assets and groups.

The recoverable amount of an asset or cash-generating units is the greater of its value in use and its fair value less cost to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of time value of money and the risks specific to the asset.

Previously recognised impairment losses are assessed at the end of each reporting period whether there is any indication that the loss has decreased or no longer exist. An impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the assets does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for assets in prior years. Such reversal is recognised in the profit or loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

Except for goodwill, assets that were previously impaired are reviewed for possible reversal of the impairment at the end of each reporting period. Any subsequent increase in recoverable amount is recognised in the profit or loss unless it reverses an impairment loss on a revalued asset in which case it is taken to revaluation reserve. Reversal of impairment loss is restricted by the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years.

An impairment loss recognised for goodwill is not reversed.

An impairment loss is recognised for the amount by which the carrying amount of the subsidiary or associate exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and present value of the estimated future cash flows expected to be derived from the investment including the proceeds from its disposal. Any subsequent increase in recoverable amount is recognised in profit or loss.

(o) Equity instrument

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

<u>Ordinary shares</u>

Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

<u>Redeemable Convertible Preference Shares ("RCPS")</u>

The RCPS are regarded as compound instruments, consisting of a liability component and an equity component. The component of RCPS that exhibits characteristics of a liability is recognised as a financial liability in the statements of financial position, net of transaction costs. The dividends on those shares are recognised as interest expense in profit or loss using the effective interest rate method. On issuance of the RCPS, the fair value of the liability component is determined using a market rate for an equivalent non-convertible debt and this amount is carried as a financial liability.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(o) Equity instrument (Cont'd)

Redeemable Convertible Preference Shares ("RCPS") (Cont'd)

The residual amount, after deducting the fair value of the liability component, is recognised and included in shareholder's equity, net of transaction costs.

Transaction costs are apportioned between the liability and equity component of the RCPS based on the allocation of proceeds to the liability and equity components when the instruments were first recognised.

(p) Operating segments

Operating segments are defined as components of the Group:

(a) that engage in business activities from which it could earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the Group);

(b) whose operating results are regularly reviewed by the chief operating decision maker of the Group in making decisions about resources to be allocated to the segment and assessing its performance; and

(c) for which discrete financial information is available.

The Group reports separately information about each operating segment that meets any of the following quantitative thresholds:

(a) its reported revenue, including both sales to external customers and intersegment sales or transfers, is 10% or more of the combined revenue, internal and external, of all operating segments.

(b) the absolute amount of its reported profit or loss is 10% or more of the greater, in absolute amount of:
   (i) the combined reported profit of all operating segments that did not report a loss; and
   (ii) the combined reported loss of all operating segments that reported a loss.

(c) Its assets are 10% or more of the combined segments that reported a loss.

Operating segments that do not meet any of the quantitative thresholds may be considered reportable, and separately disclosed, if the management believes that information about the segment would be useful to users of the financial statements.

Total external revenue reported by operating segments shall constitute at least 75% of the revenue of the Group. Operating segments identified as reportable segments in the current financial year in accordance with the quantitative thresholds would result in a restatement of prior period segment date for comparative purposes.

(q) Fair value measurements

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.

When measuring the fair value of an asset or a liability, the Group and the Company used 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 and the Company recognise transfers between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfers.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(r) 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.

4. REVENUE

	Note	Group 2020 RM	Group 2019 RM
Revenue from contracts with customers			
Property development	(a)	**528,665,878**	382,300,232
Furniture and fittings		**300,705**	1,672,750
Sales of completed properties		**8,019,400**	27,966,695
Construction contract	(b)	**95,827,492**	49,384,965
Trading of building materials		**64,798,979**	-
Sale of land		**-**	1,460,000
		697,612,454	462,784,642
Timing of revenue recognition:			
Point in time		**73,119,084**	31,099,445
Over time		**624,493,370**	431,685,197
		697,612,454	462,784,642

Unsatisfied long-term contracts

The following table shows unsatisfied performance obligations resulting from property development revenue and construction contract revenue:

(a) Property development revenue

	Group 2020 RM	Group 2019 RM
Total contracted revenue, net	**1,568,534,129**	1,315,451,656
Less: Property development revenue recognised, net	**(662,978,709)**	(675,678,905)
Completed during the year	**(541,366,074)**	(171,521,375)
Aggregate amount of the transaction price allocated to property development revenue that are partially or fully unsatisfied as at 31 December, net	**364,189,346**	468,251,376

4. REVENUE (Cont'd)

(b) Construction contract revenue

	Group	
	2020 RM	2019 RM
Total contracted revenue	**347,490,710**	287,886,100
Less: Construction revenue recognised	**(244,175,661)**	(148,348,169)
Aggregate amount of the transaction price allocated to construction revenue that are partially or fully unsatisfied as at 31 December	**103,315,049**	139,537,931

The remaining unsatisfied performance obligations are expected to be recognised as below:

(a) Property development revenue

	Group	
	2020 RM	2019 RM
Within 1 year	**296,802,595**	328,693,719
Between 1 to 3 years	**67,386,751**	139,557,657
	364,189,346	468,251,376

(b) Construction contract revenue

	Group	
	2020 RM	2019 RM
Within 1 year	**103,315,049**	71,971,525
Between 1 to 3 years	**-**	67,566,406
	103,315,049	139,537,931

5. COST OF SALES

	Group	
	2020 RM	2019 RM
Property development costs	**276,640,360**	214,098,093
Furniture and fittings	**226,800**	1,679,849
Cost from sales of completed properties	**5,043,641**	21,829,011
Construction costs	**77,812,921**	42,190,739
Trading of building material costs	**60,906,532**	-
Costs on sale of land	**-**	1,450,667
	420,630,254	281,248,359

6. PROFIT/(LOSS) BEFORE TAX

Profit/(Loss) before tax is arrived at after charging/(crediting):

		Group		Company	
	Note	2020 RM	2019 RM	2020 RM	2019 RM
Auditors' remuneration					
- statutory audit	(a)	**203,913**	118,000	**68,000**	60,000
- (over)/underprovision in prior year	(a)	**(1,000)**	38,000	**(1,000)**	-
- other services	(a)	**58,000**	114,000	**173,500**	59,000
Accretion of interest income on deferred other receivable		**(612,116)**	-	**(1,469,080)**	-
Attributable gain on retained interest as associate		**-**	-	**-**	(9,800,000)
Depreciation of:					
- property, plant and equipment		**1,742,020**	1,496,797	**172**	-
- investment properties		**30,083**	-	**-**	-
Directors' remuneration	(b)	**3,068,793**	1,843,641	**561,308**	315,500
Employee benefits expense	(c)	**9,051,179**	4,819,311	**706,353**	-
Gain on disposal of property, plant and equipment		**(446,874)**	(33,980)	**-**	-
Gain on disposal of investment in unquoted shares		**-**	-	**-**	(1)
Gain on disposal of subsidiaries		**-**	-	**-**	(10,200,000)
Gain on remeasurement of lease liabilities		**(46,519)**	-	**-**	-
Interest expense on:					
- accretion of interest on deferred payable		**-**	515,597	**-**	-
- accretion of interest on contingent consideration		**488,376**	-	**488,376**	-
- accretion of interest on RCPS liability portion		**-**	-	**2,783,609**	-
- bank overdraft		**50**	195,105	**-**	-
- banker's acceptance		**594,394**	1,358,677	**-**	-
- late payment		**866,446**	2,552,899	**-**	-
- lease liabilities		**231,210**	201,575	**-**	-
- term loan		**7,363,482**	5,259,600	**2,225,512**	-
- revolving credit		**17,808**	-	**17,808**	-
Interest income from:					
- financial institution		**(2,500,083)**	(283,580)	**(34,192)**	-
- advances to subsidiaries		**-**	-	**(1,198,043)**	-
Inventories written down		**6,331,468**	-	**-**	-
Loss on disposal of associates		**2,047,979**	-	**-**	-
Loss on fair value adjustment on amount due from an associate		**-**	-	**-**	4,785,391
Loss on remeasurement of deferred trade payables		**6,175,271**	-	**-**	-

6. PROFIT/(LOSS) BEFORE TAX (Cont'd)

Profit/(Loss) before tax is arrived at after charging/(crediting): (Cont'd)

	Note	Group 2020 RM	Group 2019 RM	Company 2020 RM	Company 2019 RM
Rental income		**(349,777)**	(642,710)	**(39,000)**	-
Reversal of impairment loss on:					
- amounts due from subsidiaries		**-**	-	**-**	(22,585,617)
- other receivables		**(620,108)**	-	**-**	-
Short term lease for:					
- office space		**278,022**	1,494,719	**120,130**	-
- equipment		**28,839**	15,683	**-**	-
Sale of fresh fruit bunches		**(1,586,568)**	(1,163,175)	**-**	-
Written off on:					
- amount due from an associate		**-**	-	**-**	80,742
- other receivables		**115**	412,953	**-**	-
- property, plant and equipment		**4,328**	-	**4**	-
- trade receivables		**6,535**	-	**-**	-

(a) Auditors' remuneration

The auditors' remuneration differs from the amount disclosed in Directors' Report was due to the Group consolidated post-acquisition results of Reverse Acquisition and acquisition of subsidiaries.

	Group 2020 RM
Auditors' remuneration disclosed in Directors' Report	
- Company	**241,500**
- Subsidiaries	**222,500**
Auditors' remuneration recognised prior to Reverse Acquisition and acquisition of subsidiaries	**(202,087)**
Overprovision of auditors' remuneration in prior year	**(1,000)**
Auditors' remuneration disclosed in Note 6	**260,913**

(b) Directors' remuneration

	Group 2020 RM	Group 2019 RM	Company 2020 RM	Company 2019 RM
Directors' remuneration:				
- Directors' fee	**71,000**	37,000	**117,500**	272,500
- Salaries, allowances and bonus	**2,206,334**	1,553,912	**263,500**	43,000
- Contributions to Employees Provident Fund	**786,648**	248,112	**120,000**	-
- Others	**4,811**	4,617	**60,308**	-
	3,068,793	1,843,641	**561,308**	315,500

6. PROFIT/(LOSS) BEFORE TAX (Cont'd)

(b) Directors' remuneration (Cont'd)

The Directors' remuneration differs from the amount disclosed in Directors' Report was due to the Group consolidated post-acquisition results of Reverse Acquisition and acquisition of subsidiaries.

	Group 2020 RM
Directors' remuneration disclosed in Directors' Report	
- Company	**561,308**
- Subsidiaries	**2,019,263**
Directors' remuneration of other Directors in subsidiaries	**615,723**
Directors' remuneration recognised prior to Reverse Acquisition and acquisition of subsidiaries	**(127,501)**
Directors' remuneration disclosed in Note 6	**3,068,793**

(c) Employee benefits expense

	Group		Company	
	2020 RM	2019 RM	2020 RM	2019 RM
Staff cost:				
- Salaries, allowances and bonus	**7,608,295**	4,211,800	**625,660**	-
- Contributions to Employees Provident Fund	**989,680**	538,166	**74,002**	-
- Others	**453,204**	69,345	**6,691**	-
	9,051,179	4,819,311	**706,353**	-

7. INCOME TAX EXPENSE

	Group		Company	
	2020 RM	2019 RM	2020 RM	2019 RM
Income tax:				
- Current year	**66,545,487**	41,329,436	**358,551**	-
- Overprovision in prior year	**(4,157,704)**	(608,037)	**-**	-
	62,387,783	40,721,399	**358,551**	-
Deferred tax (Note 26):				
- Origination and reversal of temporary differences	**1,865,133**	237,073	**-**	-
- Under/(Over)provision in prior year	**2,825**	(85,514)	**-**	-
	1,867,958	151,559	**-**	-
	64,255,741	40,872,958	**358,551**	-

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (2019: 24%) of the estimated assessable profit for the year.

7. INCOME TAX EXPENSE (Cont'd)

The reconciliations from the tax amount at statutory income tax rate to the Group's and to the Company's tax expense are as follows:

	Group		Company	
	2020 RM	2019 RM	2020 RM	2019 RM
Profit/(Loss) before tax	**215,942,681**	140,190,843	**(12,060,678)**	35,320,328
Tax at the Malaysian statutory income tax rate of 24%	**51,826,243**	33,645,802	**(2,894,563)**	8,476,879
Income not subject to tax	**(700,971)**	(3,362)	**(352,579)**	(9,072,054)
Tax effect on non-deductible expenses	**17,292,276**	7,924,069	**3,605,693**	595,175
Utilisation of previously unrecognised deferred tax assets	**(6,928)**	-	**-**	-
Under/(Over) provision of deferred tax in prior year	**2,825**	(85,514)	**-**	-
Overprovision of income tax in prior year	**(4,157,704)**	(608,037)	**-**	-
	64,255,741	40,872,958	**358,551**	-

The Group has the following estimated item available for set-off against future taxable profits:

	Group	
	2020 RM	2019 RM
Unutilised tax losses	**-**	28,867

8. EARNINGS PER ORDINARY SHARE

Basic earnings per ordinary share

Basic earnings per ordinary share for the financial year is calculated by dividing the profit after tax attributable to Owners of the Company by the weighted average number of ordinary shares outstanding during the financial year.

	Group	
	2020	2019
Profit after tax attributable to the Owners of the Company (RM):	**142,486,700**	96,059,645
Weighted average number of ordinary shares		
Number of ordinary shares at beginning of the year	**2,678,229,306**	2,678,229,306
Effect of share consolidation	**(2,571,100,134)**	(2,571,100,134)
Effect of weighted average number of ordinary shares issue during the year	**155,209,754**	130,301,370
	262,338,926	237,430,542
Basic earnings per share (RM)	**0.54**	0.40

8. EARNINGS PER ORDINARY SHARE (Cont'd)

Diluted earnings per ordinary share

The diluted earnings per ordinary share is calculated based on the adjusted consolidated profit for the financial year attributable to the Owners of the Company and the weighted average number of ordinary shares in issue during the financial year have been adjusted for the dilutive effects of all potential ordinary shares.

