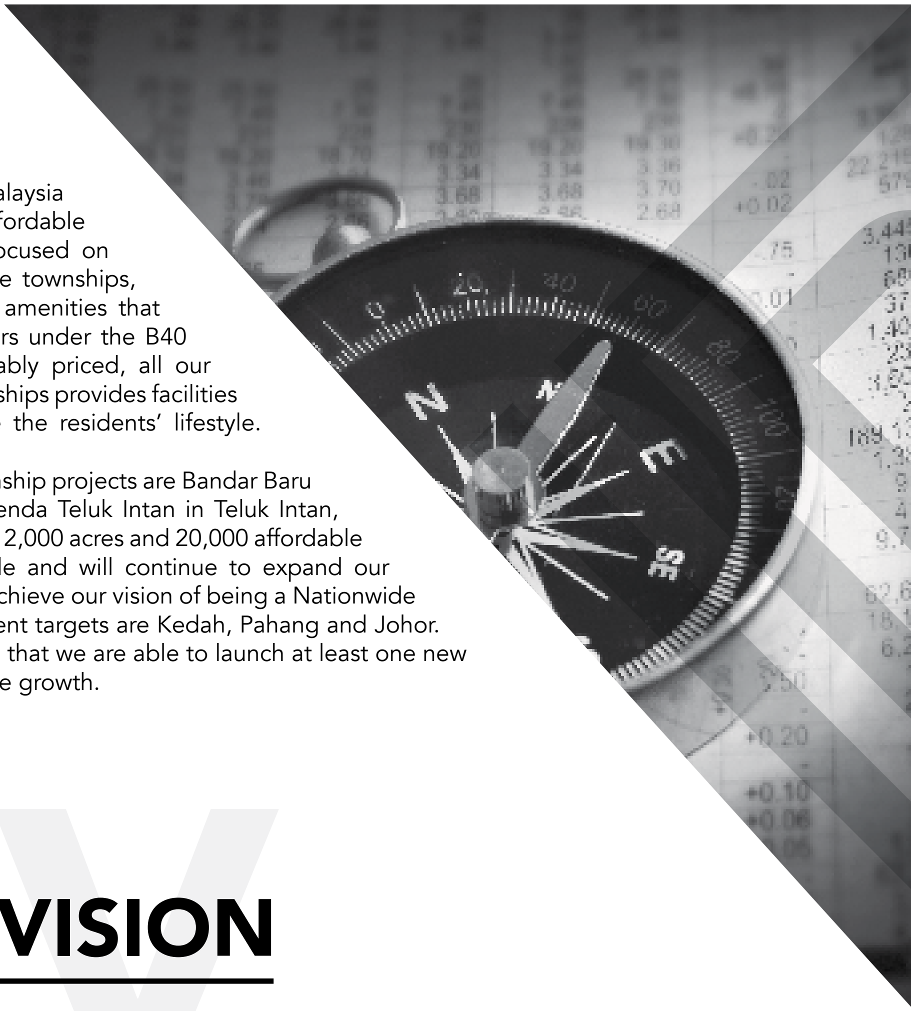
LAGENDA
PROPERTIES

Ascending Beyond

Annual Report
2021

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. We are focused on our core expertise of developing self-sustainable townships, prioritising community-based facilities & public amenities that meets the needs of most Malaysian home buyers under the B40 and the M40 income groups. Although affordably priced, all our homes are landed properties and Lagenda's townships provides facilities and amenities that would benefit and enhance the residents' lifestyle.

Our current two (2) 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. We believe our model is highly scalable and will continue to expand our business blueprint in other states of Malaysia to achieve our vision of being a Nationwide Affordable Township Developer. Our next imminent targets are Kedah, Pahang and Johor. Our deliberate landbanking strategies will ensure that we are able to launch at least one new township per year to deliver long term sustainable growth.

VISION

Making home ownership affordable for all Malaysians.

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

CONTENTS

ASCENDING BEYOND

Maintaining peak performances when carrying out our duties are of utmost importance as it aids us immensely in achieving the goals that we have set for ourselves and keeps the Company moving in a positive direction. Therefore the public and our shareholders can be certain that we at Lagenda Properties are always working our fingers to the bones to produce results beyond expectations and ascend further into greatness.

CORPORATE STRUCTURE

LAGENDA
PROPERTIES

PROPERTY DEVELOPMENT DIVISION

BLOSSOM EASTLAND SDN BHD 100%

- TARAF NUSANTARA SDN BHD 100%
  - LAGENDA TAPAH SDN BHD 50%
- TRIPRISE SDN BHD 100%
- MAXITANAH SDN BHD 100%
- OPTI VEGA SDN BHD 100%

LPB DEVELOPMENT SDN BHD 100%

- BDB LAGENDA SDN BHD 50%
- LAGENDA MERSING SDN BHD 70%

CONSTRUCTION DIVISION

100%
RANTAU URUSAN (M) SDN BHD

100%
LPB CONSTRUCTION SDN BHD

50%
LAGENDA INTA SDN BHD

BUILDING MATERIALS SUPPLY DIVISION

100%
YIK WANG TRADING SDN BHD

100%
SITIAWAN BOLTS AND NUTS HARDWARE SDN BHD

CORPORATE INFORMATION

BOARD OF DIRECTORS

Admiral Tan Sri Dato' Seri Panglima Dr. Ahmad Kamarulzaman Bin Hj Ahmad Badaruddin (Retired)
Independent Non-Executive Chairman

Dato' Doh Jee Ming
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

REMUNERATION COMMITTEE

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

COMPANY SECRETARIES

Jesslyn Ong Bee Fang
(MAICSA 7020672)
(PC No. 202008002969)

Eric Toh Chee Seong
(MAICSA 7016178)
(PC No. 202008002884)

AUDITORS

Moore Stephens
Associates PLT (AF002096)
Chartered Accountants
Unit 3.3A, 3rd Floor,
Surian Tower
No. 1, Jalan PJU7/3,
Mutiara Damansara
47810 Petaling Jaya, Selangor
Tel: 603-7724 1033
Fax: 603-7733 1033

REGISTERED OFFICE

No. 54-4-8, Wisma Sri Mata
Jalan Van Praagh
11600 Penang
Tel: 604-2824605
Fax: 604-2824605

SHARE REGISTRAR

Insurban Corporate Services Sdn Bhd
No. 149, Jalan Aminuddin Baki
Taman Tun Dr. Ismail
60000 Kuala Lumpur
Tel: 603-77295529
Fax: 603-77285948

PRINCIPAL BANKERS

CIMB Bank Berhad
AmBank (M) Berhad

STOCK EXCHANGE LISTING

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

WEBSITE

https://lagendaproperties.com/

HIGHLIGHTS OF 2021

FINANCIAL

REVENUE
(RM'000)

RM 835,578 **2021**

RM 462,785	RM 697,612
2019	**2020**

TOTAL ASSETS
(RM'000)

RM 1,448,198 **2021**

RM 707,505	RM 1,162,413
2019	**2020**

PROFIT AFTER TAX
(RM'000)

RM 201,466 **2021**

RM 99,318	RM 151,687
2019	**2020**

TOTAL EQUITY
(RM'000)

RM 880,623 **2021**

RM 321,614	RM 626,349
2019	**2020**

DIVIDEND
(RM'000)

Total dividend of RM 53,861 declared

NON - FINANCIAL

PEOPLE

260 employees
62.3% are female employees

AWARDS

Best Affordable Township (Northern Region)
Lagenda Teluk Intan
- Property Insight Prestigious Development Awards

COMMUNITY

Contributed almost RM1 million of critical care medical equipment to Hospital Teluk Intan and Hospital Sultan Abdul Halim Sg. Petani

CHAIRMAN'S STATEMENT

Dear Shareholders,

It is a great privilege to be able to address you as the new Chairman of Lagenda Properties Berhad ("Lagenda" or "the Company").

The post-Covid-19 pandemic has posed significant challenges to businesses across the globe, and the property market has not been spared. Despite the headwinds, Lagenda has risen to the occasion and made positive financial and strategic progress in delivering yet another robust set of results for the financial year ended 31 December 2021 ("FY2021").

It bears testament to the resiliency of our business model, and I am optimistic about our prospects moving forward as we expand across Malaysia.

On that note and on behalf of the Board of Directors, I am pleased to present Lagenda's Annual Report for FY2021.

ECONOMIC & INDUSTRY OVERVIEW

While enduring the residual impact of the pandemic in the year 2021, the nation has been on a recovery path. This is backed by Malaysia's gross domestic product ("GDP") growing by 3.1% in the year 2021 compared to a decline of -5.6% in the year 2020.

The economic activity rebound was aided by the easing of Covid-19 containment measures, recovery of the labour market, and affirmative intervention policies by the Government that has helped to cushion the impact of the pandemic.

While the economy is still recovering from the pandemic, Bank Negara Malaysia's ("BNM") decision to maintain the Overnight Policy Rate ("OPR") at 1.75% will help the economy weather through the storm and will directly benefit the domestic property market.

On an industry-specific level, the property market showed signs of recovery following the implementation of various stimulus packages provided by the Government through Pelan Jana Semula Ekonomi Negara ("PENJANA") and the Prihatin Rakyat Economic Stimulus Package (PRIHATIN).

In addition, initiatives introduced via Budget 2021 had a further positive impact on the property market such as the extension of stamp duty exemption for first-time homebuyers until December 2025 and the re-introduction of the Home Ownership Campaign ("HOC") until 31 December 2021.

However, the property market's performance has yet to surpass the pre-pandemic levels as homebuyers continue to adopt the 'wait and see' approach for big ticket items despite the economic recovery.

On a more positive note, according to Malaysia's Valuation and Property Services Department ("JPPH"), the property market's total secondary market transaction volume and value have improved by 1.5% y-o-y and 21.7% y-o-y respectively in the year 2021. The residential sub-sector continues to lead the overall property market transactions contributing 66.2% of total volume and 53.1% of the total value.

More than half in volume or about RM18.2 billion in value of total residential sub-sector transactions are from affordable residential properties priced below RM300,000, Lagenda's specific target market.

Barring any unforeseen circumstances, BNM projects Malaysia's economy to grow at a rate of 5.3% to 6.3% in the year 2022. The higher economic growth is expected to have a positive spillover effect on the property market driving further recovery in demand for the residential sector.

CHAIRMAN'S STATEMENT

IDENTITY & GROWTH WITH A PURPOSE

Based on a study conducted by the Department of Statistics Malaysia ("DOSM"), more than 580,000 previously M40 households have slipped into the B40 bracket over the pandemic period. Tied to a specific context, this exacerbates the lack of affordable homes as demand continues to spike.

The Government has taken steps to address housing affordability in the 12th Malaysia Plan by allocating RM2.25 billion for housing assistance to the B40 household income group. In addition, for the duration of the 12th Malaysia Plan, the Ministry of Housing and Local Government ("KPKT") has established a committee to coordinate the implementation of 500,000 units of affordable homes to be built over the course of the 5-year plan.

Taking this into consideration, Lagenda remained steadfast in our focus on delivering affordable homes for the rakyat, ensuring that we continue to serve the underserved segment supporting of the Government's aspiration.