	2020	2019
Profit after tax attributable to the Owners of the Company (RM):	**142,486,700**	96,059,645
Weighted average number of dilutive shares		
Number of ordinary shares at beginning of the year	**2,678,229,306**	2,678,229,306
Effect of share consolidation	**(2,571,100,134)**	(2,571,100,134)
Effect of weighted average number of ordinary shares issue during the year	**155,209,754**	130,301,370
Effect of weighted average number of dilutive shares	**9,158,713**	-
	271,497,639	237,430,542
Diluted earnings per share (RM)	**0.52**	0.40

9. PROPERTY, PLANT AND EQUIPMENT

	Freehold land and properties RM	Warehouse RM	Machineries RM	Furniture and fit-tings RM	Office equipment RM	Motor vehicles RM	Renovation RM	Leased properties RM	Total RM
Group									
2020									
Cost									
At 1 January	2,856,875	-	-	9,269	264,778	7,791,887	1,298,613	751,423	12,972,845
Additions	-	-	-	10,329	26,864	726,997	859,140	432,073	2,055,403
Addition through:									
- direct acquisition of subsidiaries (Note 12(b))	4,573,314	7,945	8,440	-	1,499	243,935	-	17,359	4,852,492
- Reverse Acquisition (Note 12(a))	-	-	-	-	42,157	-	-	-	42,157
Lease modification	-	-	-	-	-	-	-	(511,102)	(511,102)
Transfer from inventories	575,788	-	-	-	-	-	-	-	575,788
Disposal	(456,260)	-	-	-	(105,188)	(994,967)	-	-	(1,556,415)
Written off	-	-	-	-	(47,346)	-	-	-	(47,346)
At 31 December	7,549,717	7,945	8,440	19,598	182,764	7,767,852	2,157,753	689,753	18,383,822

9. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

	Freehold land and properties RM	Warehouse RM	Machineries RM	Furniture and fittings RM	Office equipment RM	Motor vehicles RM	Renovation RM	Leased properties RM	Total RM
Group									
2020									
Accumulated depreciation									
At 1 January	119,384	-	-	6,728	74,023	3,665,490	202,918	139,798	4,208,341
Charge for the year	52,611	159	424	1,099	17,618	1,280,223	153,921	235,965	1,742,020
Addition through:									
- direct acquisition of subsidiaries (Note 12(b))	-	2,225	4,306	-	762	141,623	-	12,296	161,212
- Reverse Acquisition (Note 12(a))	-	-	-	-	42,153	-	-	-	42,153
Lease modification	-	-	-	-	-	-	-	(219,689)	(219,689)
Disposal	(28,136)	-	-	-	(26,654)	(975,005)	-	-	(1,029,795)
Written off	-	-	-	-	(43,018)	-	-	-	(43,018)
At 31 December	143,859	2,384	4,730	7,827	64,844	4,112,331	356,839	168,370	4,861,224
Net carrying amount									
At 31 December	7,405,858	5,561	3,710	11,771	117,880	3,655,521	1,800,914	521,383	13,522,598

9. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

	Freehold properties RM	Furniture and fittings RM	Office equipment RM	Motor vehicles RM	Renovation RM	Leased properties RM	Total RM
Group							
2019							
At 1 January, as previously reported	2,248,115	9,269	238,244	5,844,568	849,427	-	9,189,623
Effect on adoption of MFRS 16	-	-	-	-	-	397,903	397,903
At 1 January, as restated	2,248,115	9,269	238,244	5,844,568	849,427	397,903	9,587,526
Additions	608,760	-	26,534	2,597,127	449,186	353,520	4,035,127
Disposal	-	-	-	(649,808)	-	-	(649,808)
At 31 December	2,856,875	9,269	264,778	7,791,887	1,298,613	751,423	12,972,845
Accumulated depreciation							
At 1 January	62,618	5,801	48,197	2,752,242	86,474	-	2,955,332
Charge for the year	56,766	927	25,826	1,157,036	116,444	139,798	1,496,797
Disposal	-	-	-	(243,788)	-	-	(243,788)
At 31 December	119,384	6,728	74,023	3,665,490	202,918	139,798	4,208,341
Net carrying amount							
At 31 December	2,737,491	2,541	190,755	4,126,397	1,095,695	611,625	8,764,504

9. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

	Office equipment, furniture and fittings and renovation RM
Company	
2020	
Cost	
At 1 January	**42,157**
Additions	**10,329**
Written off	**(42,157)**
At 31 December	**10,329**
Accumulated depreciation	
At 1 January	**42,153**
Charge for the financial year	**172**
Written off	**(42,153)**
At 31 December	**172**
Net carrying amount	
At 31 December	**10,157**
2019	
Cost	
At 1 January/31 December	42,157
Accumulated depreciation	
At 1 January/31 December	42,153
Net carrying amount	
At 31 December	4

(a) Assets pledged as security

In addition to assets held under finance lease arrangements, the freehold land and buildings with a total carrying amount of RM5,775,937 (2019: RM1,227,734) have been pledged to licensed bank as securities for credit facilities granted to the Group as disclosed in Note 24.

9. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

(b) Acquisitions of property, plant and equipment

	Group		Company	
	2020 RM	2019 RM	2020 RM	2019 RM
Cash purchase of property, plant and equipment	**1,021,480**	1,312,607	**10,329**	-
Financed by lease arrangement	**1,033,923**	2,722,520	**-**	-
Total acquisition of property, plant and equipment	**2,055,403**	4,035,127	**10,329**	-

(c) Assets classified as right-of-use assets

	Motor vehicles RM	Leased properties RM	Total RM
Group			
2020			
Cost			
At 1 January	**5,538,727**	**751,423**	**6,290,150**
Additions	**672,997**	**432,073**	**1,105,070**
Addition through direct acquisition of subsidiaries	**-**	**17,359**	**17,359**
Lease modification	**-**	**(511,102)**	**(511,102)**
Derecognition of right-of-use assets*	**(108,530)**	**-**	**(108,530)**
At 31 December	**6,103,194**	**689,753**	**6,792,947**
Accumulated depreciation			
At 1 January	**1,634,589**	**139,798**	**1,774,387**
Charge for the year	**1,176,480**	**235,965**	**1,412,445**
Addition through direct acquisition of subsidiaries	**-**	**12,296**	**12,296**
Lease modification	**-**	**(219,689)**	**(219,689)**
Derecognition of right-of-use assets*	**(34,368)**	**-**	**(34,368)**
At 31 December	**2,776,701**	**168,370**	**2,945,071**
Net carrying amount			
At 31 December	**3,326,493**	**521,383**	**3,847,876**

* *During the financial year, the Group had derecognised right-of-use assets as the Group has settled the finance lease arrangement*

9. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

(c) Assets classified as right-of-use assets (Cont'd)

	Motor vehicles RM	Leased properties RM	Total RM
Group			
2019			
Cost			
At 1 January, as previously reported	2,967,602	-	2,967,602
Effect of adoption of MFRS 16	-	397,903	397,903
At 1 January, as restated	2,967,602	397,903	3,365,505
Additions	2,571,125	353,520	2,924,645
At 31 December	5,538,727	751,423	6,290,150
Accumulated depreciation			
At 1 January	755,218	-	755,218
Charge for the year	879,371	139,798	1,019,169
At 31 December	1,634,589	139,798	1,774,387
Net carrying amount			
At 31 December	3,904,138	611,625	4,515,763

The expenses charged to profit or loss during the financial year are as follows:

	Group 2020 RM	Group 2019 RM
Depreciation of right-of-use assets	**1,412,445**	1,019,169
Interest expenses of lease liabilities	**231,210**	201,575
	1,643,655	1,220,744

10. INVESTMENT PROPERTIES

	Freehold land RM	Freehold properties RM	Total RM
Group			
2020			
Cost			
At 1 January	**1,438,942**	**-**	**1,438,942**
Additions	**40**	**-**	**40**
Addition through direct acquisition of subsidiaries (Note 12(b))	**-**	**3,610,000**	**3,610,000**
At 31 December	**1,438,982**	**3,610,000**	**5,048,982**
Accumulated depreciation			
At 1 January	**-**	**-**	**-**
Charge for the financial year	**-**	**30,083**	**30,083**
Addition through direct acquisition of subsidiaries (Note 12(b))	**-**	**78,217**	**78,217**
At 31 December	**-**	**108,300**	**108,300**
Net carrying amount			
At 31 December	**1,438,982**	**3,501,700**	**4,940,682**
2019			
Cost			
At 1 January	1,438,902	-	1,438,902
Additions	40	-	40
At 31 December	1,438,942	-	1,438,942
Net carrying amount			
At 31 December	1,438,942	-	1,438,942

The freehold properties with total net carrying amount of RM3,501,700 (2019: RM Nil) have been pledged to a licensed bank for the banking facilities granted to the Group as disclosed in Note 24.

Rental income generated from investment properties during the year was RM15,816 (2019: RM Nil).

	Freehold land RM	Freehold properties RM	Total RM
At fair value			
At 31 December 2020	**2,434,000**	**3,682,000**	**6,116,000**
At 31 December 2019	3,390,000	-	3,390,000

The fair values of the investment properties were determined based on comparison of similar properties within the proximity based on Director's assumption and categorised as Level 3 of the fair value hierarchy.

11. GOODWILL

	Group	
	2020 RM	2019 RM
At beginning of the year	-	-
Addition from:		
- Reverse Acquisition (Note 12(a))	**4,690,160**	-
- direct acquisition of subsidiaries (Note 12(b))	**19,815,836**	-
At end of the year	**24,505,996**	-

Goodwill acquired in a business combination is allocated, at acquisition date, to the cash-generating units ("CGUs") that are expected to benefit from the business combinations.

Goodwill on consolidation arose from the acquisition of two (2) direct subsidiaries, namely Rantau Urusan (M) Sdn. Bhd. ("RUSB") and Yik Wang Trading Sdn. Bhd. ("YWT") and Reverse Acquisition of Lagenda Properties Berhad and its subsidiaries, i.e. LPB Development Sdn. Bhd. and LPB Construction Sdn. Bhd. ("LPB Group") as disclosed in Note 12. The consideration paid for the combination included a control premium. In addition, the consideration paid for the combination effectively included amounts in relation to the freehold lands, on-going development project sum and construction project which will then be allocated to property, plant and equipment, inventories and contract cost of the Group respectively. These benefits are recognised separately from goodwill because they meet the recognition criteria for identifiable intangible assets.

None of the goodwill arising on these acquisitions is deductible for tax purposes.

Impairment review on goodwill

Goodwill arising from business combinations has been allocated to three individual cash-generating units ("CGUs") for impairment testing and the breakdown of goodwill allocated to each CGU is as follows:

	LPB Group RM	RUSB RM	YWT RM	Total RM
Group				
2020				
Goodwill	**4,690,160**	**11,181,561**	**8,634,275**	**24,505,996**

Property development segment (LPB Group)

The recoverable amounts of the CGU were based on fair value less costs of disposal calculations. The calculations were determined using projected cash flows for its secured land for future development project to derive its adjusted net assets.

The key assumptions used in the preparation of the projected cash flows are as follows:

(i) Pre-tax discount rates of 5.65%;
(ii) There will be no material changes in the development projects and principal activities of the subsidiary; and
(iii) There will not be any significant changes in the gross development value and cost, wages and other related costs, resulting from industrial dispute, adverse changes in economic conditions or other abnormal factors, which will adversely affect the operations of the CGU.

Building construction segment (RUSB)

The recoverable amounts of the CGU were based on fair value less costs of disposal calculations. The calculations were determined using projected cash flows for its secured construction contracts covered during its construction period to derive its adjusted net assets.

11. GOODWILL (Cont'd)

Building construction segment (RUSB) (Cont'd)

The key assumptions used in the preparation of the projected cash flows are as follows:

(i) Pre-tax discount rates of 8.34%;
(ii) There will be no material changes in the construction contracts of the subsidiary; and
(iii) There will not be any significant changes in the contracted sum and supply of raw materials, wages and other related costs, resulting from industrial dispute, adverse changes in economic conditions or other abnormal factors, which will adversely affect the operations of the CGU.

Trading of building materials and hardware segment (YWT)

The recoverable amounts of the CGU were based on value-in-use calculations. The calculations were determined using projected cash flows for a five-year period and by extrapolation using the growth rate based on historical experience, management's assessment of future trends and expectation of market development in the respective industries.

The key assumptions used in the preparation of the projected cash flows are as follows:

(i) Pre-tax discount rates of 6.43%;
(ii) There will be no material changes in the structure and principal activities of the subsidiary;
(iii) Projected growth rate of 5% per annum and terminal value without growth rate;
(iv) There will not be any significant changes in the prices and supply of raw materials, wages and other related costs, resulting from industrial dispute, adverse changes in economic conditions or other abnormal factors, which will adversely affect the operations of the CGU; and
(vi) Receivables and payables turnover period is estimated to be consistent with the current financial year.

During the financial year, the Group performed goodwill impairment testing and no impairment loss is required to be recognised.

12. INVESTMENT IN SUBSIDIARIES

	Company	
	2020 RM	**2019 RM**
Unquoted shares		
At cost		
At beginning of the year	**250,001**	111,832,277
Additions	**771,342,681**	-
Disposal	**-**	(111,582,276)
At end of the year	**771,592,682**	250,001
Less: Accumulated impairment loss		
At beginning of the year	**-**	(111,582,276)
Disposal	**-**	111,582,276
At end of the year	**-**	-
Net carrying amount	**771,592,682**	250,001

12. INVESTMENT IN SUBSIDIARIES (Cont'd)

Details of the subsidiaries

Name of subsidiaries	Place of incorporation	Principal activities	Effective equity interest 2020 %	2019 %
LPB Development Sdn. Bhd. (formerly known as DBE Development Sdn. Bhd.) ("LPBD")	Malaysia	Property development	**100**	100
LPB Construction Sdn. Bhd. (formerly known as D Construction Sdn. Bhd.) ("LPBC")	Malaysia	Dormant	**100**	100
Blossom Eastland Sdn. Bhd. ("BESB")*	Malaysia	Property development	**100**	-
Rantau Urusan (M) Sdn. Bhd.*	Malaysia	Building construction	**100**	-
Yik Wang Trading Sdn. Bhd.*	Malaysia	Trading of building materials and hardware	**100**	-
Held through BESB				
Taraf Nusantara Sdn. Bhd. ("TNSB")	Malaysia	Property development construction and works	**100**	-
Triprise Sdn. Bhd. ("TSB")	Malaysia	Property development	**60**	-

* Ordinary shares of these subsidiaries have been pledged to a licensed bank as securities for credit facilities granted to the Group and to the Company as disclosed in Note 24.

(a) Reverse Acquisition

The acquisition of the entire equity interest in Blossom Eastland Sdn. Bhd. and its subsidiaries, i.e. Taraf Nusantara Sdn. Bhd. and Triprise Sdn. Bhd. ("Blossom Group") was completed on 21 July 2020 for a total consideration of RM593,604,357.

For accounting purposes, the cut-off was taken on 31 July 2020.

The acquisition of entire equity interest in Blossom Group was satisfied by a combination of the following:

(i) 89,508,542 ordinary shares at an issue price of RM0.7975 per share and measured at fair value of RM0.7500 per share;

(ii) 639,641,716 RCPS at an issue price of RM0.7975 per share and measured at fair value of RM0.7351 per share; and

(iii) 76,550,572 deferred RCPS measured at fair value of RM0.7351 per share.

Blossom Group is regarded as the accounting acquirer, and Lagenda Properties Berhad (formerly known as D.B.E. Gurney Resources Berhad) and its subsidiaries, LPBD and LPBC (collectively named as "LPB Group") is regarded as the accounting acquiree of the Reverse Acquisition.

12. INVESTMENT IN SUBSIDIARIES (Cont'd)

(a) Reverse Acquisition (Cont'd)

As Blossom Group is a private entity group, the fair value of the Company's shares provides a more reliable basis for measuring the consideration transferred as compared to the estimated fair value of the share of Blossom Group. The consideration transferred is determined using the fair value of the issued equity of the Company before the acquisition and the number of new ordinary shares Blossom Group would have to issue to the equity holders of the Company to maintain the ratio of ownership interest in the combined entity.

The fair value of the identifiable assets and liabilities of LPB Group as at the date of reverse acquisition were:

	As at 31 July 2020 RM
Property, plant and equipment	**4**
Investment in associates	**12,448,326**
Inventories	**43,838,041**
Contract assets	**22,506,143**
Trade receivables	**38,197,048**
Other receivables	**26,555,635**
Cash and cash equivalents	**11,997,168**
Trade payables	**(42,140,989)**
Other payables	**(26,587,524)**
Borrowings	**(4,630,000)**
Tax payable	**(3,260,264)**
Fair value of net identifiable assets acquired	**78,923,588**

The effect of the acquisition on cash flows is as follows:

Net cashflow arising from Reverse Acquisition:	**RM**
Cash and cash equivalents from acquisition of subsidiaries, representing net cash inflow from Reverse Acquisition	**11,997,168**

Goodwill arising from Reverse Acquisition:	**RM**
Deemed purchase consideration transferred (Note 21(c)(ii))	**83,613,748**
Less: Fair value of net identifiable assets acquired	**(78,923,588)**
Goodwill on consolidation (Note 11)	**4,690,160**

(b) Direct acquisition of subsidiaries

The acquisition of the entire equity interest of Rantau Urusan (M) Sdn. Bhd. ("RUSB") and Yik Wang Trading Sdn. Bhd. ("YWT") was completed on 21 July 2020 via the following purchase consideration:

RUSB
Cash consideration of RM148,269,909.

YWT
19,225,322 shares at an issue price of RM0.7975 per share and measured at fair value of RM0.7500 per share, cash consideration of RM1,730,091 and contingent consideration of RM15,437,715. The condition of the contingent consideration is disclosed in Note 28(a).

For accounting purposes, the cut-off was taken on 31 July 2020.

12. INVESTMENT IN SUBSIDIARIES (Cont'd)

(b) Direct acquisition of subsidiaries (Cont'd)

The fair value of the identifiable assets and liabilities of RUSB and YWT as at the date of completion were:

	As at 31 July 2020 RM
Property, plant and equipment	4,691,280
Investment properties	3,531,783
Inventories	35,887,681
Contract assets	31,788,400
Trade receivables	96,188,779
Other receivables	136,996,782
Cash and cash equivalents	8,563,757
Deferred tax liabilities	(9,635)
Trade payables	(96,290,578)
Other payables	(35,121,957)
Borrowings	(27,737,339)
Tax payable	(566,465)
Fair value of net identifiable assets acquired	157,922,488

The effect of the acquisition on cash flows is as follows:

Net cashflow arising from acquisition of subsidiaries:	RM
Cash consideration	150,000,000
Less: Cash and cash equivalents from acquisition of subsidiaries	(8,563,757)
Net cash outflow on completion of acquisition of subsidiaries	141,436,243

Goodwill arising from direct acquisition:	RM
Fair value of consideration transferred:	
- cash and cash equivalents	150,000,000
- equity instruments issued (19,225,322 ordinary shares)	14,418,992
- contingent consideration, net present value	13,319,332
	177,738,324
Less: Fair value of net identifiable assets acquired	(157,922,488)
Goodwill on consolidation (Note 11)	19,815,836

12. INVESTMENT IN SUBSIDIARIES (Cont'd)

(c) Disposal of subsidiaries

On 31 December 2019, the Company disposed 51% equity interest in poultry-related companies, namely Harumi Brands Sdn. Bhd., D.B.E. Breeding Sdn. Bhd., D.B.E. Hatchery Sdn. Bhd., D.B.E. Marketing Sdn. Bhd., D.B.E. Food Processing Industries Sdn. Bhd. and D.B.E. Gurney Chicken Sdn. Bhd.

The disposal of subsidiaries had the following effect on the financial position of the Company:

	Company 2019 RM
Total sales proceeds	10,200,000
Less: Cost of investment of disposed subsidiaries, net of impairment	-
Gain on disposal of subsidiaries	10,200,000
Add: Gain on fair value remeasurement on retained interest as associate	9,800,000
	20,000,000

(d) Non-controlling interests in subsidiaries

The subsidiaries of the Group that have non-controlling interests ("NCI") are as follows:

	TNSB*	**TSB**	**Total**
2020			
NCI percentage of ownership and voting interest (%)	**0%**	**40%**	
Carrying amount of NCI (RM)	**-**	**7,811,169**	**7,811,169**
Profit allocated to NCI (RM)	**-**	**9,200,240**	**9,200,240**
2019			
NCI percentage of ownership and voting interest (%)	0%	40%	
Carrying amount of NCI (RM)	-	9,718,477	9,718,477
Profit/(Loss) allocated to NCI (RM)	3,284,033	(25,793)	3,258,240

** In prior year, the Group had acquired remaining 10% equity interest in TNSB and resulted TNSB became a wholly-owned subsidiary.*

12. INVESTMENT IN SUBSIDIARIES (Cont'd)

(d) Non-controlling interests in subsidiaries (Cont'd)

The summarised financial information before intra-group elimination of the subsidiaries that have NCI as at the end of each reporting period are as follows: (Cont'd)

	TSB RM
At 31 December 2020	
Current assets	**3,478,753**
Current liabilities	**(2,157,980)**
Net assets	**1,320,773**
For the financial year ended 31 December 2020	
Revenue	**37,613,769**
Profit for the year	**22,942,767**
Total comprehensive income	**22,942,767**
Cash flows from/(used in):	
Operating activities	**30,824,808**
Investing activities	**53,177**
Financing activities	**(27,768,869)**

	TNSB RM	TSB RM
At 31 December 2019		
Non-current assets	18,439,302	-
Current assets	544,099,188	8,726,033
Non-current liabilities	(58,602,373)	-
Current liabilities	(380,533,345)	(2,579,158)
Net assets	123,402,772	6,146,875
For the financial year ended 31 December 2019		
Revenue	433,357,947	-
Profit for the year	65,680,669	(20,367)
Total comprehensive income	65,680,669	(20,367)
Cash flows from/(used in):		
Operating activities	70,724,243	(120)
Investing activities	(769,160)	11,700
Financing activities	(22,172,406)	-

13. INVESTMENT IN ASSOCIATES

	Group 2020 RM	Group 2019 RM	Company 2020 RM	Company 2019 RM
Unquoted shares, at cost				
At beginning of the year	-	-	9,800,000	-
Addition through Reverse Acquisition (Note12(a))	12,448,326	-	-	-
Fair value gain on remeasurement as associates	-	-	-	9,800,000
Disposal	(12,448,326)	-	(9,800,000)	-
At end of the year	-	-	-	9,800,000
Less: Share of post acquisition result				
At beginning of the year	-	-	-	-
Additions	(600,347)	-	-	-
Disposal	600,347	-	-	-
At end of the year	-	-	-	-
Net carrying amount	-	-	-	9,800,000

Details of the associates

Name of associates	Country of Incorporation	Principal Activities	Effective Equity Interest 2020 %	Effective Equity Interest 2019 %
Harumi Brands Sdn. Bhd. ("HBSB") (formerly known as D.B.E. Poultry Sdn. Bhd.)*	Malaysia	Operating broiler farms, feeds processing activities and trading in related farm products and materials and operator of restaurants	-	49
D.B.E. Breeding Sdn. Bhd.*	Malaysia	Dormant	-	49
D.B.E. Hatchery Sdn. Bhd.*	Malaysia	Dormant	-	49
D.B.E. Marketing Sdn. Bhd.*	Malaysia	Dormant	-	49
D.B.E. Food Processing Industries Sdn. Bhd.*	Malaysia	Dormant	-	49
D.B.E. Gurney Chicken Sdn. Bhd.*	Malaysia	Dormant	-	49

13. INVESTMENT IN ASSOCIATES (Cont'd)

Details of the associates (Cont'd)

Name of associates	Country of Incorporation	Principal Activities	Effective Equity Interest 2020 %	Effective Equity Interest 2019 %
Held through HBSB				
Super Harumi Sdn. Bhd. *#^	Malaysia	Investment holding company, restaurants and wholesaler of variety of goods without any particular specialisation	-	19.6
Super Harumi (Thailand) Co., Ltd. *#^	Thailand	Quick service restaurant	-	14.7
GW Seasoning (M) Sdn. Bhd. *#^	Malaysia	Seasoning powder manufacturer, wholesaler and distributor	-	14.7
Farmmesh Foods (M) Sdn. Bhd.*#^	Malaysia	Quick service restaurant	-	34.3

* Not audited by Moore Stephens Associates PLT

\# The audited financial statements and auditors' report for the financial year ended 31 December 2019 was not made available.

^ Effective equity interest for the financial year ended 31 December 2019 in respective associates is derived via 49% shareholding in HBSB.

Disposal of associates

On 28 September 2020, the Company had exercised the put option to dispose the remaining 49% equity interest in all of its associates for a total cash consideration of RM9,800,000.

The disposal of associates had the following effect on the financial position of the Group and of the Company:

	Group 2020 RM	Company 2020 RM
Total sales proceeds	**9,800,000**	**9,800,000**
Less: Net carrying amount of disposed associates	**(11,847,979)**	**(9,800,000)**
Loss on disposal	**(2,047,979)**	**-**

13. INVESTMENT IN ASSOCIATES (Cont'd)

Summary of financial information

The summarised financial information of the associates, not adjusted for the proportion of the ownership interest held by the Group based on management accounts are as follows:

	2020 RM	2019 RM
Assets and liabilities		
Total assets	**65,351,418**	1,539,402
Total liabilities	**54,107,418**	1,539,402
Results		
Revenue	**163,117,071**	164,149
Profit for the financial year	**2,681,001**	(102,660)
Total comprehensive income	**2,681,001**	102,660

14. INVESTMENT IN JOINT OPERATION

On 21 September 2020, TNSB entered into a Joint Development and Shareholders Agreement with Tenaga Danawa Sdn. Bhd. to jointly develop 4 parcels of lands held under Mukim Batang Padang, Daerah Batang Padang, Negeri Perak which measuring approximately 229.73 acres into a mixed development project. Subsequently, Lagenda Tapah Sdn. Bhd. ("LTSB") was incorporated on 16 October 2020 where TNSB holds 125,000 units of ordinary shares and Tenaga Dawana Sdn Bhd holds the remaining 125,000 units of ordinary shares. The Group has classified investment in LTSB as investment on joint operation as the Group has rights to the assets and obligations for the liabilities relating to the arrangement.

15. OTHER INVESTMENT

This represents cost of investment in an on-going development with a fixed return of RM2,500,000 to be received two years from the commencement date of the development.

16. INVENTORIES

		Group	
	Note	2020 RM	2019 RM
Non-current asset			
At cost:			
Lands held for property development		**89,449,895**	117,052,866
At net realisable value:			
Lands held for property development	(a)	**21,060,000**	-
		110,509,895	117,052,866
Current assets			
At cost:			
Property development costs	(b)	**311,230,457**	169,582,580
Unsold completed units		**23,843,887**	17,307,213
Lands held for sale		**26,359,818**	26,359,818
		361,434,162	213,249,611

16. INVENTORIES (Cont'd)

(a) As at 31 December 2020, the Group has written down certain lands held for property development to its net realisable value. Correspondingly, the Group recognised inventories written down of RM6,331,468 in "Other Expenses" line item of statements of comprehensive income.

(b) Property development costs

	Group	
	2020 RM	2019 RM
Cumulative property development costs		
At 1 January		
Land costs	**137,541,058**	57,042,459
Development costs	**448,647,877**	326,717,890
	586,188,935	383,760,349
Cost incurred during the financial year		
Land costs	**10,321,001**	91,471,014
Development costs	**340,175,178**	218,628,428
Addition through acquisition of subsidiaries (Note 12(b))	**35,887,681**	-
Addition through Reverse Acquisition (Note 12(a))	**43,838,041**	-
Less:		
Transfer to inventories (unsold completed units)	**(11,933,664)**	(832,473)
Adjustments to completed projects during the financial year	**(465,098,350)**	(106,838,383)
At 31 December	**539,378,822**	586,188,935
Cumulative costs recognised in statements of comprehensive income		
At 1 January	**(416,606,355)**	(309,346,645)
Recognised during the financial year	**(276,640,360)**	(214,098,093)
Less:		
Adjustments to completed projects during the financial year	**465,098,350**	106,838,383
At 31 December	**(228,148,365)**	(416,606,355)
	311,230,457	169,582,580

The titles to certain lands held for property development and lands held for sale are in the name of Directors' related company ("Landowner") with full power of attorney obtained by the Group. The titles to the unsold completed units and lands held for property development will be directly transferred from landowner to the property purchasers.

Land held for property development and land held for sale of the Group with the total net carrying amount of RM107,814,996 (2019: RM113,613,851) have been pledged to licensed banks for the banking facilities granted to the subsidiaries as disclosed in Note 24.

17. CONTRACT ASSETS/(LIABILITIES)

	Note	Group 2020 RM	Group 2019 RM
Property development	(a)	**165,708,857**	105,402,173
Construction	(b)	**11,765,081**	8,389,521
Completed units	(c)	**(3,797,480)**	(4,437,140)
		173,676,458	109,354,554
Represented by:			
Contract assets		**177,473,938**	113,791,694
Contract liabilities		**(3,797,480)**	(4,437,140)

Contract assets primarily relate to the Group's right to consideration for work completed on property development and construction contract but not yet billed at the reporting date. Typically, the amount will be billed within 30 days and payment is expected within 60 days.

Contract liabilities primarily relate to amount billed to customer before a related performance obligation is satisfied by the Group.

(a) Property development

	Group 2020 RM	Group 2019 RM
At beginning of the year	**105,402,173**	46,228,417
Addition through Reverse Acquisition (Note12(a))	**22,506,143**	-
Revenue recognised during the year (Note 4)	**528,665,878**	382,300,232
Consideration paid on behalf/payable	**67,836,661**	16,463,272
Progress billing during the year	**(558,701,998)**	(339,589,748)
At end of the year	**165,708,857**	105,402,173

(b) Construction

	Group 2020 RM	Group 2019 RM
At beginning of the year	**8,389,521**	8,371,310
Addition through direct acquisition of subsidiaries (Note 12(b))	**31,788,400**	-
Revenue recognised during the year (Note 4)	**95,827,492**	49,384,965
Progress billing during the year	**(124,240,332)**	(49,366,754)
At end of the year	**11,765,081**	8,389,521

17. CONTRACT ASSETS/(LIABILITIES) (Cont'd)

(c) Completed units

	Group	
	2020 RM	2019 RM
At beginning of the year	**(4,437,140)**	-
Revenue recognised during the year (Note 4)	**8,019,400**	27,966,695
Progress billing during the year	**(7,379,740)**	(32,403,835)
At end of the year	**(3,797,480)**	(4,437,140)

18. TRADE RECEIVABLES

		Group	
	Note	2020 RM	2019 RM
Trade receivables			
- third parties		**165,149,329**	112,650,345
- Directors' related companies		**30,690,717**	24,810,929
- retention sum	(a)	**7,506,141**	128,000
		203,346,187	137,589,274

The normal credit term of trade receivables is 30 to 90 days (2019: 30 days).

(a) Retention sum held by contract customers are due upon expiry of retention periods of 24 months after issuance of Certificate of Completion and Compliance and Certificate of Practical Completion.

19. OTHER RECEIVABLES

		Group		Company	
	Note	2020 RM	2019 RM	2020 RM	2019 RM
Non-current asset					
Other receivables	(a)	**19,067,297**	-	**19,067,297**	17,598,217
Current asset					
Other receivables					
- third parties		**2,230,981**	9,308,093	**-**	9,200,000
- Directors' related companies	(b)	**821,272**	13,775,324	**-**	-
- amount due from subsidiaries	(c)	**-**	-	**49,661,581**	10,532,784
Deposits	(d)	**8,207,022**	9,412,418	**2,269,714**	-
Contract costs					
- commission	(e)	**6,526,323**	9,819,901	**-**	-
- direct acquisition of subsidiaries	(f)	**11,335,644**	-	**-**	-
Prepayments		**3,172,923**	2,153,421	**536,834**	-
GST receivables	(g)	**-**	-	**-**	-
		32,294,165	44,469,157	**52,468,129**	19,732,784

19. OTHER RECEIVABLES (Cont'd)

(a) This is in respect of receivable from a former associate under deferred payment term pursuant to Shares Sale Agreement ("SSA").

	Group		Company	
	2020 RM	2019 RM	2020 RM	2019 RM
Future minimum repayments:				
- repayment within one to three years	**22,383,608**	-	**22,383,608**	22,383,608
Less: Fair value adjustment	**(3,316,311)**	-	**(3,316,311)**	(4,785,391)
	19,067,297	-	**19,067,297**	17,598,217

(b) Amounts due from Directors' related companies are non-trade in nature, unsecured, interest free advances which are collectible on demand. As at 31 December 2020, the outstanding balance of RM821,272 is related to sale of fresh fruit bunches income.

(c) Amounts due from subsidiaries are non-trade in nature, unsecured advances with interest bearing at 5.48% (2019: Nil) per annum which are collectible on demand.

	Company	
	2020 RM	2019 RM
Amounts due from subsidiaries, gross	**49,661,581**	10,532,784
Less: Allowance for impairment loss		
At beginning of the year	**-**	(22,585,617)
Reversal	**-**	22,585,617
At end of the year	**-**	-
Amounts due from subsidiaries, net	**49,661,581**	10,532,784

(d) Included in deposits of the Group of RM4,485,502 (2019: RM6,900,000) was deposits paid for two sale and purchase agreements ("SPAs") for acquisition of lands. As at year end, the condition precedents of SPAs have yet to be fulfilled and remaining capital commitments are disclosed in Note 31.

(e) Contract costs represent costs to obtain contracts relate to incremental sales person and agent commission for obtaining property sales contracts which are expected to be recovered through revenue recognition by reference to the progress towards complete satisfaction of the performance obligation with contract customers. These costs are subsequently expensed off as selling and marketing expenses by reference to the performance completed to date, consistent with the revenue recognition pattern.

During the financial year, the total costs to obtain contracts recognised by the Group and the Company as selling and marketing expenses in profit or loss amounting to RM16,467,580 (2019: RM11,267,586).

(f) The Group has identified fair value of RUSB's secured construction contract of RM17,595,005 and will be charged to cost of sales based on the progress of the construction activities. The Group had recognised RM6,259,361 to cost of sales during the year.