The Company and its subsidiaries ("the Group") faced multiple challenges in FY2021, with the biggest being the multiple restrictions imposed by the Government to mitigate the impacts of the pandemic and the uncertainties that remained.

However, our focus on delivering affordable quality homes in sustainable townships, leveraging on experience and proactive measures to adapt to challenges, enabling us to achieve record highs for both top and bottom-line figures.

In FY2021, Lagenda was able to successfully deliver profit after tax and minority interests ("PATAMI") of RM201.50 million from RM142.49 million, an increase of 41.4% from the previous year. This was supported by revenue growth of 19.8% from the previous year, with total revenue hitting RM835.58 million for FY2021 compared to RM697.61 million in the previous financial year. We further achieved a laudable profit margin of 24.1%, with total confirmed sales of RM757 million and total booking of RM649 million, a testament to the hard work and support of the team at Lagenda and our entire ecosystem of partners.

Further analysis of the Group's financial performance for FY2021 is provided in the Management Discussion and Analysis section of this Annual Report.

SUSTAINABILITY

Lagenda is committed to delivering long-term value to our stakeholders while safeguarding the resources of our planet and ensuring minimal impact on our surroundings as a responsible property developer.

With this in mind, the Group has established both a Sustainability Steering Committee and a Sustainability Working Committee to spearhead our ESG (Environmental, Social, and Governance) initiatives and institutionalize our commitment to constantly improve.

We recognise the need to reduce our carbon footprint and promote the use of renewable energy and by extension, prove that sustainability does not necessarily equate to high cost.

Our partnerships with Solarvest Holdings Berhad and Sim Leisure Group represent our commitment to sustainable development, and we look forward to further enhancing the sustainability of our townships through various methods.

The Group is also cognisant of our role as a responsible corporate citizen, actively undertaking Corporate Social Responsibility projects to assist communities in need.

To help ease the burden on hospitals and their resources in managing the pandemic, Lagenda had provided critical care medical equipment valued at RM1 million to Covid-centric hospitals in Kedah and Perak during FY2021. Lagenda also organised 22 private vaccination sessions via standalone events and a mobile PPV to carry out vaccination drives at remote and rural areas. Our private vaccination initiatives administered over 14,000 doses to help curb the pandemic.

For more information on our Sustainability Initiatives, please refer to the Sustainability Statement section of this Annual Report on pages 18 to 50.

POSITIONING OUR GROUP TOWARD ENDEMIC

Since the pandemic started, we have made continuous efforts to enhance and upgrade the health and safety of our offices and construction sites to ensure that Lagenda plays its part in minimizing the risk of Covid-19 infections.

Despite the positive indicators as Malaysia enters the endemic phase, we must not let our guard down. We will stay true to our course by ensuring that we remain resilient and be prepared to adapt to further challenges that may lie ahead. The Group will continue to ensure that the long-term viability of Lagenda is protected by putting in place systems and contingencies to address concerns caused by any disruption to business operations.

CHAIRMAN'S STATEMENT

We will continue to innovate and leverage on technology with greater emphasis on increasing alternative sales channels, unique marketing strategies and creative product design in FY2022. This will ensure that we maintain our core competencies, unique business model and our financial efficiencies. It is no longer business as usual.

ACKNOWLEDGEMENT AND APPRECIATION

On behalf of the Board, I would like to acknowledge and thank our valued shareholders, government agencies, clients, subcontractors, suppliers and other stakeholders for your continued support, unwavering trust and confidence. Special thanks and a job well done to our Management Team, led by Dato' Doh Jee Ming and his team.

To Team Lagenda (our employees), thank you for your high dedication, perseverance and commitment. Your hard work under trying times and challenging business environment has helped to deliver impressive results for the Group.

I would also like to take this opportunity to thank my predecessor, Dato' Doh Tee Leong for his stewardship of the Group to this level. We wish him all the best in his future undertakings.

And, of course, I wish to acknowledge the invaluable contributions of my fellow board members.

Let's keep working together to help Lagenda reach even higer heights in 2022.

Thank you.

Admiral Tan Sri Dato' Seri Panglima Dr. Ahmad Kamarulzaman
Bin Hj Ahmad Badaruddin (Retired**)**
Chairman

PROFILE OF BOARD OF DIRECTORS'

Admiral Tan Sri Dato' Seri Panglima Dr. Ahmad Kamarulzaman Bin HJ Ahmad Badaruddin (Retired)

Date Joined: 14 January 2022 / Male / Malaysian / 63

Independent Non-Executive Chairman

Admiral Tan Sri Dato Seri Panglima Dr. Ahmad Kamarulzaman Bin Hj Ahmad Badaruddin (R) ("Admiral Kamarul") retired as the 12th Chief of The Royal Malaysian Navy on the 30th of March 2019, having served King and country for 42 years. Among his many innovative contribution and legacy is the "15to5" Transformation Program for the Royal Malaysian Navy, reducing the types of ships from 15 classes to 5 classes, strategically modernizing the Navy Fleet, increasing both efficiency, capability and effectiveness.

Admiral Kamarul graduated with distinction and honors from the Fu Hshing Kang Political Warfare College, Republic of China, before completing his Masters in Defense Studies & International Relations at the National University Malaysia. Admiral Kamarul furthers his corporate education, completing the Advance Management Program (AMP) at Harvard Business School, Harvard University USA, the Executive Leadership Program in Business Management at Kenan-Flagler Business School, University of North Carolina, USA. He also holds a Master of Business Administration (MBA) from the University of Strathclyde Business School, UK.

During his tenure as Chief of Navy, Admiral Kamarul established strong strategic political and corporate relationships internationally, attending and speaking at international defense and corporate conferences. Very knowledgeable in strategic risk management, cyber security, transformation strategy, international diplomacy and corporate management. He sits on the boards of T7 Global Bhd, TRC Synergy Bhd, and holds interests in several private companies in food securities, healthcare, corporate advisory, construction, trading and logistics.

In appreciation and recognition of his contribution and dedication, he has been awarded and bestowed with local and international awards and titles. Among which are The Order of King Abdulaziz (Excellent Grade) from the Kingdom of Saudi Arabia, the Nishan-i-Imtiaz (Military) from Pakistan and Order of Legion d'Honneur from France and Pingat Setia Mahkota (PSM) from YDP Agong. He has been conferred Honorary Doctorates (Management) from UNITAR International University and University Malaysia Terengganu (UMT).

Admiral Kamarul 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.

Dato' Doh Jee Ming

Date Joined: 20 December 2017 / Male / Malaysian / 42

Managing Director
Member of Remuneration Committee

Dato' Doh Jee Ming ("DDJM") 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 the business owner of several private limited companies in Malaysia.

DDJM holds a Master of Business Administration from the International Teaching University of Georgia in 2017. He is also a life corporate member of the Perak Chinese Chamber of Commerce and Industry.

He is 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. He is the brother of Dato' Doh Jee Chai, who is also the Director and major shareholder of the Company.

DDJM was re-designated to Executive Director on 16 January 2018. Subsequently, he was re-designated to Managing Director on 1 January 2020.

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

Date Joined: 11 February 2020 / Male / Malaysian / 50

Non-Independent Non-Executive Director

Dato' Doh Jee Chai 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 obtained a Bachelor of Science in Econometric from the University of Bath, United Kingdom in 1997.

He is 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. He is brother of Dato' Doh Jee Ming, who is also the Director and 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

Date Joined: 1 March 2021 / Male / Malaysian / 59

Independent Non-Executive Director
Chairman of Audit & Risk Committee

Dr. Lim Pang Kiam 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 banking industry in 2004 to become business owner and held several executive and non-executive directorships in public and private limited companies 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 Chairman. He was appointed as Chief Executive Officer in K. Seng Seng Corporation Berhad on 3 January 2022.

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.

Ms. Looi Sze Shing

Date Joined: 28 June 2019 / Female / Malaysian / 45

Independent Non-Executive Director
Chairperson of Nomination Committee and Remuneration Committee
Member of Audit & Risk Committee

Ms. Looi Sze Shing 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.

She does not hold any shares in the Company.

Mohamad Ali Bin Ariffin

Date Joined: 28 June 2019 / Male / Malaysian / 48

Independent Non-Executive Director
Member of Audit & Risk Committee, Nomination Committee and Remuneration Committee

Encik Mohamad Ali bin Ariffin obtained a Degree in Urban and Regional Planning from University Teknologi Mara in year 2008.

He 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

Date Joined: 19 August 2019
Male / Malaysian / 39

Qualification:

Degree in Accounting, Multimedia University (Melacca)

Member, Malaysian Institute of Accountants

Working Experience:

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-owned 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

Date Joined: 1 June 2018
Male / Malaysian / 57

Qualification:

Chartered Accountant, Malaysian Institute of Accountants

Associate, The Chartered Institute of Management Accountants

Working Experience:

He has more than 30 years of experience in the accounting, finance, investment and banking.

He joined the Company on 1 June 2018 as the Chief Financial Officer. Subsequently, he was promoted to the position of Senior Advisor, Finance & Investment in September 2020. He is currently responsible for the investments and treasury functions of the Group.

Mohd Izuan Bin Yahya

Head, Investments & Investor Relations

Date Joined: 7 February 2022
Male / Malaysian / 36

Qualification:

Bachelor's Degree in Accounting (Hons), International Islamic University Malaysia

Chartered Financial Analyst (CFA)

Working Experience:

He has more than 12 years of experience in investments, corporate finance and executing high profile transactions. He was most recently a Vice President of Investments in Khazanah Nasional Berhad, where he managed the sovereign wealth fund's strategic investments in Iskandar Malaysia and PLUS highways. Prior to that, he had also served in various roles within MMC Corporation Berhad, QuantePhi Sdn Bhd, and Malaysia Airlines System Berhad.

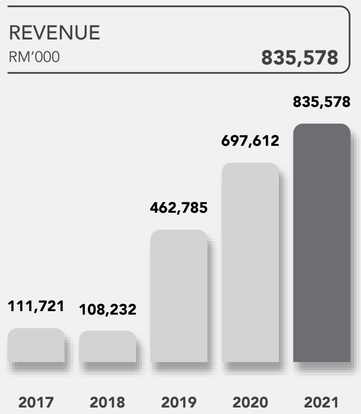
He is currently leading Company's land acquisition, business developments and corporate exercise.