19. OTHER RECEIVABLES (Cont'd)

(g) In relation to GST receivable by the Group

	Group	
	2020 RM	2019 RM
GST receivable, gross	**211,321**	211,321
Addition through direct acquisition of subsidiaries	**408,787**	-
Refund	**(620,108)**	-
	-	211,321
Less: Allowance for impairment loss		
At beginning of the year	**(211,321)**	-
Addition	**-**	(211,321)
Addition through direct acquisition of subsidiaries	**(408,787)**	-
Reversal	**620,108**	-
At end of the year	**-**	(211,321)
GST receivable, net	**-**	-

20. CASH AND CASH EQUIVALENTS

		Group		Company	
	Note	2020 RM	2019 RM	2020 RM	2019 RM
Cash and bank balances	(a)	**69,748,606**	64,251,395	**1,860,519**	329
Fixed deposits with licensed banks	(b)	**26,494,422**	4,949,240	**-**	-
Short term fund	(c)	**118,036,948**	-	**-**	-
		214,279,976	69,200,635	**1,860,519**	329

(a) Included in the bank balances of the Group are amount of RM11,561,380 (2019: RM23,615,541) placed in Housing Development Accounts ("HDA") in accordance with Section 7(A) of the Housing Development (Control and Licensing) Act, 1966 (Amended 2002). These HDA accounts, which consist of monies received from purchasers, are for the payment of property development costs incurred. The surplus monies in these accounts, if any, will be released to the Group in accordance with the provisions of the Act.

(b) The fixed deposits placed with licensed banks by the Group carry interest rates ranging from 2.04%-3.53% (2019: 2.9%-3.4%) per annum.

Included in fixed deposits of the Group is an amount of RM25,029,526 (2019: RM4,585,912) pledged to licensed banks as security for banking facilities granted to the Group as disclosed in Note 24.

(c) This refers to investment in a short to medium-term fixed income fund of which the fund will be invested in money market investments and short to medium term fixed income instruments. The distribution income from this fund is tax exempted and is being treated as interest income by the Group.

21. ORDINARY SHARES

	Group		Company	
	2020 RM	2019 RM	2020 RM	2019 RM
Issued and fully paid:				
At beginning of the year	**50,500,000**	500,000	**56,842,332**	56,842,332
Issuance of ordinary shares	**-**	50,000,000	**-**	-
Issued pursuant to:				
- Reverse Acquisition (c(ii)(iii))	**83,613,748**	-	**67,131,406**	-
- direct acquisition of subsidiaries	**14,418,992**	-	**14,418,992**	-
- settlement of debts	**32,909,744**	-	**32,909,744**	-
- private placement and related expense	**39,256,000**	-	**43,489,000**	-
Conversion of RCPS (Note 22)	**(178,290)**	-	**124,788,710**	-
At end of the year	**220,520,194**	50,500,000	**339,580,184**	56,842,332

	Group/Company	
	2020 Unit	2019 Unit
At beginning of the year	**2,678,229,306**	2,678,229,306
Issued pursuant to private placement	**159,000,000**	-
Before share consolidation	**2,837,229,306**	2,678,229,306
Share consolidation adjustment	**(2,723,740,138)**	-
Issuance pursuant to:		
- reverse acquisition	**89,508,542**	-
- direct acquisition of subsidiaries	**19,225,322**	-
- settlement of debts	**41,266,137**	-
- private placement	**50,000,000**	-
Conversion of RCPS	**170,000,000**	-
At end of the year	**483,489,169**	2,678,229,306

(a) The holders of ordinary shares are entitled to receive dividends as and when declared by the Company, and are entitled to one vote per ordinary share at meetings of the Company. The ordinary shares have no par value.

(b) On 14 February 2020, the Company has increased its issued ordinary shares by RM4,233,000 from RM56,842,332 to RM61,075,332 through private placement by the issuance and allotment of 159,000,000 new ordinary shares at an issue price of RM0.027 per ordinary share for working capital purpose and net off with incurred placement fee of RM60,000 which was accounted for as a reduction from equity in accordance with MFRS 132 – Financial Instruments: Presentation.

** The abovementioned ordinary shares were issued prior to the consolidation of 25 existing ordinary shares into 1 new ordinary share on 6 August 2020. ("Share Consolidation").*

On 12 August 2020, the Company has increased its issued ordinary shares from RM61,075,332 to RM175,535,474 by the issuance and allotment of the following:

- 108,733,864 new ordinary shares at a market price of RM0.75 per share for the purpose of acquisition of subsidiaries.
- 41,266,137 new ordinary shares at an issue price of RM0.7975 per share for the purpose of settlement of Directors' related companies balances on behalf of subsidiaries.

21. ORDINARY SHARES (Cont'd)

(b) On 25 August 2020, the Company has increased its issued ordinary shares from RM175,535,474 to RM339,580,184 by the issuance and allotment of the following:

- 50,000,000 new ordinary shares through private placement at an issue price of RM0.80 per share for working capital purpose and net off with incurred placement fee of RM744,000 which accounted for as a reduction from equity in accordance with MFRS132 – Financial Instruments: Presentation.

- 170,000,000 new ordinary shares through conversion of 170,000,000 RCPS at the conversion ratio of 1 RCPS for 1 new ordinary share at a fair value of RM0.7351 and dividend paid to RCPS holder of RM178,290.

(c) The value of the Group's ordinary shares differs from that of the Company as a result of Reverse Acquisition accounting as described in Note 3(a).

(i) The amount recognised as issued equity instruments in the consolidated financial statements comprise the issued equity of Blossom Group immediately before the Reverse Acquisition and the costs of the Reverse Acquisition.

(ii) This represents the fair value of the consideration transferred in relation to the Reverse Acquisition. As Blossom Group is a private entity group, the fair value of the Company's shares provides a more reliable basis for measuring the consideration transferred than the estimated fair value of the share in Blossom Group. The consideration transferred is determined using the fair value of the issued equity of the Company before the acquisition and the number of new ordinary shares Blossom Group would have to issue to the equity holders of the Company to maintain the ratio of ownership interest in the combined entity, which represents the total deemed purchase consideration of RM83,613,748.

(iii) The Company's increased share capital of RM67,131,406 represents the purchase consideration of Blossom Group which was satisfied by the allotment and issuance of 89,508,542 units of ordinary shares of the Company measured at RM0.75 per ordinary share, together with 639,641,716 units of RCPS and 76,550,572 units of deferred RCPS measured at RM0.7351 per RCPS.

(iv) The equity structure (i.e. the number and types of equity instruments issued) reflect the equity structure of the Company, being the legal parent, including the equity instruments issued by the Company to effect the Reverse Acquisition.

(d) Included in ordinary shares of the Group was dividend paid in relation to RCPS converted during the year which was transferred from other reserves.

Warrants

On 27 January 2017, the Group completed the listings of bonus issue of 580,644,468 free warrants on the basis of one (1) warrant for every two (2) existing shares held on the entitlement date. The Group executed the Deed Poll constituting the warrants and the issue price and exercise price of the warrants have been fixed at RM0.05 each respectively.

The warrants may be exercised at any time commencing on the date of issue of warrants on 23 January 2017 but not later than 22 January 2022. Any warrants which have not been exercised at date of maturity will lapse and cease to be valid for any purpose.

The new ordinary shares allotted and issued upon exercised of the warrants shall rank pari passu in all respect with the then existing ordinary shares of the Group, save and except that they shall not be entitled to any dividends, rights, allotments and/or other distributions, the entitlement date of which is prior to the date of allotment of the new ordinary shares arising from exercise of the warrants.

On 7 August 2020, pursuant to the Share Consolidation and in accordance with the provisions of the Deed Poll, the exercise price and the outstanding number of Warrants B held by a Warrants Holder are required to be adjusted to ensure that the status of the Warrants Holders would not be prejudiced after the completion of the Share Consolidation. The total number of warrants before Share Consolidation was 580,644,468 and the adjusted total number of warrants was 23,225,777.

As at 31 December 2020, the total number of warrants that remain unexercised were 23,225,777 (2019: 580,644,468).

22. REDEEMABLE CONVERTIBLE PREFERENCE SHARES ("RCPS")

	Company 2020 Unit	Company 2020 RM
Equity		
At beginning of the year	-	-
Issued pursuant to Reverse Acquisition net off with related expenses	**639,641,716**	**355,305,255**
76,550,572 units of deferred RCPS recognised pursuant to Reverse Acquisition	**-**	**42,523,843**
Conversion during the year	**(170,000,000)**	**(94,435,000)**
At end of the year	**469,641,716**	**303,394,098**

The carrying amount of the liability component of RCPS of the Company at the reporting date is arrived as follow:

	RM
Fair value of issued RCPS	**470,179,826**
Fair value of deferred RCPS	**56,272,325**
	526,452,151
Less: Equity component	**(397,829,098)**
Liability component at initial recognition	**128,623,053**

	Company 2020 Unit	Company 2020 RM
Liabilities		
At beginning of the year	-	-
Issued pursuant to Reverse Acquisition net off with related expenses	**639,641,716**	**114,874,570**
76,550,572 units of deferred RCPS recognised pursuant to Reverse Acquisition	**-**	**13,748,483**
Conversion during the year	**(170,000,000)**	**(30,353,710)**
Dividend paid/payable	**-**	**(6,021,595)**
Unwinding of discount recognised to profit or loss	**-**	**2,783,609**
At end of the year	**469,641,716**	**95,031,357**

No RCPS recognised by the Group as a result of reverse acquisition accounting as described in Notes 3(a) and 21(c).

On 12 August 2020, the Company has issued and allotted 639,641,716 new RCPS at an issue price of RM0.7975 per RCPS and recognised 76,550,572 deferred RCPS of RM56,272,326 for the purpose of acquisition of Blossom Group. Both issued and unissued RCPS were accounted for at the fair value of RM0.7351 per RCPS as at 31 July 2020 (deemed accounting completion date).

On 25 August 2020, the equity component of the RCPS decreased from RM397,829,098 to RM303,394,098 by way of conversion of 170,000,000 RCPS to 170,000,000 new ordinary shares at the conversion ratio of 1 RCPS for 1 new ordinary share. Correspondingly, the liability portion of the RCPS of the Company has decreased by RM30,353,710, net off with the increased of unwinding discount of RM2,783,609 and decreased of dividend paid/payable of RM6,021,595.

The effective interest rate of the liability component of the RCPS is 8.54% per annum.

The salient terms of the RCPS are as follows:

Transferability

The RCPS is not transferable without the consent of the Company.

22. REDEEMABLE CONVERTIBLE PREFERENCE SHARES ("RCPS") (Cont'd)

The salient terms of the RCPS are as follows: (Cont'd)

Tenure

The tenure of RCPS is for 8 years commencing from and inclusive of the date of issue of the RCPS.

Coupon rate

The RCPS carry the right to receive a cumulative preferential dividend out of the distributable profit of the Company at a fixed rate of 4% per annum, compounded annually, based on the issue price, payable annually in arrears. The right to receive dividends shall cease once the RCPS are converted into shares of the Company or redeemed by the Company, provided that all accrued and unpaid dividend shall be paid on the date of conversion or the date of redemption, as the case may be.

Liquidation

In the event of liquidation, or winding up, the RCPS shall rank in priority to any other unsecured securities or shares of the Company. The RCPS shall constitute direct, unconditional, unsecured and unsubordinated obligations of the Company and shall upon allotment and issue, rank pari passu without any preference or priority among themselves and in priority to other redeemable convertible preference shares that may be created in future, but shall rank behind all secured and unsecured obligations of the Company. The RCPS shall rank in priority to the ordinary shares with regard to dividend payment.

Voting right

The RCPS shall carry no right to vote at any general meeting of the ordinary shareholders of the Company except with regards to any proposal to reduce the capital of the Company, to dispose of the whole of the Company's property, business and/or undertakings or to wind-up the Company and at any time during the winding-up of the Company. The RCPS holders shall be entitled to vote at any class meeting of the holders of the RCPS in relation to any proposal by the Company to vary or abrogate the rights of RCPS as stated in the constitution/articles of association of the Company. Every holder of RCPS who is present in person at such class meeting will have one vote on a show of hands and on a poll, every holder of RCPS who is present or by proxy will have on vote for every RCPS of which he is the holder.

Conversion

The holder of RCPS shall be entitled to convert each RCPS held by him into such number of shares of the Company in accordance with the conversion ratio at any time during the conversion period. Unless previously redeemed or converted or purchased and cancelled, all outstanding RCPS will be mandatorily converted into new shares of the Company on the maturity date.

The conversion ratio shall be one RCPS to one new share, subject to adjustments from time to time at the determination of the board of directors of the Company in the event of any alteration to the Company's share capital, whether by way of rights issue, capitalisation issue, consolidation of shares, subdivision of shares or reduction of capital howsoever being effected, in accordance with the provisions of the constitutions/articles of association of the Company.

The RCPS shall be convertible into new shares on any market day at any time during the tenure of the RCPS commencing on and including the issue date up to and including the maturity date.

The conversion price per new share shall be an amount equivalent to the issue price, which shall be deemed settled by way of set-off against the purchase consideration in accordance with the terms of this agreement. No additional cost or consideration shall be payable by the holder of the RCPS upon such exercise of the conversion rights.

Unless previously redeemed or converted or purchased and cancelled, the RCPS may at the option of the Company be redeemed, in whole or in part, at any time during the tenure of the RCPS at the redemption price. The Company shall give not less than 30 days prior written notice to the RCPS holders of the redemption of RCPS. The RCPS holders shall be entitled to exercise their conversion rights to convert their RCPS into new shares at any time after the Company issues a notice of redemption and prior to the redemption being effected. All RCPS which are redeemed or purchased by the Company shall be cancelled immediately and cannot be resold.

Redemption

Redemption price is equivalent to the issue price and redeemable at the discretion of RCPS holder.

23. OTHER RESERVE

	Group 2020 RM
At beginning of the year	-
Dividend paid/payable during the year	**6,021,594**
Expenses incurred for issuance of RCPS	**20,800**
Transfer to share capital	**(178,290)**
	5,864,104

As disclosed in Note 21(d), other reserve was in relation to dividend paid/payable for unconverted RCPS and will be transferred to share capital upon conversion.

24. BORROWINGS, SECURED

		Group		Company	
	Note	2020 RM	2019 RM	2020 RM	2019 RM
Non-current liabilities					
Term loan	(a)	**180,687,494**	83,354,039	**100,512,916**	-
Current liabilities					
Bank overdraft		**320,005**	-	**-**	-
Banker's acceptance		**20,583,852**	-	**-**	-
Revolving credit		**10,000,000**	-	**10,000,000**	-
Term loan	(a)	**10,623,892**	7,777,232	**2,010,218**	-
		41,527,749	7,777,232	**12,010,218**	-
Total borrowings					
Bank overdraft		**320,005**	-	**-**	-
Banker's acceptance		**20,583,852**	-	**-**	-
Revolving credit		**10,000,000**	-	**10,000,000**	-
Term loan	(a)	**191,311,386**	91,131,271	**102,523,134**	-
		222,215,243	91,131,271	**112,523,134**	-

The effective interest/profit rates per annum on the borrowings of the Group and of the Company are as follows:

	Group		Company	
	2020 %	2019 %	2020 %	2019 %
Banker's acceptance	**2.4% - 6.0%**	-	**-**	-
Bank overdraft	**5.45%**	-	**-**	-
Revolving credit	**5.45%**	-	**5.45%**	-
Term loan	**3.7% - 7.7%**	4.2% - 8.0%	**5.45%**	-

24. BORROWINGS, SECURED (Cont'd)

(a) Term loans

	Group		Company	
	2020 RM	2019 RM	2020 RM	2019 RM
Repayable:				
Within one year (current)	**10,623,892**	7,777,232	**2,010,218**	-
Between 1 to 5 years	**138,333,516**	34,625,437	**100,512,916**	-
More than 5 years	**42,353,978**	48,728,602	**-**	-
After one year (non-current)	**180,687,494**	83,354,039	**100,512,916**	-
	191,311,386	91,131,271	**102,523,134**	-

The banking facilities of the Group and of the Company are secured by the following:

(i) Jointly and severally guaranteed by certain Directors of the Company on their personal capacity;

(ii) Third party open charge over lands and properties owned by certain Directors of the Company and Directors' related companies;

(iii) Fixed deposits pledged as disclosed in Note 20(b);

(iv) Legal charge over lands held for property development and lands for sale as disclosed in Note 16;

(v) Legal charge over the Group's freehold land and properties as disclosed in Note 9(a);

(vi) Legal charge over the Group's freehold properties as disclosed in Note 10; and

(vii) Legal charge over the ordinary shares of subsidiaries owned by the Company as disclosed in Note 12.