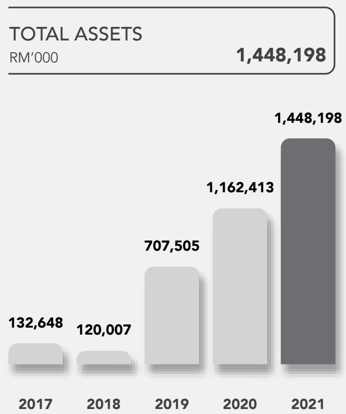
Save as disclosed below, none of the senior management personnel has:

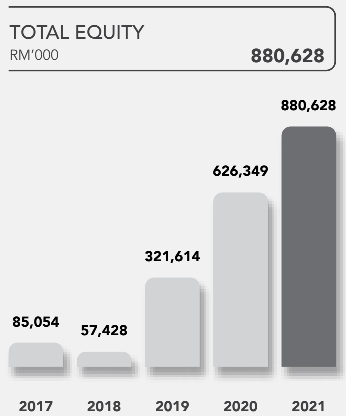
a) any directorship in public companies and listed issuers;
b) any family relationship with any directors and/or major shareholders of the Company;
c) any conflict of interest with the Company;
d) any conviction for offences (other than traffic offences) in the past 5 years; and
e) any public sanction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

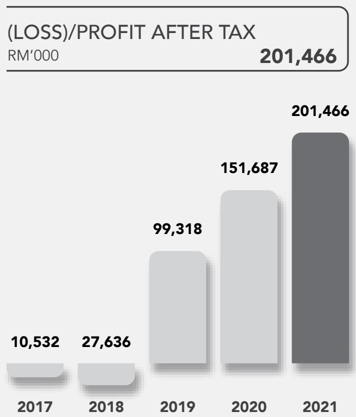
5 YEARS GROUP FINANCIAL HIGHLIGHTS

Financial Year Ended	Audited 31-Dec 2021	Audited 31-Dec 2020	Audited 31-Dec 2019	Audited 31-Dec 2018 Restated	Audited 31-Dec 2017 Restated
Financial Results					
Revenue (RM'000)	**835,578**	697,612	462,785	108,232	111,721
Profit/(Loss) Before Taxation (RM'000)	**279,079**	215,943	140,191	(26,903)	(20,463)
Profit Attributable To Owners of The Parent (RM'000)	**201,506**	142,487	96,060	(27,626)	(10,532)
Dividend Per Share (sen)	**6.50**	2.50	Nil	Nil	Nil
Financial Position					
Total Cash And Cash Equivalents (RM'000)	**229,363**	214,280	69,201	8,503	16,665
Total Assets (RM'000)	**1,448,198**	1,162,413	707,505	120,007	132,648
Total Borrowings (RM'000)	**204,799**	226,180	95,418	11,340	17,817
Share Capital (RM'000)	**314,551**	220,520	50,500	56,842	56,842
Reserve (RM'000)	**(1,700)**	(5,864)	-	586	28,212
Equity Attributable to Owners Of The Parents (RM'000)	**880,628**	618,538	311,895	57,428	85,054
Financial Position					
Basic Earnings/(Loss) Per Share (sen)	**0.25**	0.57	0.40	(0.01)	(0.01)
Net Assets Per Share (RM)	**1.10**	2.53	1.35	0.02	0.06
Return On Equity (%)	**0.23**	0.23	0.31	(0.48)	(0.12)
Net Gearing Ratio (times)	**0.23**	0.36	0.30	0.20	0.21









MANAGEMENT DISCUSSION & ANALYSIS

We are pleased to present the Management Discussion and Analysis ("MD&A") of Lagenda Properties Berhad ("the Company" or "the Group") for the financial year ended 31 December 2021 ("FY2021").

OVERVIEW – BUSINESS AND OPERATIONS

The Group's operations are organised in Malaysia and principally involved in property development with a niche focus on affordable township development.

We have set the wheels in motion to become a nationwide affordable township developer and redefine affordable homes, turning around the perception that quality homes must come at a high cost. While our existing townships are all located in the state of Perak, we strive to serve the underserved segment across all states in Malaysia targeting mainly the B40 and M40 household income groups.

During FY2021, the Malaysian economy endured several disruptions as the nation battled the Covid-19 pandemic. The containment measures imposed by the Government naturally impacted the property market over and above challenges faced due to the existing property glut.

This double whammy impact caused home purchasers to turn cautious and adopt a "wait and see" approach. This sentiment had since recovered somewhat in the second half of FY2021 when the Government relaxed some of the containment measures allowing more businesses to kick on with their operations.

With all this in mind, the Group acted quickly to improvise and adapt to the challenges by leveraging on technology to allow us to reach out to prospective purchasers via online platforms, among other initiatives. Our lean organization was also able to quickly adapt to the new normal and respond decisively to the constraints.

Additionally, our focused business model in the underserved market of affordable homes allowed us to continue our growth, as we harness the desire of Malaysians to own homes in well-planned, sustainable, and affordable townships.

Our business model is also relatively insulated from the property supply glut concerns. According to Jabatan Pernilaian dan Perkhidmatan Harta, 68.5% of residential overhang units are priced above RM300,000 and dominated by high-rise condominiums and high-rise apartments.

In addition, for units priced below RM300,000, the proportion of terraced homes, being Lagenda's key product, is a mere 5.9% of the total overhang. As a result, when containment measures were relaxed, our sales recovered quickly.

As of FY2021, we have a remaining landbank in hand amounting to 3,514 acres, with a remaining Gross Development Value ("GDV") of RM8.58 billion across 4 different states namely Perak, Kedah, Pahang and Johor. The current landbanks are sufficient to provide strong earnings visibility and we will continue to seek suitable land for development to realize our vision of becoming a nationwide affordable township developer.

Despite the macroeconomic challenges in FY2021, we have entered into two (2) sale and purchase agreements for an additional purchase of total 931 acres of lands located in Kuantan, Pahang (500 acres) and Mersing, Johor (431 acres) respectively. Apart from that, we have also entered into a partnership with Bina Darulaman Berhad to develop 230 acres of land in Sg. Petani, Kedah with an estimated GDV of RM565 million.

We are constantly looking for ways to further improve our townships to increase the attractiveness of our townships with the environment and sustainability in mind. We are already working to install nearly 1,000 residential solar PV

systems across three (3) township projects in the state of Perak in partnership with Solarvest Holdings Berhad. We have also introduced the Lagenda Privilege Club which aims to "give back" to our home purchasers through incentives/ savings that include an additional rebate on home prices over and above referral cash rewards.

To add to the appeal of our township developments, Lagenda has partnered with ESCAPE brand creators, Sim Leisure Group, to design, construct and operate recreational parks within our townships. We have set aside land sized between 20,000 square feet up to a few acres in size for such recreational parks, segregated between a commercial and non-commercial element. Emphasis will also be on utilizing environmentally friendly materials and construction methods in line with Lagenda's commitment to promoting Environmental, Social and Governance elements in every township, a further add-on to the existing solar power push within the townships.

MANAGEMENT DISCUSSION & ANALYSIS

OVERVIEW – FINANCIAL PERFORMANCE

Despite the challenges, we delivered stellar results with a revenue of RM835.58 million for the cumulative twelve months of FY2021, representing an increase of 19.8% from RM697.61 from the previous financial year. Meanwhile, the profit after tax and minority interests ("PATAMI") increased by 41.4%, from RM142.49 million to RM201.50 million. This increase in revenue and profit, alongside an increase in other income increased our PATAMI margin to 24.1% in FY2021 compared to 20.4% in the previous financial year.

Our balance sheet remains strong – we are currently a net cash company with a low gross gearing ratio of 0.23 times which augurs well for further expansion and land acquisition opportunities.

Underlining this achievement was the Group's total new confirmed sales figures of RM757 million and booking amounts of RM649 million. In addition, as of 31 December 2021, our unbilled sales stood at RM604 million.

The take-up rate for all our projects remains solid, with our maiden township, Bandar Baru Setia Awan Perdana, recording a take-up rate of over 95%. Thanks to our strong take-up rate backed by strong demand for our affordable homes, the majority of our inventories consists mainly of property development costs RM401.98 million (66%) and land held for development RM139.02 million (23%) while just RM69.11 million (11%) accounts for completed units. With this, our completed units make up a mere 4.7% of our total assets base.

Overall, the Group's financials remained healthy and robust. The strong demand captured by our affordable townships has allowed us to record an impressive return-on-equity ("ROE") of 22.9%. With the strong financial performance, our total dividends in respect of FY2021 aggregate to RM53.86 million or 6.5 sen per share, representing a payout ratio of 27%.

Despite the pandemic containment measures impacting our construction progress and by extension, slowing the Group's earnings recognition and cashflow, the subsequent relaxation of containment measures has allowed us to ensure that we remain financially solid as we focus on our aim to institutionalize the Group and ensure the Group remains on a solid financial footing.

OUR TOWNSHIPS

BANDAR BARU SETIA AWAN PERDANA

Bandar Baru Setia Awan Perdana ("BBSAP")

BBSAP is a well-planned township that will eventually reinvent the district of Manjung, Perak. Equipped with complete infrastructure and community facilities including a Clubhouse, the township will also include schools, governmental offices, commercial malls and much more, which will help it flourish.

Strategically located next to West Coast Expressway (WCE), the city centre of Kuala Lumpur is just a 90-minute drive away, and Pangkor Island is a mere 30 minutes away.

Despite the prolonged restrictions to contain the spread of COVID-19, we launched Phase 2D, 3A & 3C. By the end of FY2021, a total of 6,040 units had been completed and handed over to the owners.

As of FY2021, BBSAP recorded an overall take-up rate of 95%.

LAGENDA
TELUK INTAN

Lagenda Teluk Intan ("LTI")

LTI is the first and largest affordable township in the area, complete with community facilities and 24-hour security. Phase 1 and Phase 2, comprising a total of 4,510 have a total GDV of RM863 million. Phase 1 of the development is slated to complete in FY2022, while Phase 2 is slated for completion in 2023.

This development has a take-up of 91%.

Other Development Projects

Completed Projects		
Taman Desa Harmoni Located in Seri Iskandar, Perak, Taman Desa Harmoni is a residential development project comprising 10 units of single-storey semi-detached homes, 85 units of single-storey terrace houses and 19 units of shophouses. To date, 52 homeowners have been given their keys.	**Setia Residence** Setia Residence is a mixed development project located in Sitiawan, Perak, comprising 2 to 3-storey shop offices, double-storey terraced houses, double-storey cluster houses, double-storey semi-detached houses, and double-storey detached houses. To date, 287 homeowners have been handed their keys.	**Pangsapuri Seri Iskandar** Pangsapuri Seri Iskandar is a residential project in Seri Iskandar, Perak, comprising four blocks of apartment units. To date, 706 units have been handed over.
Ongoing Projects		
Taman Perwira Jaya Taman Perwira Jaya is a mixed development project in Tapah, Perak, comprising 596 units of single-storey terrace houses and 5 units of shop offices. The project has seen a takeup rate of 72%, with 178 units sold and 251 units booked.	**Residensi Bidoria** Residensi Bidoria is a mixed development project in Bidor, Perak, comprising 397 units of single-storey terrace houses and 11 units of double-storey shop offices. The project has seen a take-up rate of 70% with 147 units sold and 131 units booked.	**Taman Bemban Permai** Taman Bemban Permai is a residential development project in Batu Gajah, Perak, comprising 303 units of single-storey terrace houses. To date, the project has seen a take-up rate of 97%, with 217 units sold and 77 units booked.
Taman Bemban Indah Taman Bemban Indah is a residential development project in Batu Gajah, Perak comprising of 237 units of single storey terrace houses, 50 units of single-storey semi-detached houses and 5 units of single-storey bungalows. To date, the project has seen a take-up rate of 96%, with 275 units sold and 5 units booked.	**Taman Mulia Phase 5** A residential development project in Sitiawan comprising of 96 units of semi-detached townhouse and 2 units of bungalow.	

BUSINESS RISKS

In FY2021, our Risk Management Working Group assessed and stress-tested key risk indicators and shared their findings with the Audit and Risk Committee's with the assistance of external consultants to identify, evaluate and update known and anticipated risks of the Group.

We are mindful of the challenges brought on by the Covid-19 pandemic as it has changed how our day-to-day operations are being conducted. The Group has prioritized a safe work environment and ensuring all necessary precautions are taken to keep the spread of the Covid-19 virus at a minimum while also encouraging our employees to participate in the vaccination programs provided by the Government and the Group.

Aside from health and safety, the pandemic has also resulted in supply chain disruptions, shortage of labour and the rising cost of commodities which have also posed challenges to our business. Our wholly-owned subsidiary focusing on the supply of raw materials for buildings is expected to help cushion part of the increase in construction costs and ensure our townships' products remain competitive and affordable. The recent increase of minimum wages to RM1,500 will also have minimal impact on our Group's bottom line as most of our employees are paid above the new minimum wage.

While the demand for affordable homes in Malaysia remains strong, location, quality, sustainability of townships and product mix are equally important factors of considerations among home purchasers. The Group remains cautious and actively conducts market research and analysis to ensure our development remains feasible financially and fits the requirements of our targeted segment. Careful and methodological feasibility studies, due diligence and risk analysis are done to ensure all factors are considered in our development to minimise the risks.

The Group will continue to monitor the key business's principal risks and have measures to manage them adequately. The details of the risk management may refer to the Statement of Risk and Internal Control on pages 67 to 69 in this Annual report.

FUTURE PROSPECTS

As Malaysia progresses on the path to recovery, the property market is expected to see a turnaround. The relatively low-interest rate environment should remain supportive for home purchasers, while Malaysia's move to transition into an endemic stage will allow the economy to progressively move back to full swing, barring any unforeseen circumstances.

As such, the Group remains cautiously optimistic about the outlook moving forward and will continue our expansionary efforts. To leverage on our strong cash flow and net cash position, the Group is actively on the lookout for potential land acquisitions or partnerships to expand our landbank that will further strengthen our earnings visibility.

In the nearer term, to boost booking trends we have introduced a "Buyer Introduce Buyer" scheme which has proven successful. The positive response and booking rate confirmed the growing demand for affordable homes within the B40 and M40 household income segments, which are our target segments. As the pandemic has affected the livelihoods of many Malaysians, the basic need for quality affordable housing is now more urgent than ever. We expect the demand for affordable homes to remain resilient and we remain committed to our goal of launching a minimum of one township a year.

For FY2022, the Group plans to launch close to 6,000 units of new homes with a combined GDV of approximately RM1.1 billion across three states in Malaysia. We are also excited to kick off our townships beyond the borders of Perak to Kedah and Johor in FY 2022. The expansion to other states underlines our ability to scale and move towards becoming a nationwide affordable township developer.

We are also excited by our recent strategic partnership with Inta Bina Group that will help us provide cost savings while leveraging on their expertise in construction. Over the years, Inta Bina Group has completed more than 130 construction projects, and we believe this strategic partnership can contribute positively to enhancing the quality of our developments while providing a positive financial boost to the Group. The partnership with Sim Leisure Group, the brand creator of ESCAPE Theme Park, will also add vibrancy to our existing and future townships.

All in all, we expect the Group's performance to remain positive, underlined by our prudent approach to cost management and our niche focus on affordable homes.

We will strive to continue to deliver strong and sustainable long-term values to our shareholders.

SUSTAINABILITY STATEMENT

ABOUT THIS STATEMENT

Lagenda Properties Berhad ("Lagenda" or "We" or "The Group") is pleased to present this fourth annual Sustainability Statement which showcases how the Group has evolved as an environmentally and socially conscious property developer in Malaysia. Operating within the affordable housing sector, we focus on the Bottom 40 per cent ("B40") and Middle 40 per cent ("M40") market segment in the state of Perak. Lagenda will continue to serve the housing needs of the B40 and M40 segment, and continue to focus on this segment, bringing our brand of affordable housing across Malaysia.

As we progress on our sustainability journey, we strive towards embedding Environmental, Social and Governance ("ESG") practices across our entire business operations. During the second half of the financial year ending 31 December 2021 ("FY2021"), we embarked on a comprehensive gap analysis exercise to identify areas of improvement in our ESG performance using the indicators from the FTSE4Good Bursa Malaysia Index. The insights that we gathered from the exercise have been transformed into a concrete Sustainability Roadmap that directs our actions in the next three (3) years as we deploy various initiatives across the ESG pillars.

Reporting Boundary and Scope

This Statement summarises the significant milestones and achievements in our ESG activities and initiatives in the offices and at the project sites during the reporting period from 1 January 2021 to 31 December 2021.

Completed Projects	Ongoing Projects	Upcoming Projects
1. Setia Residence	1. BBSAP Phases 2D, 3A, 3B and 3C	1. LTI Phases 3A and 3B
2. Taman Desa Harmoni	2. Lagenda Teluk Intan (LTI) Phases 1 and 2	2. BBSAP Phases 4A to 4D
3. Pangsapuri Seri Iskandar	3. Taman Perwira Jaya	3. Taman Mulia Phase 3
4. Pengkalan Prisma	4. Residensi Bidoria	4. Lagenda Tropika
5. Bandar Baru Setia Awan Perdana (BBSAP) Phases 1A, 1C, 1D, 2B and 2C	5. Taman Bemban Permai	5. Darulaman Lagenda, Kedah
	6. Taman Bemban Indah	
	7. Taman Mulia Phase 5	

Reporting Framework

Lagenda's FY2021 Sustainability Statement was prepared in accordance with Bursa Malaysia's Main Market Listing Requirements, Malaysian Code on Corporate Governance 2021 and the guidelines outlined in the Sustainability Reporting Guide, 2nd Edition. Reference has been made to the framework under the Global Reporting Initiative ("GRI") Standards 2021.

Accessibility

The Statement can be accessed via our corporate website, www.lagendaproperties.com under the Sustainability section which also contains updates on our ongoing ESG activities and relevant policies.

Feedback and Inquiries

As we seek to continuously improve on our sustainability reporting to deliver a meaningful disclosure of our ESG performance, we appreciate questions, comments and suggestions from our stakeholders. Please direct your inquiries to

Ms. Liew See See
liewseesee@lagendaprops.com
+605 688 7179

FY2021 Sustainability Highlights

ENVIRONMENTAL STEWARDSHIP

More than 18,000

plants planted to promote biodiversity conservation and carbon absorption at BBSAP

2,493 units

rainwater harvesting systems constructed to promote water efficiency

295,310m²

of prefabricated materials (cast in situ wall) used in BBSAP Phase 3A saving significant construction waste

SOCIAL RESPONSIBILITY

Zero

incidents of workplace discrimination or injuries

RM 1.27 million
donated to COVID-19 initiatives and

RM 1.48 million
to support and promote community development

ROBUST GOVERNANCE

Female Board Membership

requirements formally included in the Board Charter

New Policies

on environmental sustainability, human rights and quality introduced

Zero

incidents of non-compliance with health and safety regulations

ESG REPORTING

Key Performance Indicators

established

3-Year Sustainability Roadmap

developed based on a comprehensive gap analysis exercise

3 New Material ESG Matters

identified: Indirect Economic Impacts, Climate Change and Biodiversity

SDG 4 Quality Education, **SDG 5** Gender Equality, **SDG 6** Clean Water and Sanitation & **SDG 7** affordable and clean energy adopted as new Sustainable Development Goals

OUR APPROUCH TO SUSTAINABILITY

We are cognisant of the potential ESG issues that are associated with the property development industry. Lagenda holds a strong sense of accountability to manage and mitigate the impacts of our operations on the environment and the local community. We continuously assess and refine our approach to sustainability which is aligned with the global and national sustainable development goals.

LAGENDA'S SUSTAINABILITY STRATEGY

VISION

Making home ownership affordable for all Malaysians.

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

ESG FOCUS AREAS

Environmental
- Supply Chain Management (Environmental)
- Biodiversity
- Climate Change
- Pollution and Resources

Social
- Supply Chain Management (Social)
- Human Rights and Community
- Health and Safety
- Labour Standards

Governance
- Tax Transparency
- Anti-Corruption
- Corporate Governance
- Risk Management

ALIGNING WITH THE GLOBAL AND NATIONAL SUSTAINABILITY AGENDA

SUSTAINABLE DEVELOPMENT GOALS

RMK12

Aligning with the Global and National Sustainability Agenda

In support of the global sustainable development agenda set by the United Nations ("UN") and the government of Malaysia, we have aligned our ESG initiatives with 10 of the 17 Sustainable Development Goals ("SDGs") as well as the relevant deliverables on Affordable Housing under the 12th Malaysia Plan ("12MP"). We have aligned our ambitions with these national and international targets as they represent a reflection of the Group's own goals for a sustainable future. The following focus areas selected are those most relevant to our operations and represent the areas where we can have the greatest positive impact.

SUSTAINABLE DEVELOPMENT GOALS

1 NO POVERTY

- Distributed food aid to urban poor

3 GOOD HEALTH AND WELL-BEING

- Provided employees with health insurance and medical benefits
- Provided public park infrastructure for recreation of residents
- Provided health and safety training to our staffs through OHS policies and procedures

4 QUALITY EDUCATION

- Employees are encouraged to engage in continuous learning through training programmes

5 GENDER EQUALITY

- Non-discriminatory in employment and equal opportunity for all
- Recorded 62% female representation in the workforce

6 CLEAN WATER AND SANITATION

- Installed 2,493 units of rainwater harvesting systems to promote water efficiency

7 AFFORDABLE AND CLEAN ENERGY

- Invested in and installed energy-efficient lighting system
- To install 1,000 residential solar photovoltaics ("PV") systems across our three (3) township projects

8 DECENT WORK AND ECONOMIC GROWTH

- Practiced equal opportunity employment
- Provided employees with safe and secure workplace
- Created job opportunities

11 SUSTAINABLE CITIES AND COMMUNITIES

- Completed 2 townships with 11,777 housing units
- Planted 18,000 plants
- Employed IBS to manage construction materials

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

- Employed 100% local procurement
- Reduced amount of landfill waste through prefabrication of materials

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

- Adopted 5 policies to bolster environmental and social stewardship
- Recorded zero incidence of corruption

The 12th Malaysia Plan sets a strategic direction to achieve the objective of a *"Prosperous, Inclusive, Sustainable Malaysia"*, to rejuvenate economic growth, and ensure the nation's prosperity is distributed more fairly and equitably, as well as maintain the environmental sustainability. The 12MP's approach is based on three (3) core themes:

- Resetting the economy
- Strengthening security, wellbeing and inclusivity; and
- Advancing sustainability

Our alignment to these themes is outlined below.

- Adopted the Environmental, Climate Change and Biodiversity policies
- Emphasised energy efficiency in our townships
- Minimised the landfilled waste by utilizing prefabricated construction components

- 100% local staff employed and 100% ofcontracts are awarded to local suppliers and contractors

- Alleviating urban poverty by providing access to affordable housing
- Supporting community development through a range of Corporate Social Responsibility ("CSR") and community engagement activities

Building a Strategic Roadmap and Action Plan

To increase accountability of our ESG commitments, we developed a three (3) years Sustainability Roadmap, aligned with the ESG themes used by FTSE4Good Bursa Malaysia. Our Sustainability Roadmap (2022-2024) consists of specific actions related to thirteen (13) FTSE4Good themes that are designed to accelerate our ESG performance supporting the integration of sustainability into the Company and further strengthening the Group's revenue stream in the future. We have implemented and developed the various actions plans under the roadmap and our achievements as at 31 January 2022 are indicated below. Lagenda has engaged a 3rd party to provided expertise in managing this component of the action plan.