25. LEASE LIABILITIES

	Group	
	2020 RM	2019 RM
Non-current liabilities	**2,655,096**	3,226,122
Current liabilities	**1,310,099**	1,060,935
	3,965,195	4,287,057

	Group	
	2020 RM	2019 RM
Future minimum lease payments:		
- not later than 1 year	**1,493,227**	1,283,832
- later than 1 year but not later than 5 years	**2,817,061**	3,278,479
- later than 5 years	**2,405**	248,141
	4,312,693	4,810,452
Less: Unexpired finance charges	**(347,498)**	(523,395)
Total present value of minimum lease payments	**3,965,195**	4,287,057

25. LEASE LIABILITIES (Cont'd)

	Group 2020 RM	Group 2019 RM
Present value of lease liabilities:		
- not later than 1 year	**1,310,099**	1,060,935
- later than 1 year but not later than 5 years	**2,652,700**	2,983,744
- later than 5 years	**2,396**	242,378
	3,965,195	4,287,057

The lease liabilities of the Group bear effective interest rates ranging from 4.26% to 14.57% (2019: 13.40% to 14.57%) per annum.

26. DEFERRED TAX LIABILITIES

	Group 2020 RM	Group 2019 RM
At beginning of the financial year	**358,433**	202,737
Effect on adoption of MFRS 16	**-**	4,137
Addition through direct acquisition of subsidiaries (Note 12(b))	**9,635**	-
Recognised in profit or loss (Note 7)	**1,867,958**	151,559
At end of the financial year	**2,236,026**	358,433

The components and movements of deferred tax liabilities and assets during the financial year prior to offsetting are as follows:

	Property, plant and equipment RM	Right-of-use assets RM	Other temporary differences RM	Total RM
Group				
2020				
At beginning of the year	**84,448**	**10,311**	**263,674**	**358,433**
Addition through direct acquisition of subsidiaries	**9,648**	**(13)**	**-**	**9,635**
Recognised in profit or loss	**44,171**	**(13,836)**	**1,837,623**	**1,867,958**
At end of the year	**138,267**	**(3,538)**	**2,101,297**	**2,236,026**
Group				
2019				
At beginning of the year	161,069	-	41,668	202,737
Effect on adoption of MFRS 16	-	4,137	-	4,137
Recognised in profit or loss	(76,621)	6,174	222,006	151,559
At end of the year	84,448	10,311	263,674	358,433

26. DEFERRED TAX LIABILITIES (Cont'd)

The estimated temporary differences for which no deferred tax assets have been recognised in the financial statements are as follows:

	Group	
	2020 RM	2019 RM
Unutilised tax losses	-	28,867

27. TRADE PAYABLES

	Note	Group	
		2020 RM	2019 RM
Non-current			
Directors' related companies	(a)	-	25,155,347
Current			
Third parties		**137,350,682**	4,525,744
Directors' related companies		**15,877,625**	102,825,248
Retention sum	(b)	**29,485,470**	-
		182,713,777	107,350,992

The normal credit terms granted to the Group range from 30 to 60 days (2019: 30 to 60 days).

(a) This is in respect of payable for acquisition of a land cost under deferred payment term pursuant to agreement entered with a Directors' related company. These deferred payables are measured at amortised cost at imputed interest rate of Nil (2019: 6.85%) per annum.

During the year, the Group had earlier settled the said amount and therefore recognised loss on remeasurement of deferred trade payables of RM6,175,271 in the "Other expenses" of statements of comprehensive income.

	Group	
	2020 RM	2019 RM
Future minimum payments:		
- Repayable later than one year but not later than 5 years	-	31,330,618
	-	31,330,618
Less: Future accretion of interest	-	(6,175,271)
	-	25,155,347

(b) Retention sum held by the Group are due upon expiry of retention periods of 24 months after issuance of Certificate of Completion and Compliance and Certificate of Practical Completion.

28. OTHER PAYABLES

	Note	Group 2020 RM	Group 2019 RM	Company 2020 RM	Company 2019 RM
Non-current					
Contingent consideration	(a)	**13,807,708**	-	**13,807,708**	-
Current					
Other payables					
- third parties		**947,330**	900,004	**122,639**	87,552
- amounts due to shareholders of a subsidiary	(b)	**-**	1,706,600	**-**	-
- Directors' related companies	(b)	**164,515**	89,963,897	**157,662**	-
Accruals	(c)	**36,951,013**	10,729,719	**2,114,327**	78,098
Accrued contractor works		**23,137,005**	10,047,025	**-**	-
Refundable deposits received	(d)	**20,498,537**	8,488,045	**-**	-
		81,698,400	121,835,290	**2,394,628**	165,650
		95,506,108	121,835,290	**16,202,336**	165,650

(a) Being contingent consideration in relation to direct acquisition of YWT recognised by the Group and the Company during the year as disclosed in Note 12(b).

Pursuant to the Shares Sale Agreement ("SSA") signed with the vendors of YWT, the vendors guarantee that profit after tax of YWT for financial year ended ("FYE") 2020 and FYE 2021 shall collectively be not less than RM10.00 million. The Company shall pay the remaining consideration of RM15,437,715 ("Second Tranche Payment") to the vendors within 4 months after FYE 2021.

The contingent consideration is measured at amortised cost at imputed interest rate of 8.80%.

	Group/Company 2020 RM
Future minimum payments:	
- Repayable later than one year but not later than 2 years	**15,437,715**
	15,437,715
Less: Future accretion of interest	**(1,630,007)**
	13,807,708

(b) These amounts are non-trade in nature, unsecured, interest free advances which are repayable on demand.

(c) Included in accruals of RM13,145,995 (2019: RM Nil) was accrued construction costs for completed development which pending billings from its contractors.

(d) Refundable deposits received represent booking fees received from the buyers of the units on the project which will be refundable upon issuance of Certificate of Completion and Compliance.

29. AMOUNTS DUE TO DIRECTORS

Amounts due to Directors are non-trade in nature, unsecured, interest free advances which are repayable on demand.

30. RELATED PARTY DISCLOSURES

Identity of related parties

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

The Group and the Company have related party relationships with its subsidiaries, former associates, Directors, Directors' related companies and key management personnel. Directors' related companies refer to companies in which certain Directors of the Company have substantial financial interests and/or are also Directors of the companies.

Significant related party transactions

	Group		Company	
	2020 RM	2019 RM	2020 RM	2019 RM
Subsidiaries				
(Advances to)/Repayment from	**-**	-	**(4,151,060)**	1,190,577
Management fee income	**-**	-	**(215,728)**	-
Rental income	**-**	-	**(39,000)**	-
Late payment interest	**-**	-	**(1,198,043)**	-
Other operating income	**-**	-	**(7,000)**	-
Assignment of debts	**-**	-	**(33,517,966)**	-
Former associate				
Repayment from	**-**	-	**-**	121,267
Directors' related companies				
Trade related				
Furniture and fittings cost	**226,800**	1,679,849	**-**	-
Sale of land and completed units	**-**	(26,766,485)	**-**	-
Land costs	**-**	41,393,323	**-**	-
Construction costs	**-**	211,829,260	**-**	-
Repayment to	**(104,628,339)**	(223,304,388)	**-**	-

30. RELATED PARTY DISCLOSURES (Cont'd)

Significant related party transactions (Cont'd)

	Group		Company	
	2020 RM	2019 RM	2020 RM	2019 RM
Directors' related companies				
Non-trade related				
Operating activities				
Sale of fresh fruit bunches	**(1,586,568)**	(1,163,175)	**-**	-
Management fees	**478,159**	665,680	**-**	-
Other operating expenses	**17,157**	664,456	**1,590**	-
Rental expenses and deposits paid	**242,250**	1,494,719	**223,000**	-
Financing activities				
Repayment to	**(87,547,872)**	(1,146,658)	**(66,928)**	
Investing activities				
Sale of property, plant and equipment	**(199,960)**	-	**-**	-
Repayment from	**14,740,580**	24,588,510	**-**	-
Directors				
Assignment of debts	**(18,409,154)**	-	**-**	-
Advances from	**-**	11,347,216	**-**	-
Corporate shareholder				
Repayment to	**(1,706,600)**	-	**-**	-

The significant outstanding balances of the related parties together with their terms and conditions are disclosed in Notes 18, 19, 27, 28 and 29 respectively.

Compensation of key management personnel

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group and of the Company either directly or indirectly. The key management personnel include all the Directors of the Group and of the Company and certain members of senior management of the Company.

The remuneration of the Directors and other members of key management personnel during the financial year were as follows:

	Group		Company	
	2020 RM	2019 RM	2020 RM	2019 RM
Short-term employee benefits	**1,060,571**	1,595,529	**506,311**	315,500
Post-employment benefits	**456,768**	248,112	**126,768**	-
	1,517,339	1,843,641	**633,079**	315,500

31. CAPITAL COMMITMENT

The Group has the following commitment in respect of acquisition of lands for development:

	Group	
	2020 RM	2019 RM
Authorised and contracted for:		
Acquisition of lands	**76,014,520**	49,545,000

32. SEGMENT INFORMATION

Segment information is presented in respect of the Group's business segments. Segment results, assets and liabilities include items directly attributable to a segment as well as those can be allocated on a reasonable basis.

For management purposes, the Group is organised into the following three (3) operating segments:

(i) Property development - Property development activities and sale of completed units
(ii) Construction - Construction of building
(iii) Trading - Trading of building materials and hardware

Comparative figures for 2019 are not disclosed as the Group mainly consist of property development segment only.

Segment revenue and results

The accounting policies of the reportable segments are the same as the Group's accounting policies described in Note 3. Segment results represent profit or loss before finance costs and tax of the segment. Inter-segment transactions are entered in the ordinary course of business based on terms mutually agreed upon by the parties concerned.

(a) Reporting format

Segment assets

The total of segment asset is measured based on all assets of a segment, as included in the internal management reports that are reviewed by the Chief Operating Decision Maker ("CODM"). Segment total asset is used to measure the return on assets of each segment.

Segment liabilities

Segment liabilities information is neither included in the internal management reports nor provided regularly to the CODM. Hence, no disclosure is made on segment liability.

(b) Allocation basis and transfers

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets, liabilities and expenses.

Segment revenue, expenses and results include transfers between business segments. These transfers are eliminated on consolidation.

(c) Geographical information

No other segmental information such as geographical segment is presented as the Group is principally involved in the investment holding, property development, construction and trading of building materials and hardware activities and operate from Malaysia only.

(d) Major customers

There is no major customer with revenue equal or more than 10% of the Group's total revenue.

32. SEGMENT INFORMATION (Cont'd)

Information regarding the Group's total reportable segment is presented below:

	Property development RM	Construction RM	Trading RM	Total reportable segment RM	Non-reportable segments RM	Elimination RM	Group RM
2020							
Revenue							
Sales to external customers	533,972,997	92,025,435	64,798,979	690,797,411	-	6,815,043	697,612,454
Inter-segment revenue	109,329,332	176,256,471	993,850	286,579,653	-	(286,579,653)	-
Total revenue	643,302,329	268,281,906	65,792,829	977,377,064	-	(279,764,610)	697,612,454
Segment profit/(loss) before tax	226,973,305	27,769,003	4,022,338	258,764,646	(9,296,316)	(33,525,649)	215,942,681
Included in the measure of segment profit/(loss) are:							
Cost of sales	426,641,297	173,651,945	60,906,532	661,199,774	-	(240,569,520)	420,630,254
Interest income	(2,578,680)	(860,049)	(136,782)	(3,575,511)	(1,232,234)	2,307,662	(2,500,083)
Interest expenses	15,631,992	210,599	668,674	16,511,265	5,515,305	(12,464,804)	9,561,766
Depreciation of:							
- property, plant and equipment	1,715,798	15,207	10,843	1,741,848	172	-	1,742,020
- investment properties	-	30,083	-	30,083	-	-	30,083
Share of results of associates	-	-	-	-	-	600,347	600,347
Tax expenses	54,211,740	6,800,550	1,047,277	62,059,567	358,551	1,837,623	64,255,741
Inventories written down	6,331,468	-	-	6,331,468	-	-	6,331,468
Loss on disposal of associates	-	-	-	-	-	2,047,979	2,047,979
Loss on remeasurement of trade payables	6,175,271	-	-	6,175,271	-	-	6,175,271
Segment assets	1,019,350,027	232,056,071	72,004,646	1,323,410,744	845,635,355	(1,006,633,203)	1,162,412,896

32. SEGMENT INFORMATION (Cont'd)

Reconciliations of Group's reportable segment profit or loss and assets are presented as below:

	Group 2020 RM
Segment profit	258,764,646
Dividend income	(16,661,321)
Impairment loss on investment in a subsidiary	15,143,156
Inter-segment profit	(39,516,300)
Interest income	(2,307,662)
Interest expenses	12,464,804
Loss on disposal of associates	(2,047,979)
Other non-reportable segments	(9,296,316)
Share of results of associates	(600,347)
Profit before tax	215,942,681

	Group 2020 RM
Segment assets	1,323,410,744
Elimination of inter-segment transactions*	(89,316,870)
Inter-segment balances	(166,599,227)
Other non-reportable segments	94,918,249
Total assets	1,162,412,896

*Mainly consist of inter-segment sale of land eliminated

33. FINANCIAL INSTRUMENTS

Categories of financial instruments

The Group's and the Company's financial assets and financial liabilities are all categorised at amortised costs respectively.

Financial Risk Management Objectives and Policies

The Group's financial risk management policy is to ensure that adequate financial resources are available for the development of the Group's operations whilst managing its financial risks, including credit risk, interest rate risk and liquidity risk. The Group operates within clearly defined guidelines that are approved by the Board and the Group's policy is not to engage in speculative transactions.

The following sections provide details regarding the Group's exposure to the abovementioned financial risks and the objectives, policies and processes for the management of these risks.

(a) Credit risk

Credit risk is the risk of financial loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises principally from its receivables (which consist of trade receivables and other receivables) and contract assets. The Company's exposure to credit risk arises principally from amounts due from former associates and subsidiaries. There are no significant changes as compared to prior year.

33. FINANCIAL INSTRUMENTS (Cont'd)

Financial Risk Management Objectives and Policies (Cont'd)

(a) Credit risk (Cont'd)

Trade receivables and contract assets

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 risk is minimised and monitored via strictly limiting the Group's associations to business partners with good credit rating. Credit evaluations are performed on all customers requiring credit over a certain amount.

At each reporting date, the Group assesses whether any of the trade receivables and contract assets are credit impaired.

There are no significant changes as compared to previous year.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk from receivables is represented by the carrying amounts in the statements of financial position.

Concentration of credit risk

The Group determines concentration of credit risk by monitoring the profiles of its receivables on an ongoing basis.

As at 31 December 2020, the Group have significant concentration of credit risk arising from the amount owing from 3 customers (2019: 2 customers) constituting 35% (2019: 28%) of gross trade receivables of the Group.

Recognition and measurement of impairment loss

Trade receivables and contract assets from property development and sale of land segment ("Collaterised receivables")

The Group recognises a loss allowance for expected credit losses on a financial asset that is measured as receivable and a contract asset if the credit risk on that financial instrument has increased significantly since initial recognition. The Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition as the trade receivable and contract assets are determined to have low credit risk at the reporting date.

For the purposes of measuring expected credit losses, the estimate of expected cash shortfalls shall reflect the cash flows expected from collateral and other credit enhancements that are part of the contractual terms and are not recognised separately by the Group. The estimate of expected cash shortfalls on a collateralised financial instrument reflects the amount and timing of cash flows that are expected from foreclosure on the collateral less the costs of obtaining and selling the collateral, irrespective of whether foreclosure is probable (ie the estimate of expected cash flows considers the probability of a foreclosure and the cash flows that would result from it).