Environmental

Strategic Priority:
Advancing environmental stewardship

THEME	ACTION PLAN
Supply Chain Management (Environmental)	• Environmental policy adopted • Green clauses in relevant agreements • Obtain a recognised building management system certification • 3 years of energy usage • 3 years of water usage
Biodiversity	• Disclose if developments are located in critical sites • Biodiversity Policy adopted
Climate Change	• Climate Change Policy adopted • Install solar panels in townships • Disclose Scope 2 GHG intensity and emissions • Disclose 3 years of Scope 2 emissions • Quantify costs associated with climate change • Recognise the risk of climate change
Pollution and Resources	• Address resource use • Disclose 3 years of amount of effluent discharge • Disclose 3 years of amount of raw material used • Quantify costs associated with pollution/ waste/resource use • Costs of environmental fines/penalties

Social

Strategic Priority:
Enhancing social responsibility

THEME	ACTION PLAN
Supply Chain Management (Social)	• Disclose if there are any initiatives to beautify/ rejuvenate poor/ abandoned urban areas on a project-by-project basis • Disclose consideration of access via public transport for developments on a project-by project basis • Disclose consideration of disability access on a project-by-project basis
Human Rights and Community	• Human Rights Policy adopted • Establish employee volunteering avenue and targets • Disclose amount of donations made to NGOs
Health and Safety	• Disclose investigation procedure and actions taken after an incident • Number of work-related employee and contractor fatalities for 3 years • OSH Policy adopted • Time-specific targets to reduce health and safety impacts • Number of staff receiving health and safety training • Lost time incident rate for 3 years • Named position at Board with oversight over health and safety

- action has been accomplished in FY2021
- ongoing action that was started in FY2021 and will be completed and disclosed in Financial Year Ended 2022 ("FY2022"), or actions that are targeted for commencement in FY2022

Social
Strategic Priority:
Enhancing social responsibility

THEME	ACTION PLAN
Labour Standards	• Employment Policy adopted • Commitment to Minimum Wage Act • Disclose nature of non-compliance and corrective actions taken • Disclose voluntary staff turnover rate • Disclose employees that are contractors/temporary staff • Disclose average training days • Disclose list of training programs • Disclose % of staff with disabilities

Governance
Strategic Priority:
Strengthening corporate governance mechanism

THEME	ACTION PLAN
Tax Transparency	• Established Tax Transparency and External Auditor Policies • Amended & Audit & Risk Committee Terms of Reference (ToRs)
Corporate Governance	• Target for women's representation on the Board • Adopted the ToRs for the SSC • Disclose no. of SSC meetings in Annual Report • Public access to voting results
Risk Management	• ERM Framework clarification • Reference to FTSE4Good • Board oversight of climate change risks • Disclose that ERM includes ESG risks • External Audit Policy adopted

- action has been accomplished in FY2021
- ongoing action that was started in FY2021 and will be completed and disclosed in Financial Year Ended 2022 ("FY2022"), or actions that are targeted for commencement in FY2022

Key Performance Indicators ("KPIs")

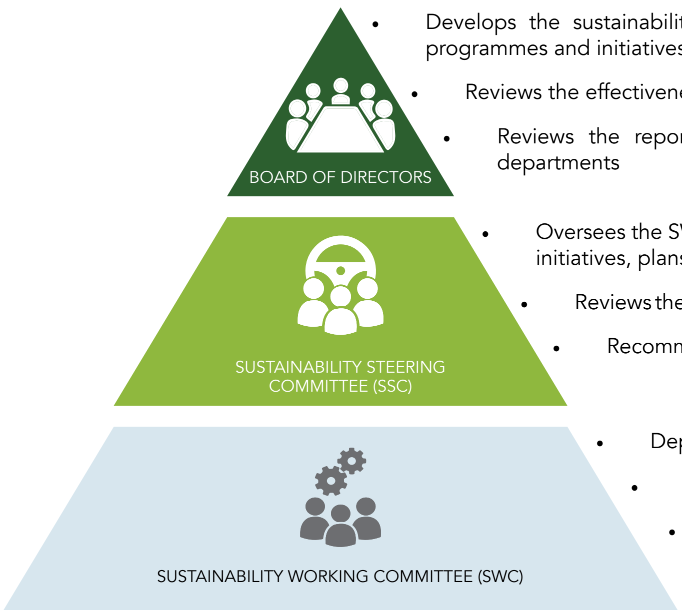
To further signify our commitment to continuously improve our ESG performance, we have established a series of KPIs against selected material matters to track and monitor our performance annually and continuously improve upon going forward. Our achievements for FY2021 are illustrated below.

KPIs	OUR STRATEGIC RESPONSE
ENERGY EFFICIENCY	
• To record lower energy intensity by employing 100% LED lighting at operating buildings	**100%** LED lighting was installed at Lagenda's operating buildings and subsequently adopted energy-efficient lighting at our infrastructure facilities across all developments of which 187 units of LED lightings are installed at our BBSAP project.
BIODIVERSITY	
• To plant and increase 5% of tree species that have conservation importance • Plant more than 20,000 plants across all developments by the year 2025	Planted **18,000** plants at BBSAP project, of which 300 plants are Hopea Odorata and Agathis Borneensis plant species identified as vulnerable and endangered plants respectively.
WATER MANAGEMENT	
• To install 3000 units of rainwater harvesting systems in our townships by the year 2025, resulting in an estimated 5% volume of water reduction	**2,493** units of rainwater harvesting systems have been installed to promote water efficiency, with **1,017** units of rainwater harvesting systems installed at BBSAP Phase 2C project for FY2021.
RESOURCE AND WASTE MANAGEMENT	
• Minimum of 20% construction waste diverted from landfill • To promote recycling centre/points across all developments • To engage with organisations/authorities to promote a community garden programme	**295,310 m²** of prefabricated materials (cast in situ wall) were used at our BBSAP Phase 3A project to reduce excessive construction material. This method will be applied continuously on our future developments which will greatly reduce the volume of waste sent to landfill. Recycling bin has been placed in Lagenda's sales gallery to encourage recycling. We will be expanding the recycling programme across our developments
CLIMATE CHANGE	
• 1000 units of residential solar PV systems installed in 5 years • Land productivity: Land conversion from the non-primary forest and unproductive land	The Company collaborated with Solarvest Holdings Bhd as its solar photovoltaic ("PV") systems partner to install **1,000 residential solar PV systems** across three (3) township projects in Perak. The acquisition of monoculture farming land to a self-sustainable township, namely BBSAP and LTI has created more business opportunities, and increased social and economic productivity.
SUPPLY CHAIN MANAGEMENT	
• 100% procurement spending on local suppliers	**100%** of building materials are supplied by local supplier resulting in cost efficiency with greater control and flexibility throughout the supply chain management. This also contributes to the support of the local economy and job creation.
OCCUPATIONAL HEALTH AND SAFETY	
• 20 annual average number of hours of safety training for site employees • Workplace safety	**20 hours** of safety training offered to our site employees (or contractor) including: rigging and slinging for construction, CIDB course, occupational safety and health plan 2021-2025, safety edge virtual conference 2021 and more. **Zero workplace** incidents in FY2021.

KPIs	OUR STRATEGIC RESPONSE
QUALITY AND CUSTOMER SATISFACTION	
Customer satisfaction	**100%** of customer complaints were responded to within 15 days with the incorporation of a communication monitoring system to improve the efficiency of communication between buyers and Lagenda.
HUMAN CAPITAL DEVELOPMENT	
A total of 4,000 training hours are deployed every year	**637** total training hours in FY2021 with multiple collaborations with external stakeholders **59%** of new hires are female in FY2021
COMMUNITY ENGAGEMENT	
Minimum 10 community engagement activities to be organised yearly	Lagenda initiated a **Vaccination Outreach Programme**, in collaboration between Lagenda and Pejabat Kesihatan Daerah Larut to achieve herd immunity against COVID-19 The programme involves the deployment of 'Pusat Pemberian Vaksin' Mobile Busses to assist the local communities to vaccinate. The engagement targets B40 families from PPRs in Perak. During the pandemic, Lagenda provided critical care medical equipment valued at **RM1 million** to COVID-19 centric hospitals in Perak and Kedah.
CORPORATE GOVERNANCE	
80% compliance with regulatory requirements year-on-year	**Fully comply** with all the regulations imposed by the relevant authority in terms of governance, safety and health and human resource for FY2021.

Upholding Sustainability Governance

Lagenda's sustainability agenda and performance is managed via our three-tier governance structure. At the apex of this structure is the Board of Directors ("the Board") which provides strategic direction and oversight of the Group's sustainability measures. In FY2021, the roles and responsibilities of the Sustainability Steering Committee ("SSC") were formalised with clearly defined Terms of Reference



- Develops the sustainability strategy and exercises oversight of the Group's ESG plans, programmes and initiatives
- Reviews the effectiveness and approves the sustainability initiatives
- Reviews the reports on sustainability management activities of the operational departments

- Oversees the SWC's activities relative to the execution of the Group's sustainability initiatives, plans and progress
- Reviews the reports from operational units on their sustainability implementation
- Recommends to the Board on material sustainability issues

- Deploys the sustainability initiatives across the group
- Collects and monitors data on the Groups' ESG performance
- Assists the SSC in preparing the disclosures for the sustainability statement

To further strengthen our Group governance, we have a robust policy framework in place in FY2021 with the addition of six (6) new policies which can be accessed on the sustainability section of our corporate website, www.lagendaproperties.com/sustainability.

Environmental Policy

Outlines our commitment to reduce environmental footprint while maintaining product quality

Human Rights Policy

Demonstrates our upholding of the principles of human rights throughout our areas of operations

Employment Policy

Supports our compliance with international and national labour standards

Biodiversity Policy

Consists of provisions pertaining to our commitment to conserve and protect biodiversity

Climate Change

Informs our decisions on climate change action and mitigation plans

Quality Policy

Outlines our commitment to deliver the best quality of products and services

Engaging Our Network to Stakeholders

In keeping with Lagenda's culture of accountability, we exercise transparency throughout our decision-making process and keep our stakeholder groups abreast of our business endeavours.

The Group pursues various forms of partnerships as a principal strategy for achieving our business goals. In FY2021, we engaged with a clean energy specialist to assess the potential for building residential solar PV systems across our three (3) townships in Perak. We also entered into a joint venture with Bina Darulaman Berhad to explore a new affordable township in the state of Kedah. Additionally, we partnered with Sim Leisure to design and construct leisure spaces featuring exciting and fun family-friendly attractions within our existing and future affordable townships. With these developments, we have identified a new stakeholder group for this reporting period: **"Business Partners"**.

Recognising the shifting needs of our stakeholder groups, we conduct an annual stakeholder assessment to identify their areas of concern and to ensure that we are able to respond appropriately. The result of the exercise is presented below.