The Group has possession of the legal rights to the properties sold and property developed by its subsidiaries and this had served as a collateral and in the event of defaults by the purchaser, the expected cash shortfall from selling the collateral less the cost of obtaining and selling the collateral is immaterial.

33. FINANCIAL INSTRUMENTS (Cont'd)

Financial Risk Management Objectives and Policies (Cont'd)

(a) Credit risk (Cont'd)

Recognition and measurement of impairment loss (Cont'd)

Trade receivables and contract assets from construction contract segment ("Non-collaterised receivables")

In managing credit risk of trade receivables, the Group manages its debtors and takes appropriate actions (including but not limited to legal actions) to recover long overdue balances and to ensure that receivables that are neither past due nor impaired are stated at their realisable values. Any receivables having significant balances past due more than 1 year, which are deemed to have higher credit risk, are monitored individually.

In determining the recoverability of these receivables, the Group considers any change in the credit quality of the receivables from the date the credit was initially granted up to the reporting date. Receivables are monitored on a going concern basis via Group's management reporting procedures and action will be taken for long outstanding debt. The Group is exposed to significant concentration of credit risk to a customer, a body incorporated by the Government of Malaysia. The expected credit loss rate on the amounts outstanding from the customer are considered low as it has low risk of default and strong capacity to meet its contractual cash flow obligations in the near term and adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the said Body to fulfil its contractual cash flow obligations.

Trade receivables from trading segment ("Non-collaterised receivables")

In managing credit risk of trade receivables, the Group manages its debtors and takes appropriate actions (including but not limited to legal actions) to recover long overdue balances and to ensure that receivables that are neither past due nor impaired are stated at their realisable values.

The Group assesses impairment of trade receivable on collective basis. The Group uses an allowance matrix to measure ECL of collective assessed receivables as they are grouped based on shared credit risk characteristics, the days past due and similar types of contracts which have similar risk characteristics.

Loss rates are calculated using a 'roll rate' method based on the probability of a receivable or group of receivables progressing through successive stages of delinquency.

Loss rates are based on actual credit loss experienced over the prior years. The Group also considers differences between (a) economic conditions during the period over which the historic data has been collected, (b) current conditions and (c) the Group's view of economic conditions over the expected lives of the receivables. Nevertheless, the Group believes that these factors are immaterial for the purpose of impairment calculation for the year.

Any receivables having significant balances past due more than 240 days from different customer profiles are deemed to have higher credit risk. The Company has subsequently recognised a loss allowance of 100% against all receivables after 240 days (credit-impaired) because historical experience has indicated that these receivables are generally not recoverable.

33. FINANCIAL INSTRUMENTS (Cont'd)

Financial Risk Management Objectives and Policies (Cont'd)

(a) Credit risk (Cont'd)

Impairment losses

The following table provides information about the exposure to credit risk and ECLs for trade receivables and contract assets as at the reporting date which are grouped together as they are expected to have similar risk nature.

	Group	
	2020 RM	**2019 RM**
Collaterised receivables		
Trade receivables		
Not past due	**39,969,160**	30,517,720
Past due:		
1 day to 30 days	**17,453,450**	11,995,462
31 days to 120 days	**26,293,659**	42,811,502
More than 120 days	**27,846,093**	30,511,937
	71,593,202	85,318,901
	111,562,362	115,836,621
Retention sum held by contract customers	**2,763,142**	128,000
Contract assets	**165,708,857**	105,402,173
	280,034,361	221,366,794
Non-collaterised receivables		
Trade receivables		
Not past due	**56,165,216**	4,794,636
Past due:		
1 day to 30 days	**5,234,791**	-
31 days to 120 days	**6,851,652**	9,165,347
More than 120 days	**16,026,025**	7,664,670
	28,112,468	16,830,017
	84,277,684	21,624,653
Retention sum held by contract customers	**4,742,999**	-
Contract assets	**11,765,081**	8,389,521
	100,785,764	30,014,174
	380,820,125	251,380,968

33. FINANCIAL INSTRUMENTS (Cont'd)

Financial Risk Management Objectives and Policies (Cont'd)

(a) Credit risk (Cont'd)

Credit impaired

Trading segment

Trade receivables that are determined to be impaired at the reporting date relate to debtors that have defaulted on payments subsequent to 240 days after credit period. These receivables are not secured by any collateral or credit enhancements.

Receivables that are not past due nor impaired

Property development segment

Trade receivables that are neither past due nor impaired comprise property purchasers mostly are with end financing facilities from reputable end-financiers whilst the others are creditworthy debtors with good payment records.

Construction contract segment

Trade receivables that are neither past due nor impaired are creditworthy debtors with good payment records and mostly are regular customers that have been transacting with the Group.

Trading segment

Trade receivables that are neither past due nor impaired are creditworthy debtors with good payment records and mostly are regular customers that have been transacting with the Group.

Receivables that are past due not impaired

Property development segment

Trade receivables that are past due but not impaired are secured in nature and comprise property purchasers mostly are with end financing facilities from reputable end-financiers whilst the others are creditworthy debtors with good payment records. The Directors are of the opinion that these debts should be realisable in full without material losses in the ordinary course of business.

Construction contract segment

The Group has not provided for impairment for these trade receivables as there has been no significant changes in their credit quality and the amounts are still considered recoverable according to historical repayment trend of these trade receivables. The Group does not hold any collateral or other credit enhancement over these balances.

Trading segment

The Group has not provided for impairment for these trade receivables as there has been no significant changes in their credit quality and the amounts are still considered recoverable. These trade receivables relate mostly to customers with slower repayment patterns, for whom there is no history of default. The Group does not hold any collateral or other credit enhancement over these balances.

Amounts due from subsidiaries

Risk management objectives, policies and processes for managing the risk

The Company provides unsecured loans and advances to its subsidiaries. The Company monitors the ability of the subsidiaries to repay the loans and advances on an individual basis.

Exposure to credit risk, credit quality and collateral

As at the end of the financial year, the maximum exposure to credit risk arising from amounts due from subsidiaries are represented by the carrying amount in the statements of financial position. Loans and advances provided are not secured by any collateral or supported by any other credit enhancements.

33. FINANCIAL INSTRUMENTS (Cont'd)

Financial Risk Management Objectives and Policies (Cont'd)

(a) Credit risk (Cont'd)

Amounts due from subsidiaries (Cont'd)

Recognition and measurement of impairment loss

Amounts due from subsidiaries are repayable on demand. For receivables that are repayable on demand, expected credit losses are assessed based on the assumption that repayment of the receivables is demanded at the reporting date.

Generally, the Company considers receivables from subsidiaries have low credit risk. The Company assumes that there is a significant increase in credit risk when the subsidiaries' financial position deteriorates significantly. As the Company is able to determine the timing of payments of the subsidiaries when they are payable, the Company considers subsidiaries' receivables to be credit impaired when the subsidiaries are unlikely to repay the receivables to the Company in full given insufficient highly liquid resources when the receivable is demanded.

The Company determines the probability of default for these receivables individually using internal information available.

As at year end, there were no indications of impairment loss in respect of amounts due from subsidiaries.

Financial guarantees

The Group and the Company provides financial guarantees to financial institution and third parties suppliers in respect of banking facilities and credit limit granted to its subsidiaries. The Company monitors on an ongoing basis the results of the subsidiaries and repayments made by the subsidiaries to financial institution and suppliers.

Exposure to credit risk, credit quality and collateral

The Group's maximum exposure to credit risk amounting to RM17,408,381 (2019: RM15,200,910) representing the outstanding suppliers' balances recorded by a subsidiary as at the end of the reporting period.

The Company's maximum exposure to credit risk amounting to RM104,599,719 (2019: RM Nil) representing the outstanding banking facilities and suppliers' balances of the subsidiaries as at the end of the reporting period. The financial guarantees are provided as credit enhancements to the subsidiaries' banking facilities and suppliers.

Recognition and measurement of impairment loss

The Company assumes that there is a significant increase in credit risk when subsidiaries' financial position deteriorates significantly. The Company considers a financial guarantee to be credit impaired when:

- The subsidiaries are unlikely to repay its credit obligation to the bank or suppliers in full; or
- The subsidiaries are continuously loss making and is having a deficit in shareholders' fund.

The Company determines the probability of default of the guaranteed loans individually using internal information available. The fair value of the financial guarantees is negligible as the probability of the financial guarantees being called upon is remote at the initial recognition.

Other receivables and deposits

Other receivables are considered to have low credit risk as they are not due for payment at the end of the reporting period and there has been no significant increase in the risk of default on the receivables since initial recognition. Accordingly, for the purpose of impairment assessment for these receivables, the loss allowance is measured at an amount equal to 12-month expected credit losses which reflects the low credit risk of the exposures. The Group has assessed a debtor which is past due more than 1 year as credit impaired. As such, the Group has written off the debt due from a debtor as disclosed in Note 6.

33. FINANCIAL INSTRUMENTS (Cont'd)

Financial Risk Management Objectives and Policies (Cont'd)

(a) Credit risk (Cont'd)

Cash and cash equivalents

The cash and cash equivalents are held with banks and financial institutions. As at the reporting date, the maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position. These banks and financial institutions have low credit risks. Hence, a loss allowance is not necessary.

(b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's and the Company's exposure to interest rate risk arises mainly from interest-bearing financial assets and liabilities.

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:

	Group		Company	
	2020 RM	2019 RM	2020 RM	2019 RM
Floating rate interest				
Financial assets	**144,531,370**	4,949,240	**-**	-
Financial liabilities	**(222,215,243)**	(91,131,271)	**(112,523,134)**	-
	(77,683,873)	(86,182,031)	**(112,523,134)**	-

The Group and the Company are exposed to interest rate risk through the impact of rate changes in floating rate fixed deposits, short term funds and borrowings. The interest rates of fixed deposits and borrowings are disclosed in Note 20 and Note 24 respectively. Changes in 100 basis point in interest rates would not have material impact on the profit after tax of the Group and of the Company.

(c) Liquidity risk

Liquidity risk is the risk that the Group and the Company will encounter difficulties in meeting financial obligations associated with financial liabilities. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through use of stand-by credit facilities.

The Group's and the Company's liquidity risk management policy is to manage their debt maturity profile, operating cash flows and the availability of funding so as to ensure that refinancing, repayment and funding needs are met. In addition, the Group and the Company maintain sufficient levels of cash and available banking facilities at a reasonable level to their overall debt position to meet their working capital requirement.

In prior year, all of the Company's liabilities at the reporting date mature within one year or repayable on demand.

33. FINANCIAL INSTRUMENTS (Cont'd)

Financial Risk Management Objectives and Policies (Cont'd)

(c) Liquidity risk (cont'd)

The table below summarises the maturity profile of the Group's and of the Company's financial liabilities as at the end of the financial year based on contractual undiscounted repayment obligations:

	Carrying amount RM	Contractual cash flows RM	<---Contractual Cash Flows---> Within one year RM	Between 1 and 2 years RM	Between 2 and 5 years RM	More than 5 years RM
Group						
2020						
Trade payables	182,713,777	182,713,777	153,228,307	29,485,470	-	-
Other payables	95,506,108	97,136,115	81,698,400	15,437,715	-	-
Borrowings:						
- bank overdraft	320,005	320,005	320,005	-	-	-
- banker's acceptance	20,583,852	21,818,883	21,818,883	-	-	-
- revolving credit	10,000,000	10,545,000	10,545,000	-	-	-
- term loan	191,311,386	235,877,433	21,531,809	32,815,467	133,156,238	48,373,919
Lease liabilities	3,965,195	4,312,693	1,493,227	1,301,310	1,515,751	2,405
	504,400,323	552,723,907	290,635,631	79,039,962	134,671,989	48,376,324

33. FINANCIAL INSTRUMENTS (Cont'd)

Financial Risk Management Objectives and Policies (Cont'd)

(c) Liquidity risk (Cont'd)

The table below summarises the maturity profile of the Group's and of the Company's financial liabilities as at the end of the financial year based on contractual undiscounted repayment obligations: (Cont'd)

			<---Contractual Cash Flows			-->
	Carrying amount RM	Contractual cash flows RM	Within one year RM	Between 1 and 2 years RM	Between 2 and 5 years RM	More than 5 years RM
Group						
2019						
Trade payables	107,350,992	138,681,610	107,350,992	5,695,941	20,973,824	4,660,853
Other payables	121,835,290	121,835,290	121,835,290	-	-	-
Borrowings:						
- Term loan	91,131,271	139,446,764	15,361,268	15,240,674	44,295,330	64,549,492
Lease liabilities	4,287,057	4,810,452	1,283,832	1,507,144	1,771,335	248,141
	324,604,610	404,774,116	245,831,382	22,443,759	67,040,489	69,458,486
Company						
2020						
Other payables	**16,202,336**	**17,832,343**	**2,394,628**	**15,437,715**	**-**	**-**
Borrowings:						
- revolving credit	**10,000,000**	**10,545,000**	**10,545,000**	**-**	**-**	**-**
- term loan	**102,523,134**	**119,738,653**	**7,548,008**	**18,953,042**	**93,237,603**	**-**
	128,725,470	**148,115,996**	**20,487,636**	**34,390,757**	**93,237,603**	**-**

34. FAIR VALUES INFORMATION

Financial instrument at fair value

As the financial assets and liabilities of the Group and of the Company are not carried at fair value by any valuation method, the fair value hierarchy analysis is not presented.

There were no material transfer between Level 1, Level 2 and Level 3 during the financial year.

Financial instrument other than those carried at fair value

Financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

The financial assets and financial liabilities maturing within the next twelve (12) months approximated their fair values due to the relatively short term maturity of the financial instruments and insignificant impact of discounting.

The carrying amount of long term floating rate loans approximates their fair value as the loans will be re-priced to market interest rate on or near reporting date.

The carrying amount of long term deferred payable approximately its fair value as the market interest rate on initial recognition is approximately same as the current market interest rate.

35. CAPITAL MANAGEMENT

The Group's objectives when managing capital is to maintain a strong capital base and safeguard the Group's ability to continue as a going concern. The Group monitors and maintains an optimal debt-to-equity ratio that complies with debt covenants and regulatory requirements.

The Group monitors capital using net debt-to-equity ratio which is the net debt divided by total equity. Net debt includes lease liabilities and borrowings, less cash and cash equivalents whilst total equity is equity attributable to Owners of the Company.

The net debt-to-equity ratios at end of the reporting period are as follows:

	Group	
	2020 RM	**2019 RM**
Lease liabilities	**3,965,195**	4,287,057
Borrowings	**222,215,243**	91,131,271
Less: Cash and cash equivalents	**(214,279,976)**	(69,200,635)
Total net debts	**11,900,462**	26,217,693
Total equity attributable to Owners of the Company	**618,538,231**	311,895,441
Debt-to-equity ratio (%)	**2%**	8%

	Company	
	2020 RM	**2019 RM**
Borrowings	**112,523,134**	-
Less: Cash and cash equivalents	**(1,860,519)**	(329)
Total net debts	**110,662,615**	(329)
Total equity	**620,928,406**	47,215,685
Debt-to-equity ratio (%)	**18%**	*

* Not meaningful

The Group and the Company are in compliance with all externally imposed capital requirements.

36. COMPARATIVE FIGURES

(i) The comparative figures are reclassified to conform with the current year's presentation.

	As previously reported RM	Reclassification RM	As restated RM
Company			
2019			
Statements of financial position			
Non-current assets			
Amount due from an associate	17,598,217	(17,598,217)	-
Other receivables	-	17,598,217	17,598,217
Statements of cash flows			
Cash flows from Investing Activities			
Repayment from subsidiaries	-	1,190,577	1,190,577
Cash flows from Financing Activities			
Repayment from subsidiaries	1,190,577	(1,190,577)	-

(ii) The comparative figures for the Group were prepared retroactively as a continuation of the financial statements of the accounting acquirer (Blossom Group's financial statements) following the reverse acquisition as disclosed in Note 12(a). Correspondingly, the comparative figures for the Group covered the financial year from 1 January 2019 to 31 December 2019 as this was deemed to be the Blossom Group financial year end as a result of the retroactive application of the reverse acquisition method.

37. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

On 26 February 2020, the Company entered into Shares Sale Agreement ("SSA") with the vendors of the following entities, proposed share consolidation and proposed for private placement which detailed out as follow:

(a) Acquisition of the following subsidiaries:
- 100% equity interest in Blossom Eastland Sdn. Bhd.
- 100% equity interest in Rantau Urusan (M) Sdn. Bhd.
- 100% equity interest in Yik Wang Trading Sdn. Bhd.

(collectively known as "Proposed Acquisition")

(b) Proposed share consolidation of 25 existing ordinary shares for 1 new ordinary share.

(c) Proposed private placement of up to 135,000,000 new consolidated ordinary shares

On 14 July 2020, the Company via an Extraordinary General Meeting obtained the shareholders' approval on the abovementioned acquisition.

The SSA became unconditional on 21 July 2020 and the Proposed Acquisition was completed on 31 July 2020.

On 25 August 2020, LPB Development Sdn. Bhd. entered into a conditional sale and purchase agreement with Symphony Hills Sdn Bhd to purchase lands located at Mukim Batang Padang for a total consideration of RM29.86 million. As at year end, the condition precedent has yet to be fulfilled and therefore the purchase has not been recognised in the financial statements and has been disclosed as capital commitment.

37. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR (Cont'd)

On 21 September 2020, one of the subsidiary, Taraf Nusantara Sdn. Bhd. ("TNSB") entered into a Joint Development and Shareholders Agreement with Tenaga Danawa Sdn. Bhd. to jointly develop 4 parcels of lands held under Mukim Batang Padang, Daerah Batang Padang, Negeri Perak which measuring approximately 229.73 acres into a mixed development project. Subsequently, a jointly controlled company named Lagenda Tapah Sdn. Bhd. was incorporated on 16 October 2020 where TNSB holds 125,000 units of ordinary shares and Tenaga Dawana Sdn Bhd holds the remaining 125,000 units of ordinary shares.

On 30 October 2020, the Company entered into a memorandum of understanding with BDB Land Sdn. Bhd. ("BDBL"), a wholly-owned subsidiary of Bina Darulaman Berhad, to declare the respective parties' intentions to establish a basis of co-operation and collaboration for the purpose of the development of affordable homes. On 6 April 2021, LPB Development Sdn. Bhd. ("LPBD"), a wholly-owned subsidiary of the Company had entered into a Joint Venture and Shareholders Agreement with BDBL to incorporate a jointly controlled company named BDB Lagenda Sdn. Bhd. where LPBD holds 1 unit of ordinary share and Bina Darulaman Berhad holds the remaining 1 unit of ordinary share.

Coronavirus (COVID-19) outbreak

The Coronavirus (COVID-19) outbreak was identified in Wuhan, China in December 2019. The World Health Organisation ("WHO") has declared the outbreak a Public Health Emergency of International Concern on 30 January 2020 and subsequently WHO declared the COVID-19 outbreak as global pandemic on 11 March 2020. Following the WHO's declaration, the Malaysia Government has on 16 March 2020 imposed the Movement Control Order ("MCO") starting from 18 March 2020 to restrain the spread of COVID-19 outbreak in Malaysia. Throughout the MCO, most businesses were not allowed to operate, except those categorised as "Essential Services".

Since the commencement of MCO, the Group's business operations were not badly affected as the property development industry was categorised as "Essential Services" and was allowed to operate during Conditional MCO ("CMCO") and Recovery MCO ("RMCO"). In addition, the Group was mainly engaged in affordable housing projects during the year which are in demand.

On 11 January 2021, the Malaysia Government has announced MCO 2.0 commencing from 13 January 2021 to 18 February 2021. On 16 February 2021 and 2 March 2021, the Government of Malaysia announced extension of MCO, CMCO and RMCO until 18 March 2021 in respective states. The Management does not expect significant impact to the Group's business operations.

38. EVENTS SUBSEQUENT TO THE END OF FINANCIAL YEAR

On 21 January 2021, the Company completed its private placement of 85,000,000 units of ordinary shares at an issue price of RM1.11 per share.

On 21 January 2021, the Company had increased its paid up share capital of RM183,775,000 via conversion of RCPS to ordinary share pursuant to the conversion of 250,000,000 RCPS to 250,000,000 new ordinary shares at the ratio of 1 RCPS to 1 new ordinary share.

On 22 February 2021, the Board of Directors has declared an interim single tier dividend of 2.5 sen per ordinary share for the financial year ended 31 December 2020. The entitlement date has been fixed on 10 March 2021. The interim dividend is payable on 9 April 2021 and will be credited into the entitled depositors' securities accounts maintained with Bursa Malaysia Depository Sdn Bhd.

List of Group Properties

No	Location	Description/ existing use	Land Area	Tenure	Date of Acquisition	Date of Valuation	Net Book Value as at 31.12.2020 (RM)
1	PN 378940 and 64 others Lot 59307 and 64 others PN 378978 and 7 others Lot 59424 and 7 others Mukim of Durian Sebatang, District of Hilir Perak, State of Perak	Agriculture land/ Land Held for Development	306.6980 hectares	99 years (expiring on 16.12.2091)	06.03.2017	06.03.2017	60,855,177.95
2	H.S.(D) 40537, 40539, 40540 PT 42117, 42119, 42120 Mukim Sitiawan, District of Manjung, State of Perak	Agriculture land/ Land	183.9500 acres	Freehold	03.07.2013	03.07.2013	26,359,818.24
3	Geran 124519, 124522, 124524, 124525, 124531, 126550, 126553 Lot 39304 to 39307, 39309, 19040, 7060 Mukim of Kampar, District of Kampar, State of Perak	Agriculture land/ Land Held for Development	11.3161 hectares	Freehold	20.04.2017	31.12.2019	13,000,000.00
4	H.S.(D) 32964 to 33014 PT 36714 to 36764 (Phase 6a), H.S.(D) 39564 to 39587 PT 41208 to 41231 (Phase 6b), H.S.(D) 33403 PT 37153 (Phase 6b), H.S.(D) 33401 PT 37151 (Plot 438) Setia Residence, Mukim Sitiawan, District of Manjung, State of Perak	Agriculture land/ Residential land 51 units double-storey terraced houses, 24 units double-storey cluster houses, double-storey detached house, and Land held for development	5.3500 acres	Freehold	01.01.2014	01.01.2014	9,894,856.23
5	H.S.(D) 34612 to 34613 PT 7609 to 7610 Taman Mulia Phase 5, Mukim Setiawan, District of Manjung, State of Perak	Agriculture land/ Land Held for Development	13.4500 acres	Freehold	15.11.2013	15.11.2013	6,674,873.86
6	H.S.(D) 38884 to 38953 (inclusive) PT 40540 to 40609 (inclusive) Taman Mulia Phase 4b, Mukim Setiawan, District of Manjung, State of Perak	Residential land/ 86 units single-storey semi-detached townhouse and 6 units single-storey detached house	7.5600 acres	Freehold	15.11.2013	15.11.2013	6,010,429.27

No	Location	Description/ existing use	Land Area	Tenure	Date of Acquisition	Date of Valuation	Net Book Value as at 31.12.2020 (RM)
7	H.S.(D) 38740 to 38883 (inclusive) PT 40396 to 40539 (inclusive) Taman Mulia Phase 3, Mukim Setiawan, District of Manjung, State of Perak	Residential land /144 units single-storey terraced houses	6.2000 acres	Freehold	15.11.2013	15.11.2013	5,512,528.41
8	H.S.(D) 30233 to 30234 PT 6733 to 6734, H.S.(D) 30226 to 30228 PT 6726 to 6728, H.S.(D) 30199 to 30201 PT 6699 to 6701 Mukim of Sitiawan, District of Manjung, State of Perak	Agriculture land / Land Held for Development	4.1082 hectares	Freehold	08.06.2018	31.12.2019	5,300,000.00
9	Geran 53067 Lot 35865 Mukim Sitiawan, District of Manjung, State of Perak	Agriculture land / Land	1.9290 hectares	Freehold	25.02.2013	31.07.2020	2,984,094.00
10	Geran Mukim 2384 to 2385 Lot 2552 to 2553 Mukim of Lumut, District of Manjung, State of Perak	Agriculture land / Land Held for Development	3.7585 hectares	Freehold	03.07.2017	31.12.2019	2,300,000.00
					TOTAL		138,891,777.97

Analysis of Shareholdings

As at 2 April 2021 (Cont'd)

Total Number of Issued Shares	:	818,489,169
Class of Shares	:	Ordinary Shares
Voting Rights	:	One vote per Ordinary Share
No. of Shareholders	:	8,990

DISTRIBUTION SCHEDULE

Shareholding Category	No. of Shareholders	% of Shareholders	No. of Shares	% of Issued Capital
Less than 100	1,125	12.51	48,669	0.01
100 to 1,000	1,915	21.30	1,090,252	0.13
1,001 to 10,000	4,307	47.91	19,049,840	2.33
10,001 to 100,000	1,443	16.05	44,502,389	5.44
100,001 and below 5%	199	2.21	183,798,018	22.46
5% and above	1	0.01	570,000,001	69.64
Total	**8,990**	**100.00**	**818,489,169**	**100.00**

THIRTY (30) LARGEST SHAREHOLDERS
(As per Record of Depositors)

	Name of Shareholders	No. of Shares Held	% of Issued Capital
1.	Lagenda Land Sdn Bhd	570,000,001	69.64
2.	Amsec Nominees (Tempatan) Sdn Bhd Beneficiary: Pledged Securities Account – AmBank Islamic Berhad for Doh Properties Holdings Sdn Bhd	19,520,599	2.38
3.	Citigroup Nominees (Tempatan) Sdn Bhd Beneficiary: Exempt An For AIA Bhd	12,274,900	1.50
4.	Chen Hong Eng	9,723,100	1.19
5.	Doh Properties Holdings Sdn Bhd	9,389,671	1.15
6.	Binari Maju Sdn Bhd	8,859,714	1.08
7.	Doh Properties Holdings Sdn Bhd	8,660,938	1.06
8.	Tokio Marine Life Insurance Malaysia Bhd Beneficiary: As Beneficial Owner	8,000,000	0.98
9.	Rising Sun Construction Sdn Bhd	7,195,080	0.88
10.	Maybank Nominees (Tempatan) Sdn Bhd Beneficiary: Etiqa Life Insurance Berhad	6,859,000	0.84
11.	Maybank Nominees (Tempatan) Sdn Bhd Beneficiary : Etiqa Life Insurance Berhad	5,941,200	0.73
12.	Citigroup Nominees (Asing) Sdn Bhd Beneficiary: Exempt An For Citibank New York	4,771,900	0.58
13.	CGS-CIMB Nominees (Tempatan) Sdn Bhd Beneficiary: Pledged Securities Account for Ronie Tan Choo Seng	4,170,000	0.51
14.	Chew Soon Kui	3,146,992	0.38
15.	Sandeep Singh A/L Gurbachan Singh	2,655,500	0.32
16.	Citigroup Nominees (Asing) Sdn Bhd Beneficiary: UBS AG	2,547,500	0.31
17.	Foo Kwai Kheng	2,515,112	0.31
18.	Public Nominees (Tempatan) Sdn Bhd Beneficiary: Pledged Securities Account for Ong Tong Pheng @ Eng Ah Toon	2,460,100	0.30
19.	Citigroup Nominees (Tempatan) Sdn Bhd Beneficiary: Exempt An for AIA Public Takaful Bhd	2,237,000	0.27
20.	Cartaban Nominees (Asing) Sdn Bhd Beneficiary: Exempt An for Barclays Capital Securities Ltd	2,161,300	0.26

Analysis of Shareholdings

As at 2 April 2021 (Cont'd)

Name of Shareholders		No. of Shares Held	% of Issued Capital
21.	Lee Hock Seng	2,150,000	0.26
22.	Ronie Tan Choo Seng	2,000,000	0.24
23.	Cimsec Nominees (Tempatan) Sdn Bhd Beneficiary: CIMB for Doh Jee Ming	1,900,800	0.23
24.	Maybank Nominees (Tempatan) Sdn Bhd Beneficiary: Etiqa General Insurance Berhad	1,850,000	0.23
25.	Tokio Marine Life Insurance Malaysia Bhd Beneficiary: As Beneficial Owner	1,700,000	0.21
26.	Lim Fook Hin	1,585,000	0.19
27.	Teoh Wei Sheng	1,500,000	0.18
28.	Yap Kean Teck	1,389,400	0.17
29.	Malacca Equity Nominees (Tempatan) Sdn Bhd Beneficiary: Exempt An for Philip Capital Management Sdn Bhd	1,034,436	0.13
30.	Ronie Tan Choo Seng	1,000,000	0.12

The thirty largest shareholders refer to the thirty securities account holders having the largest number of securities according to the Record of Depositors (without aggregating the securities from different securities accounts belonging to the same depositor).

SUBSTANTIAL SHAREHOLDERS AS AT 2 APRIL 2021 (EXCLUDING BARE TRUSTEES)
(As per Register of Substantial Shareholders)

	No. of shares held or beneficially interested in		% of Issued Capital	
Name of Substantial Shareholders	Direct	Indirect	Direct	Indirect
Lagenda Land Sdn Bhd	570,000,001	-	69.64	-
Doh Properties Holdings Sdn Bhd	37,571,208	-	4.59	-
Setia Awan Plantation Sdn Bhd	-	37,571,208[(2)]	-	4.59
Dato' Doh Jee Ming	2,300,800[(1)]	607,571,209[(3)]	0.28	74.23
Dato' Doh Tee Leong	-	607,571,209[(3)]	-	74.23
Dato' Doh Jee Chai	-	607,571,209[(3)]	-	74.23

Notes:

(1) *1,900,800 shares held through Cimsec Nominees (Tempatan) Sdn Bhd*

(2) *Deemed interested pursuant to Section 8(4) of the Companies Act 2016 by virtue of its shareholdings in Doh Properties Holdings Sdn Bhd.*

(3) *Deemed interested pursuant to Section 8(4) of the Companies Act 2016 by virtue of their shareholdings in Lagenda Land Sdn Bhd and Setia Awan Plantation Sdn Bhd, which in turn holds 100% equity interest in Doh Properties Holdings Sdn Bhd (now known as Doh Capital Sdn Bhd).*

DIRECTORS' SHAREHOLDING AS AT 2 APRIL 2021
(As per Register of Directors' Shareholdings)

Name of Directors	Direct Interest		Indirect Interest	
	Shareholdings	%	Shareholdings	%
Dato' Doh Jee Ming	2,300,800[(1)]	0.28	607,571,209[(2)]	74.23
Dato' Doh Tee Leong	-	-	607,571,209[(2)]	74.23
Dato' Doh Jee Chai	-	-	607,571,209[(2)]	74.23
Looi Sze Shing	-	-	-	-
Mohamad Ali bin Ariffin	-	-	-	-
Dr. Lim Pang Kiam	-	-	-	-

Notes:
(1) 1,900,800 shares held through Cimsec Nominees (Tempatan) Sdn Bhd
(2) Deemed interested pursuant to Section 8(4) of the Companies Act 2016 by virtue of their shareholdings in Lagenda Land Sdn Bhd and Setia Awan Plantation Sdn Bhd, which in turn holds 100% equity interest in Doh Properties Holdings Sdn Bhd (now known as Doh Capital Sdn Bhd).