	WHY THEY ARE IMPORTANT	CONCERNS THEY RAISE	HOW WE ENGAGE THEM
Shareholders/Investor 	As the owners of Lagenda, shareholders provide the necessary financial capital to sustain our growth. They are entitled to receive a Return on Investment ("ROI") and be informed of the Group's progress.	• Profitable returns • Reinforced transparency • Business strategy and ethics • Governance practice • Current and future project development • Share price performance • Company's prospects	• Quarterly financial announcements • Annual General Meeting and Annual Report • Media announcement and project launches when required • Company website updates throughout the year • Monthly marketing and promotions

	WHY THEY ARE IMPORTANT	CONCERNS THEY RAISE	HOW WE ENGAGE THEM
Regulatory Bodies	Regulatory agencies outline and enforce the national laws and regulations that govern how specific business activities should be conducted. They also establish the requirements for securing a license to operate the business.	• Compliance with laws and regulations • Standards and certification • Government policies • Gather audit findings and reports • Economic issues	• Inspections by local authority when required • Periodic meetings for policy discussion • Periodic reporting for regulatory requirements and compliance
Employees	Our talented and diverse workforce is critical for delivering quality products and service to our customers. We encourage a culture of professionalism and accountability to effectively deliver our business strategy.	• Career development • Competency training • Safety at the workplace • Compensation and employee benefits • Results-driven rewards • Continuous engagement • Work-life balance	• Monthly online training programmes • Annual corporate activities and team building exercises • Monthly emails • Memos via intranet communication • Induction programme for new hires
Customers	We value our customers as well as the experience they have on our properties and the services we provide. We are committed to delivering the best quality of products and services to meet their expectations.	• Compliance with laws and regulations • Standards and certification • Government policies • Gather audit findings and reports • Economic issues	• Inspections by local authority when required • Periodic meetings for policy discussion • Periodic reporting for regulatory requirements and compliance
Suppliers	Suppliers provide us with essential products and services to run our business smoothly. We collaborate with them to deliver the best value to our customers.	• Transparent procurement practices • Transparent and fair pricing • Timely pay-outs • Payment terms • Contract terms and conditions	• Quarterly suppliers registration update • Periodic contact through telephone and email • Quarterly meeting and briefings • Project updates when required

	WHY THEY ARE IMPORTANT	CONCERNS THEY RAISE	HOW WE ENGAGE THEM
Local Communities	We operate in a diverse and rapidly developing country. We recognise the need for strong community participation and engagement as part of our social license to operate.	• Social issues • Environmental impacts • Safety and health • Employment opportunities • Social and charity events • Sponsorships	• Annual community engagement activities and CSR programmes • Quarterly financial announcements • Media announcements and project launches when required • Annual report • Company website updates throughout the year • Annual festive season celebrations
Fund Providers	We engage with fund providers to raise capital for business expansion and to invest in new construction practices that differentiate us from our competitors.	• Periodic reporting; • Loan covenant compliance reporting; • Timely repayment • Constant communication	• Annual General Meeting and Annual Report • Corporate announcements • Media announcements and project launches when required • Monthly marketing and promotional events • Company website updates throughout the year
Media	Media provides an avenue to communicate with key stakeholders and local communities. Media coverage allows us to promote our products and inform our stakeholders about any major development or decisions made within the Group.	• Impact of operations on surrounding environment and communities • Corporate governance • Strong relationships • Accurate information	• Corporate announcements • Periodic media announcements • Annual Report • Company website updates throughout the year • Project launches when required

	Why They Are Important	Concerns They Raise	How We Engage Them
Business Partners	We establish strategic partnerships that can increase our lease of knowledge and resource available to make better products and reach a wider range of audience.	• Group's performance • Growth/Business opportunities • Governance practice • Current and future project development • Share price performance • Company's prospects	• Corporate announcement • Media announcements and Annual Report • Company website updates throughout the years • Monthly marketing and promotional events • Project launches, meetings and briefings as and when required

OUR APPROACH TO MATERIALITY

To determine and prioritise the material ESG agendas that are important to Lagenda and to our stakeholders, the materiality assessment process is conducted annually through an online survey. Following a four-step process as described below, the assessment enables us to generate actionable insights into our stakeholders' current priorities. It ensures that the material sustainability matters remain relevant to their evolving expectations which we endeavour to address accordingly.

Assessing our Material Sustainability Matters

1
IDENTITY
Based on industry and global trends, the material sustainability matters are identified.

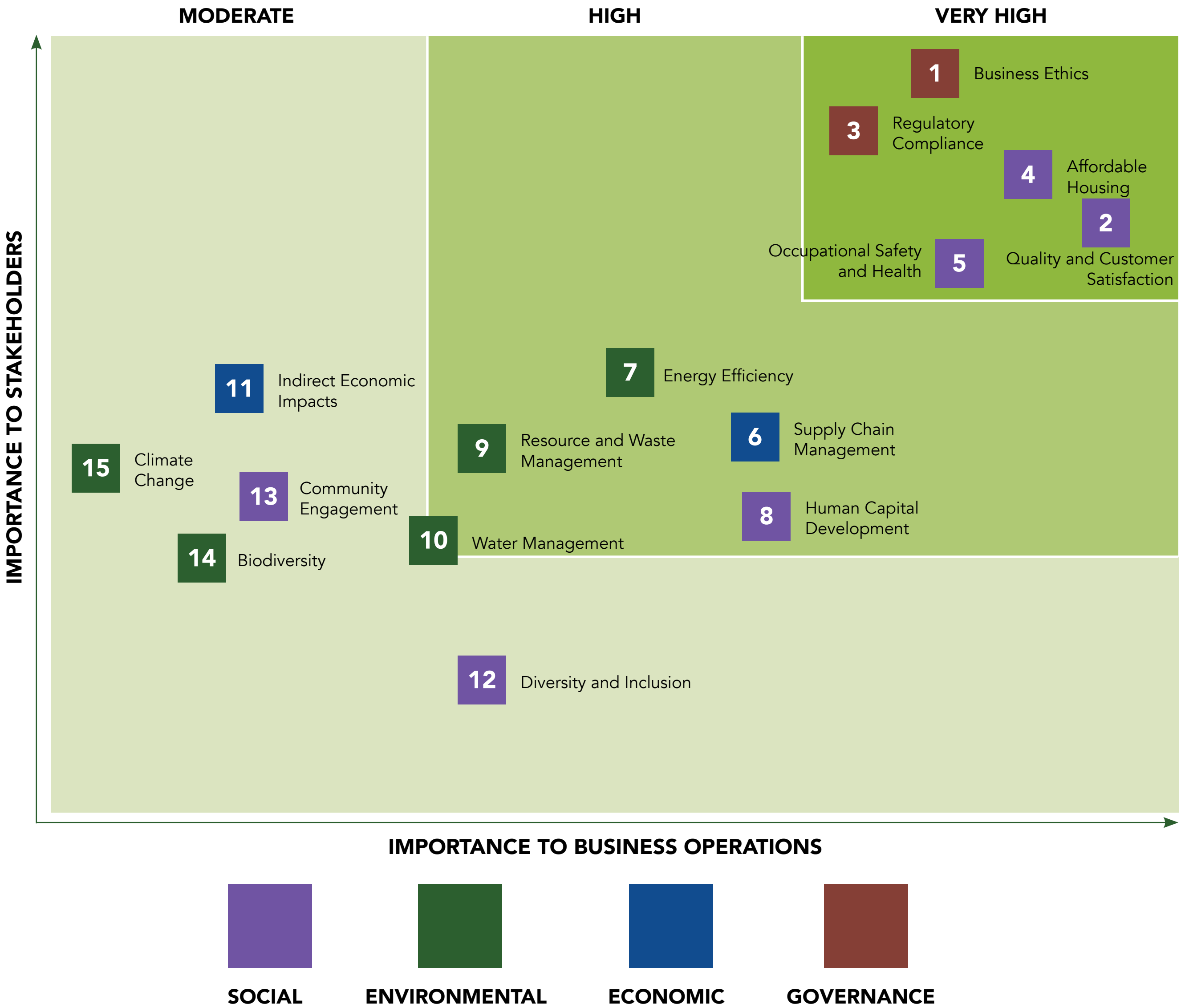
2
SURVEY
Internal and external stakeholders are engaged via an online survey tool wherein they rank the material matters based on relevance.

3
DEVELOP
Survey responses are collated, analysed and plotted onto the Materiality Matrix to effectively visualise the prioritisation of each material matter.

4
VALIDATE
The Board, per recommendation by the Sustainability Steering Committee validates the results of the assessment.

As a result of the FY2021 assessment, we identified 15 material matters with three (3) new material topics – Indirect Economic Impacts, Climate Change and Biodiversity. The resultant matrix, as illustrated below, reflects the relative priorities of each material topic, both to the Group and to our stakeholders.

FY2021 Materiality Matrix



Ranking Business Ethics and Regulatory Compliance together with Affordable Housing and Customer Satisfaction as matters of "very high" importance is aligned with Lagenda's market positioning as a policy-driven organisation that strives to be a force for good within the property development industry, and prioritise customers. With the primary mission of building affordable homes for all Malaysians, the Group is essentially contributing to the realisation of the global sustainability agenda of providing access to adequate, safe and affordable housing. Additionally, Occupational Health and Safety was also ranked as "very high", indicating Lagenda's utmost prioritisation of our staff's wellbeing. The five top-ranked material matters are discussed in more detail below:

- **Business Ethics** is a topic of very high importance, reflecting Lagenda's commitment to uphold organisational integrity while conducting business through a robust leadership and ethically sound management practices. The materiality of this topic is bolstered by the Group's Code of Conduct and Ethics, the Anti-Bribery and Anti-Corruption ("ABAC") Policy and Guidelines, the Whistleblowing Policy and, in addition, the Human Rights Policy that was recently approved by the Board.

- **Regulatory Compliance** is a concrete expression of Lagenda's continuous adherence to all laws and regulations, particularly those that are relevant to our industry, such as the Town and Country Planning Act and the Housing Development Act. This aligns with the Group's commitment to provide all stakeholders with a sense of security and trust. Ensuring strict compliance with statutory and regulatory requirements also serves to avoid the risk of fines and penalties, thereby eliminating the risk of reputational loss associated with incidents of non-compliance.

- **Affordable Housing** is one of our highest priority material matters under the Social component of ESG. This is in tandem with the Group's aim to launch at least one self-sustainable township a year to cater to the housing needs of the middle to low-income market segment. We carefully balance quality workmanship, which includes energy efficient features, and cost efficiency to maintain the affordability level of our housing projects, currently priced below RM250,000 for single-storey terrace houses in our townships.

- **Quality and Customer Satisfaction** is reflected by our efforts to provide the best quality products and services that meet or exceed customers' expectations. This ambition is supported by Lagenda's policy on continuous improvement, evidenced by our pursuit of ISO 9001 certification in Quality Management System ("QMS"). In addition, we strive to maintain customer satisfaction by proactively addressing any customer complaints, and ensuring that issues are resolved within a reasonable turnaround time.

- **Occupational Health and Safety** has always been a topic of concern in the property development sector due to the potential for worksite hazards during building construction. More recently, the COVID-19 pandemic has increased scrutiny on workplace health and hygiene, with safety in the office environment equally important as safety at the construction site. Our efforts to manage this material issue are supported by a robust Occupational Safety and Health ("OSH") policy which is implemented across the project sites by the OSH Committee.

In addition to the three (3) new material matters introduced for FY2021 (Indirect Economic Impacts, Climate Change and Biodiversity), two (2) material matters recorded an increased priority on the matrix as compared to FY2020. Firstly, Occupational Safety and Health has moved from "high" to "very high" priority, reflecting the Group's understanding of our stakeholder's concerns surrounding the ongoing pandemic. Additionally, Supply Chain Management has shifted from "moderate" to "high" importance for this financial year. This change demonstrates the Group's commitment to the 100% local sourcing approach, which has become increasingly relevant in light of the global supply chain disruptions caused by the COVID-19 pandemic.

Summary Of Material Sustainability Matters

GOVERNANCE
- Business Ethics
- Regulatory Compliance

ECONOMIC
- Indirect Economic Impacts*
- Supply Chain Management*

ENVIRONMENTAL
- Energy Efficiency
- Resource and Waste Management
- Water Management
- Climate Change
- Biodiversity

SOCIAL
- Affordable Housing*
- Quality and Customer Satisfaction*
- Occupational Safety and Health*
- Diversity and Inclusion
- Human Capital Development
- Community Engagement

** indicates top five material matters*

Mapping Our Material Sustainability Matters

Our identified material matters are interconnected with our entire sustainability approach. The table below outlines the connectivity between our key ESG focus areas, the GRI indicators, UN SDGs, and the stakeholder groups most impacted by our initiatives.

MATERIAL SUSTAINABILITY MATTER	GRI INDICATOR	AFFECTED STAKEHOLDER	UN SDGS
GOVERNANCE PILLAR			
Business Ethics The values and ethical behaviours expected of each employee, and the established procedures and policies we have in place to promote these standards.	**3-3** : Management Approach **2-15** : of critical concerns **2-23** : Policy commitments **2-24** : Embedding policy commitments **2-26** : Mechanisms for seeking advice and raising concerns **205-1**: Operations assessed for risks related to corruption	• Shareholders • Regulatory Bodies • Employees Fund Providers	8 DECENT WORK AND ECONOMIC GROWTH 16 PEACE, JUSTICE AND STRONG INSTITUTIONS
Regulatory Compliance Our continuous efforts to comply with relevant regulatory requirements, and remain up-to-date on any updates or amendments to regulations.	**2-27** : Compliance with laws and regulations **3-3** : 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 AND ECONOMIC GROWTH 16 PEACE, JUSTICE AND STRONG INSTITUTIONS
ECONOMIC PILLAR			
Indirect Economic Impacts How our market presence and business performance impacts local communities and on the economy.	**3-3** : Management approach **202-2**: Significant indirect economic impacts	• Shareholders • Employees • Fund Providers • Media	8 DECENT WORK AND ECONOMIC GROWTH 12 RESPONSIBLE CONSUMPTION AND PRODUCTION
Supply Chain Management How we ensure that suppliers and service providers meet the Group's standards and expectations, in terms of product and service quality as well as regulatory compliance.	**3-3** : Management approach **204-1**: Proportion of spending on local suppliers	• Suppliers • Customers	12 RESPONSIBLE CONSUMPTION AND PRODUCTION
ENVIRONMENTAL PILLAR			
Energy Efficiency Our initiatives to monitor and measure consumption of energy, such as fuel and electricity, as well as ways to reduce consumption and consumption intensity.	**3-3** : Management approach **302-1**: Energy consumption within the organisation **302-3**: Energy intensity	• Employees • Shareholders	7 AFFORDABLE AND CLEAN ENERGY 12 RESPONSIBLE CONSUMPTION AND PRODUCTION

MATERIAL SUSTAINABILITY MATTER	GRI INDICATOR	AFFECTED STAKEHOLDER	UN SDGS
ENVIRONMENTAL PILLAR			
Resource and Waste Management How we manage and minimise waste and effluents from business divisions, and efforts undertaken to reduce the overall amount of waste generated, as well as raw materials consumed.	**3-3** : Management approach **303-2**: Management of water discharge-related impacts **306-2**: Management of significant waste-related impacts	• Shareholders • Regulatory Bodies • Communities • Employees	11 SUSTAINABLE CITIES AND COMMUNITIES 12 RESPONSIBLE CONSUMPTION AND PRODUCTION
Water Management How we manage water consumption across our business operations, including efforts to reduce unnecessary water usage.	**3-3** : Management approach **303-3**: Water withdrawal **303-5**: Water consumption	• Shareholders • Regulatory Bodies • Communities • Employees	6 CLEAN WATER AND SANITATION 12 RESPONSIBLE CONSUMPTION AND PRODUCTION
Climate Change How we consider climate related risks in our business decisions and our efforts to reduce our carbon footprint.	**3-3** : Management approach **305-2**: Energy indirect (Scope 2) GHG emissions **305-5**: Reduction of GHG emissions	• Customers • Communities • Media	7 AFFORDABLE AND CLEAN ENERGY 11 SUSTAINABLE CITIES AND COMMUNITIES 12 RESPONSIBLE CONSUMPTION AND PRODUCTION
Biodiversity How we strive to protect and preserve the natural systems within and surrounding our areas of occupation, including cultivating diverse green spaces within our projects.	**3-3** : Management approach **304-4**: IUCN Red List species and national conservation list species with habitats in areas affected by operations	• Customers • Regulatory Bodies • Communities • Media	11 SUSTAINABLE CITIES AND COMMUNITIES 12 RESPONSIBLE CONSUMPTION AND PRODUCTION
SOCIAL PILLAR			
Affordable Housing Our support and progress at contributing to the nation's supply of quality affordable housing, enabling the B40 and M40 market segments to realise their goals of home ownership.	**3-3** : Management approach	• Customers • Communities • Media	1 NO POVERTY 11 SUSTAINABLE CITIES AND COMMUNITIES 8 DECENT WORK AND ECONOMIC GROWTH
Quality and Customer Satisfaction Method and procedures in place to ensure delivery of quality products and services to our customers every time. Also includes customer engagement and complaints resolution.	**3-3** : Management approach **2-29**: Approach to stakeholder engagement	• Customers • Communities	11 SUSTAINABLE CITIES AND COMMUNITIES

MATERIAL SUSTAINABILITY MATTER	GRI INDICATOR	AFFECTED STAKEHOLDER	UN SDGS
SOCIAL PILLAR			
Occupational Safety and Health How we maintain a safe and conducive workplace for all staff, including hazard and risk management and mitigation, and COVID-19 transmission prevention.	**3-3** : Management Approach **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 AND ECONOMIC GROWTH
Diversity and Inclusion How we establish an inclusive workplace where our employees can perform to the best of their abilities without bias or discrimination.	**3-3** : Management approach **401-1**: New employee hires and employee turnover rate **405-1**: Diversity of governance bodies and employees	• Employees	5 GENDER EQUALITY 8 DECENT WORK AND ECONOMIC GROWTH
Human Capital Development How we nurture our staff to grow and develop in their careers. Includes benefits and staff engagement to promote retention of valuable talent.	**3-3** : Management approach **401-2**: Benefits provided to full-time employees that are not provided to temporary or part-time employees **404-1**: Average hours of training per year per employee **404-2**: Programmes for upgrading employee skills and transition assistance programmes	• Employees	4 QUALITY EDUCATION 8 DECENT WORK AND ECONOMIC GROWTH
Community Engagement How we support and interact with the local communities in and around our areas of operation. Includes Corporate Social Responsibility ("CSR") engagements and volunteerism.	**3-3** : Management approach **413-1**: Operations with local community engagement, impact assessments and development programmes	• Customers • Communities • Employees	1 NO POVERTY 11 SUSTAINABLE CITIES AND COMMUNITIES 16 PEACE, JUSTICE AND STRONG INSTITUTIONS

STRENGTHENING CORPORATE GOVERNANCE MECHANISMS

As a responsible corporate citizen, it is essential for Lagenda needs to conform to the highest ethical standards in business. Pursuant to this principle, we apply the statutory requirements, principles and best governance practices set out by the Malaysian Code on Corporate Governance ("MCCG") 2021.

Business Ethics (GRI: 2-15, 2-23, 2-24, 2-26, 205-1)

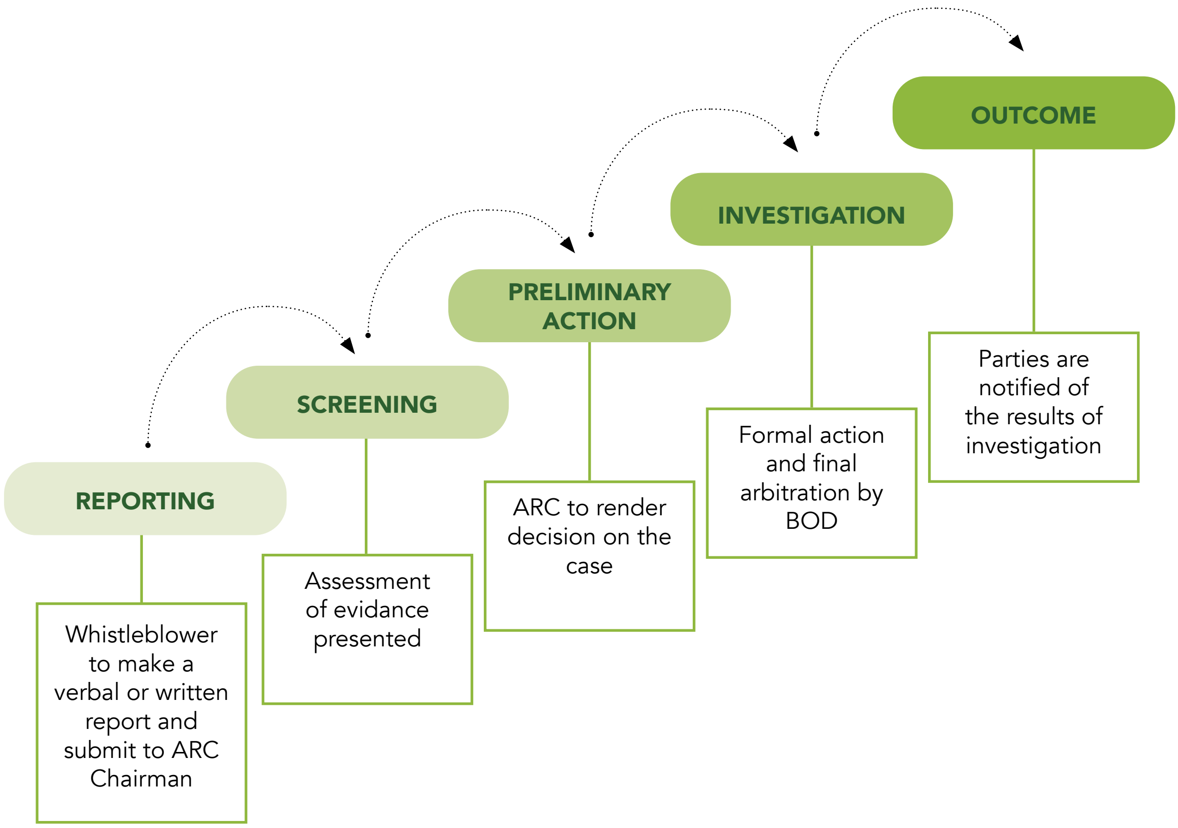
To execute our business affairs in an ethical manner is amongst the highest priority material matters for both the Group and our stakeholders. In FY2021, we revised our terms of reference of the Audit and Risk Committee to include the provisions on tax policy of which our ARC will apply best practices and act in accordance with the relevant legislation in all areas of operations.