Analysis of Warrant Holdings

As at 2 April 2021

Class of Securities	:	Warrants 2017/2022
No. of Warrants Issued	:	23,225,777
Exercise Price of Warrants	:	RM0.05
Exercise Period of Warrants	:	From 23 January 2017 to 22 January 2022
Expiry Date of Warrants	:	22 January 2022
Voting Rights	:	One vote per warrant in respect of a meeting of warrantholders
No. of Warrantholders	:	3,891

DISTRIBUTION SCHEDULE

Warrantholding Category	No. of Warrantholders	% of Warrantholders	No. of Warrants	% of Issued Warrants
Less than 100	1,266	32.54	38,814	0.17
100 to 1,000	1,387	35.65	600,517	2.59
1,001 to 10,000	870	22.36	3,427,394	14.76
10,001 to 100,000	336	8.64	10,650,112	45.85
100,001 and below 5%	31	0.80	7,208,940	31.04
5% and above	1	0.03	1,300,000	5.60
Total	**3,891**	**100.00**	**23,225,777**	**100.00**

THIRTY (30) LARGEST WARRANTHOLDERS
(As per Record of Depositors)

	Name of Warrantholders	No. of Warrants Held	% of Issued Warrants
1.	Sim Heok Hoo	1,300,000	5.60
2.	Chan Chiau Hiah	802,000	3.45
3.	RHB Capital Nominees (Tempatan) Sdn Bhd Beneficiary: Pledged Securities Account for Toh Yew Peng	760,800	3.28
4.	Public Nominees (Tempatan) Sdn Bhd Beneficiary: Pledged Securities Account for Wong Ley Beng	465,000	2.00
5.	Ong Kar Bee	400,000	1.72
6.	Seow Hoon Hin	320,000	1.38
7.	Tan Han Sheng	317,000	1.36
8.	Hee Jia Loong	300,000	1.29
9.	Lee Chee Yeong	237,600	1.02
10.	Public Nominees (Tempatan) Sdn Bhd Beneficiary: Pledged Securities Account For Chea Jian Kai	235,840	1.02
11.	Tan Kai Chun	227,300	0.98
12.	Chong Chee Wah	211,200	0.91
13.	Edmund Tay Kim Joo	210,400	0.91
14.	Hoo Yen Shen	200,000	0.86
15.	Kenanga Nominees (Tempatan) Sdn Bhd Beneficiary: Rakuten Trade Sdn Bhd For Khor Peng Huat	188,800	0.81
16.	UOB Kay Hian Nominees (Tempatan) Sdn Bhd Beneficiary: Exempt An For UOB Kay Hian Pte Ltd	185,100	0.80
17.	HSBC Nominees (Asing) Sdn Bhd Beneficiary: Credit Suisse (Hong Kong) Limited	180,000	0.78

	Name of Warrantholders	No. of Warrants Held	% of Issued Warrants
18.	Kenanga Nominees (Tempatan) Sdn Bhd Beneficiary: Rakuten Trade Sdn Bhd For Sa'ed Razree Bin Sa'ed Reza	165,000	0.71
19.	Maybank Securities Nominees (Tempatan) Sdn Bhd Beneficiary: Pledged Securities Account For Lee Chee Yeong	156,500	0.67
20.	Maybank Nominees (Tempatan) Sdn Bhd Beneficiary: Pledged Securities Account For Ding Seng Huat	150,000	0.65
21.	Loo Kien Sang	147,000	0.63
22.	Lim Kian Hwa	140,000	0.60
23.	Lo Wei Wei	140,000	0.60
24.	Public Nominees (Tempatan) Sdn Bhd Beneficiary: Pledged Securities Account For Pang Khee Suan	140,000	0.60
25.	Liong, Chai Mei Choo @ Grace Chai	130,000	0.56
26.	Peter Chiau Chee Kai	127,000	0.55
27.	June Chua Wai Meng	126,000	0.54
28.	Maybank Nominees (Tempatan) Sdn Bhd Beneficiary: Leong Siu Mun	112,000	0.48
29.	Tam Cheng Wei	111,900	0.48
30.	Cheong Wai Choon	110,000	0.47

The thirty largest warrantholders refer to the thirty securities account holders having the largest number of securities according to the Record of Depositors (without aggregating the securities from different securities accounts belonging to the same depositor).

DIRECTORS' WARRANTHOLDING AS AT 2 APRIL 2021

Name of Directors	Direct Interest		Indirect Interest	
	Warrantholdings	%	Warrantholdings	%
Dato' Doh Tee Leong	-	-	-	-
Dato' Doh Jee Ming	-	-	-	-
Dato' Doh Jee Chai	-	-	-	-
Looi Sze Shing	-	-	-	-
Mohamad Ali bin Ariffin	-	-	-	-
Dr. Lim Pang Kiam	-	-	-	-

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Twentieth Annual General Meeting ("20th AGM") of Lagenda Properties Berhad (formerly known as D.B.E. Gurney Resources Berhad) will be held at Intan 2, The Orient Star Resort Lumut, Lot 203 & 366 Jalan Iskandar Shah, 32200 Lumut, Perak Darul Ridzuan on Monday, 28 June 2021 at 10.30 a.m. for the purpose of considering and, if thought fit, passing with or without modifications the resolutions as set out in this notice.

AGENDA
Ordinary Business

1	To receive the Audited Financial Statements for the financial year ended 31 December 2020 together with the Reports of the Directors and Auditors thereon. (Refer to Explanatory Note A)	
2	To approve the Directors' fees up to an amount of RM250,000 and the payment of such fees to the Non-Executive Directors of the Company for the financial year ending 31 December 2021.	***(Ordinary Resolution 1)***
3	To approve the payment of Directors' benefits (excluding Directors' fees) in accordance with Section 230(1) of the Companies Act 2016 up to an amount of RM85,000 for the financial year ending 31 December 2021.	***(Ordinary Resolution 2)***
4	To re-elect Dato' Doh Jee Ming who retires by rotation pursuant to Clause 95 of the Constitution of the Company.	***(Ordinary Resolution 3)***
5	To re-elect En Mohamad Ali bin Ariffin who retires by rotation pursuant to Clause 95 of the Constitution of the Company.	***(Ordinary Resolution 4)***
6	To re-elect Dr Lim Pang Kiam who was appointed as Director during the year and retire pursuant to Clause 102 of the Constitution of the Company.	***(Ordinary Resolution 5)***
7	To re-appoint Messrs Moore Stephens Associates PLT as Auditors of the Company until the conclusion of the next Annual General Meeting and to authorise the Directors to fix their remuneration.	***(Ordinary Resolution 6)***

Special Business

To consider and if thought fit, to pass the following resolutions:

8	Authority to Issue Shares Pursuant to Sections 75 and 76 of the Companies Act 2016 "THAT, subject always to the Sections 75 and 76 of the Companies Act 2016 ("the Act"), the Constitution of the Company and the approvals of the relevant governmental and/or regulatory authorities, the Directors be and are hereby empowered pursuant to Sections 75 and 76 of the Act, to issue and allot shares in the capital of the Company from time to time at such price and upon such terms and conditions, for such purposes and to such person or persons whomsoever the Directors may in their absolute discretion deem fit PROVIDED ALWAYS THAT the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the total number of issued shares (excluding treasury shares) of the Company for the time being; AND THAT the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad AND THAT such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company."	***(Ordinary Resolution 7)***
9	To transact any other business for which due notice shall have been given.	

By Order of the Board

JESSLYN ONG BEE FANG (SSM PC No. 202008002969) (MAICSA 7020672)
ERIC TOH CHEE SEONG (SSM PC No. 202008002884) (MAICSA 7016178)
Company Secretaries

Penang
30 April 2021

NOTES:

1. Only members whose names appear on the Record of Depositors on 21 June 2021 ("General Meeting Record of Depositors") shall be entitled to attend, speak and vote at the 20th AGM.

2. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend, speak and vote in his/her stead. A proxy may but need not be a member of the Company.

3. A member shall be entitled to appoint not more than two proxies to attend and vote at the 20th AGM. Where a member appoints more than one proxy, the appointment shall be invalid unless the member specifies the proportions of his/her holdings to be represented by each proxy.

4. Where a member of the Company is an exempt authorized nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorized nominee may appoint in respect of each omnibus account it holds. An exempt authorized nominee refers to an authorized nominee defined under Securities Industry (Central Depositories) Act, 1991 ("SICDA") which is exempted from compliance with the provisions of subsection 25A(1) of SICDA.

5. The instrument appointing a proxy shall be in writing under the hand of the appointor or his/her attorney duly authorized in writing or, if the appointor is a corporation, either under its Common Seal or under the hand of an officer or attorney duly authorized in writing.

6. Pursuant to Paragraph 8.29(A) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions at the 20th AGM shall be put by way of poll.

7. The instrument appointing a proxy and the power of attorney or other authority (if any), under which it is signed or a notarially certified copy thereof, must be deposited at the Registered Office of the Company at No. 54-4-8, Wisma Sri Mata, Jalan Van Praagh, 11600 Penang not less than 48 hours before the time set for holding the 20th AGM or any adjournment thereof.

8. As a precautionary measure against the spread of COVID-19, members are strongly encouraged to appoint either the Chairman of the Meeting or any one (1) of the Independent Directors as proxy to vote in their stead.

9. At the physical meeting, members are advised to observe the applicable directives, safety and precautionary requirements as prescribed by the Government, the Ministry of Health, the Malaysian National Securities Council, and other relevant authorities to curb the spread of COVID-19 and by maintaining a physical distance of at least one (1) meter between each meeting participant and to put on face masks at all time during the proceeding of the meeting.

10. The Company will continue to closely monitor the COVID-19 pandemic situation and may adopt further procedures and measures at short notice as may be necessitate by the change in the public health situation. Members may check for any further update on the Company's website at www.lagendaproperties.com or on Bursa Securities' website.

Explanatory Notes

Note A - Audited Financial Statements for the financial year ended 31 December 2020

This Agenda is meant for discussion only as the provision of Section 248(2) and 340(1)(a) of the Act does not require a formal approval of the shareholders for the Audited Financial Statements. Hence, this Agenda item is not put forward for voting.

Ordinary Resolution 1 - Payment of Directors' Fees

The proposed Ordinary Resolution 1, if passed, will authorise the payment of the Directors' fees up to the amount of RM250,000 to the Non-Executive Directors ("NEDs") for the financial year ending 31 December 2021. The Directors' fees approved for the financial year ended 31 December 2020 was up to an amount of RM150,000. The increase in Directors' fees proposed for the financial year ending 31 December 2021 are calculated based on additional NEDs to be appointed for the financial year ending 31 December 2021. The proposed Ordinary Resolution 1 is to facilitate payment of Directors' fees on current financial year basis. In the event the Directors' fees proposed are insufficient, approval will be sought at the next Annual General Meeting for additional fees to meet the shortfall.

Ordinary Resolution 2 - Payment of Directors' Benefits

Section 230(1) of the Act provides amongst others, that the fees of the Directors and any benefits payable to the Directors of a listed company and its subsidiaries shall be approved at a general meeting.

Under Ordinary Resolution 2, the benefits payable to the Directors pursuant to Section 230(1)(b) of the Act had been reviewed by the Remuneration Committee and the Board of Directors of the Company, which recognise that the Directors' benefits payable are in the best interest of the Company. The benefits comprise of Directors Indemnity Insurance, benefits-in-kind and also meeting allowances, which will only be accorded based on actual attendance of meetings by the Directors of the Company.

Ordinary Resolution 7 - Authority to Issue Shares Pursuant to Sections 75 and 76 of the Act

The proposed Ordinary Resolution 7 is for the purpose of seeking approval for a general mandate to empower the Directors of the Company pursuant to Sections 75 and 76 of the Act, from the date of the AGM, to issue and allot ordinary shares at any time to such persons in their absolute discretion without convening a general meeting provided that the aggregate number of the shares issued does not exceed 10% of the total number of issued shares of the Company for the time being. The general mandate, unless revoked or varied at general meeting, will expire at the next AGM of the Company. The general mandate will provide flexibility to the Company for any possible fund raising activities, including but not limited to placement of shares for the purpose of funding future investment(s), project(s), working capital and/or acquisition(s).

As at the date of this Notice, the Company had raised RM134.35 million through placement of shares from the previous 20% general mandate pursuant to Sections 75 and 76 of the Act as granted at the AGM of the Company held on 14 July 2020. The 20% general mandate was empowered by Bursa Malaysia Securities Berhad pursuant to its letter dated 16 April 2020 to grant additional temporary relief measures to listed corporations for COVID-19 pandemic. The details, purpose and utilisation of proceeds from the general mandate sought are more particularly described on page 54 of the Company's Annual Report 2020.

PERSONAL DATA PRIVACY

By submitting a Form of Proxy or an instrument appointing a representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the Purposes), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

Statement Accompanying Notice of Annual General Meeting

(Pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad)

Details of persons who are standing for election as Directors (excluding Directors standing for re-election)

No individual is seeking election as a Director at the 20th AGM of the Company.

A Statement relating to general mandate for issue of securities in accordance with Paragraph 6.03(3) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad

The proposed Ordinary Resolution 7 for the general mandate for issue of securities is a new mandate. Details of the general mandate for the authority to allot and issue shares pursuant to Sections 75 and 76 of the Companies Act 2016 are set out in the Explanatory Notes of the Notice of 20th AGM of the Company.

Proxy Form

LAGENDA PROPERTIES BERHAD
(Formerly known as D.B.E. Gurney Resources Berhad)
Registration No: 200101000008 (535763-A)
(Incorporated in Malaysia)

I/We ____ (Full Name In Block Letters)

of ____ (Address)

being a member/members of Lagenda Properties Berhad hereby appoint ______________________ (Full Name In Block Letters)

of ____ (Address)

NRIC / Passport No. ______________________ Email Address ______________________

or failing him/her ____ (Full Name In Block Letters)

of ____ (Address)

NRIC / Passport No. ______________________ Email Address ______________________

or failing him/her, the Chairman of the Meeting as my/our proxy, to vote for me/us on my/our behalf at the Twentieth Annual General Meeting ("20th AGM") of the Company to be held at Intan 2, The Orient Star Resort Lumut, Lot 203 & 366 Jalan Iskandar Shah, 32200 Lumut, Perak Darul Ridzuan on Monday, 28 June 2021 at 10.30 a.m. and at any adjournment thereof.

(Please indicate with an "X" in the boxes provided how you wish your vote to be cast. If you do not do so, the proxy will vote or abstain from voting at his/her discretion.)

	Ordinary Resolutions	For	Against
1.	To approve the payment of Directors' fees for the financial year ending 31 December 2021.		
2.	To approve the payment of Directors' benefits (excluding Directors' fees) for the financial year ending 31 December 2021.		
3.	To re-elect Dato' Doh Jee Ming who is retiring in accordance with Clause 95 of the Company's Constitution.		
4.	To re-elect En Mohamad Ali bin Ariffin who is retiring in accordance with Clause 95 of the Company's Constitution.		
5.	To re-elect Dr Lim Pang Kiam who is retiring in accordance with Clause 102 of the Company's Constitution.		
6.	To re-appoint Messrs Moore Stephens Associates PLT as Auditors and to authorise Directors to fix their remuneration.		
7.	To empower Directors pursuant to Sections 75 and 76 of the Companies Act 2016 to allot and issue shares.		

No of Shares Held	
CDS Account No.	
If more than one proxy is appointed, please specify below the proportion of your vote in percentage represented by each proxy :	
First Named Proxy	%
Second Named Proxy	%

....
Signature(s) of Member(s) / Common Seal

Signed this ....day of ...., 2021.

NOTES:

1. Only members whose names appear on the Record of Depositors on 21June 2021 ("General Meeting Record of Depositors") shall be entitled to attend, speak and vote at the 20th AGM.
2. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend, speak and vote in his/her stead. A proxy may but need not be a member of the Company.
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5. The instrument appointing a proxy shall be in writing under the hand of the appointor or his/her attorney duly authorized in writing or, if the appointor is a corporation, either under its Common Seal or under the hand of an officer or attorney duly authorized in writing.
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PERSONAL DATA PRIVACY
By submitting a Form of Proxy or an instrument appointing a representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of 20th AGM dated 30 April 2021.

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Stamp
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The Company Secretary
LAGENDA PROPERTIES BERHAD
(formerly known as D.B.E. Gurney Resources Berhad)
No. 54-4-8, Wisma Sri Mata
Jalan Van Praagh
11600 Penang
Malaysia

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www.lagendaproperties.com

LAGENDA PROPERTIES BERHAD
Company No.: 200101000008 (535763-A)

Level 4, No. 131, Persiaran PM2/1
Pusat Bandar Seri Manjung Seksyen 2,
32040 Seri Manjung, Perak Darul Ridzuan

Tel: 605-688 7179 Fax: 605-688 8822