The Board also plays a vital role in the implementation of the Anti-Bribery & Anti-Corruption Policies and Guidelines ("ABAC Policy"), ensuring the Group is not exposed to any corruption risks. The Board's responsibilities include the following:

- Approving the ABAC Policy and Guidelines
- Ensuring the alignment of the ABAC Policy and Guidelines to the Group's overall business strategy
- Setting commitment towards the prohibition of bribery and corruption in the Group's business conduct
- Maintaining oversight of ABAC governance to address the Group's bribery and corruption risks
- Promoting the appropriate ABAC culture across the business operations

In FY2021, Lagenda's business operations were assessed to be free from any risk of corruption.

We have established mechanisms for individuals to seek advice and raise concerns about our business conduct through our Whistleblowing Policy. This includes a grievance mechanism to report in good faith any unethical or unlawful behaviour observed in accordance with the following procedure:



These policies are communicated to all employees and relevant stakeholder groups via email and through briefings and virtual training sessions. New employees are made aware of all existing policies, particularly the Code of Conduct and Ethics and the Employment Policy, during the orientation programme. We have also published a complete set of policy documents at the Company's website.

Regulatory Compliance (GRI: 2-27, 307-1, 419-1)

For both Lagenda and our network of stakeholders, adherence to relevant laws and regulations is an integral part of maintaining our business credibility.

To ensure that compliance is maintained, whenever necessary, we seek external legal advice, i.e. solicitors, qualified auditors, qualified internal auditors and financial institutions. Some of the regulations that we enforce across our business operations are listed below:

- Bursa Malaysia Main Market Listing Requirements
- Malaysia Code on Corporate Governance 2021
- Employment Social Security Act 1969
- Minimum Retirement Age Act 2012
- Town and Country Planning Act 1976
- Environment Quality Act 1974
- Housing Development Act 1966
- National Affordable Housing Policy 2019

In view of the corrective measures taken relative to the Occupational Safety and Health Act in the previous reporting period, the Group has not recorded any incidence of non-compliance in the current reporting period.

DRIVING PROFITABILITY FOR SUSTAINABLE GROWTH

By implementing a comprehensive business strategy, we strive to maintain sustainable economic growth which will enable us to continue to invest into our ESG activities.

Indirect Economic Impacts (GRI: 3-3, 202-2)

As a 100% Malaysian-owned property developer, Lagenda aims to positively contribute to the growth of the country's economy by:

- making home ownership more accessible to the M40 and B40 income groups;
- creating jobs and maintaining a local workforce; and
- exclusively hiring local suppliers.

To provide our target home buyers with digital access to our properties during the lockdown, we partnered with a leading e-commerce provider in February 2021 to produce a virtual tour. With this collaboration, buyers could purchase cash vouchers on Lagenda Properties' Shopee page for RM88.88 which were valued at RM1,888 towards the BBSAP development in Sitiawan or RM888 for the Lagenda Teluk Intan ("LTI") development. Prospective home buyers can browse through available properties online, including terrace houses, semi-detached houses and bungalows.

Supply Chain Management (GRI: 3-3, 204-1)

Recognising that housing affordability has been a long-standing issue among low-income households, Lagenda endeavors to control procurement costs by contracting local suppliers only. Our 100% local supplier approach enables us to exercise greater control and flexibility over the supply chain. This, in turn, benefits the local economy through the creation of job opportunities.

To evaluate contractors' performance, we conduct an annual evaluation using an ISO certified evaluation form. We will advise our suppliers to apply our Human Rights Policy and Employment Policy in their own business operations.

ADVANCING ENVIRONMENTAL STEWARDSHIP

In a 2020 report by the United Nations Environmental Programme ("UNEP"), the building and construction industries have been identified as responsible for 39% of global carbon emissions, 28% of which is related to operational emissions – from heating, cooling and lighting the buildings. The remaining 11% emitted is associated with materials and processes during the construction phase.

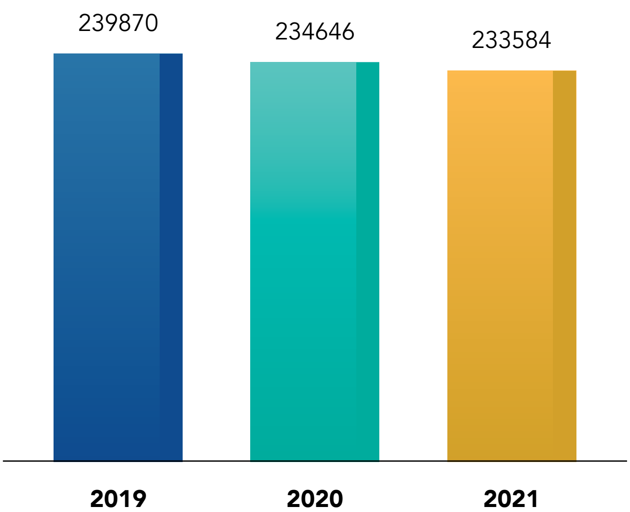
With projects at various construction stages, Lagenda is mindful of the potential environmental footprint of each project. To minimise our impacts, we have taken the necessary measures to improve energy efficiency, manage waste, reduce water intensity and our carbon footprint. With effective management of environmental impacts, responsible consumption of resources and biodiversity conservation efforts, the Group remains focused on achieving the goals of responsible environmental stewardship.

Energy Efficiency (GRI: 3-3, 302-1, 302-3)

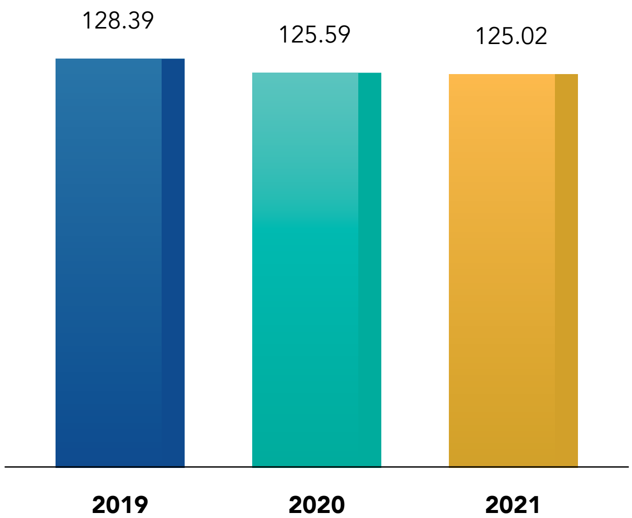
We monitor our electricity consumption to determine the efficiency of our operations and reduce unnecessary energy expenditure.

In FY2021, we recorded a reduction in total electricity consumption at our workplace by 1,062 kWh and a reduction of 0.57 MJ per m^2 in energy intensity as compared to FY2020. The reduction observed was largely due to the disruption of normal working hours at the office as a result of the COVID-19 pandemic.

Total Electricity Consumption (kWh)



Energy Intensity (MJ per m²)



We implemented a range of initiatives to reduce the electricity consumption of our operations. Our employees are reminded to switch off lights when rooms are not in use, and to limit the use of air conditioning. In FY2021, we completed the transition of all lighting fixtures at our workplace into energy efficient LED bulbs, and installed LED lights at the BBSAP roundabout and main road. Our long-term energy strategy also involves the installation of solar PV systems across our three (3) township projects in Perak. One thousand PV systems will be installed across the residential units which will reduce direct grid electricity consumption. The panels also assist with regulating the house internal temperature in the tropical climate.

Resource and Waste Management (GRI: 3-3, 303-2, 306-2)

Waste from construction operations can present a significant environmental risk. At Lagenda, we apply the Industrialised Building System ("IBS") in our development projects. Where possible, building components are prefabricated offsite before being assembled, minimising waste generation. For FY2021, an aggregate 295,310m^2 of prefabricated materials (cast in situ wall) was used in BBSAP Phase 3A, which translates to a 20% waste reduction when compared to the conventional construction method. We also recycle timber materials onsite to minimise the amount of waste sent to landfill.

IBS application for BBSAP Phase 3A reduced construction waste generation

Our projects are subjected to environmental monitoring and evaluation on key parameters such as water quality, air quality and noise level. Upon the completion of evaluation, a report is generated to identify potential risks and recommend action plans for mitigation. For this reporting period, we conducted air quality, water quality and noise level monitoring at BBSAP while LTI was assessed for water quality and rainwater level.

In the future, we plan to engage with our contractors to obtain the necessary data to report on volumes and types of waste generated at the development sites.

Water Management (GRI: 3-3, 303-3, 305-5)

Water resources are an essential component of our business operations and the communities where our projects are located. As a major water conservation practice, we installed rainwater harvesting systems in our BBSAP projects to capitalise on Malaysia's abundant rainfall. An increase of 1,476 units of rainwater harvesting systems were installed as compared with 1,017 units of FY2020.

During the reporting period, we improved our data collection efforts by monitoring the amount of water usage in our office buildings. As data collection for Lagenda's water usage only commenced this year, we will publish the trending annual water withdrawal amount in subsequent sustainability statements.

The total water usage for FY2021 was 3,552 m3. This will serve as a baseline for purposes of future monitoring and management.

Climate Change (GRI: 3-3, 305-2, 305-5)

We recognise the risks of climate change on our business operations and have outlined applicable mitigation efforts in our Climate Change Policy. We strive to minimise our overall carbon emissions by reducing our dependence on conventional energy source and implementing carbon sequestration initiatives.

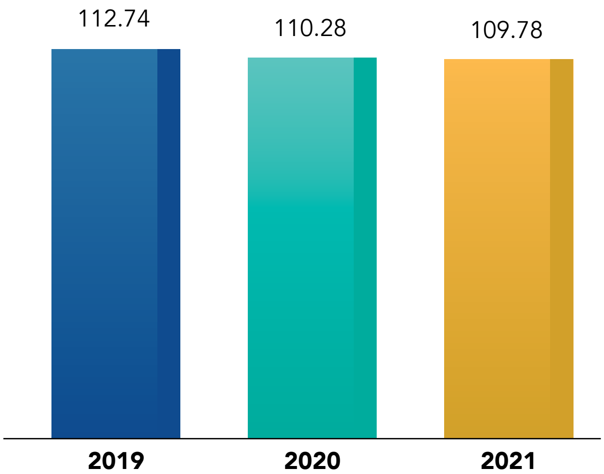
In collaboration with a reputable clean energy provider, we will install 1,000 PV systems in development sites in Perak. Through this collaboration, we aim to promote renewable electricity in our township while also providing our home owners with long-term savings on utility bills.

1000 PV systems to be installed in development sites in Perak

Climate Change (GRI: 3-3, 305-2, 305-5)

Tree planting is one of the simplest and most effective way to remove carbon dioxide from the atmosphere. Our biodiversity conservation efforts saw more than 18,000 plants planted in the BBSAP township over three (3) years of development. As we continue to progress, we will continue our tree planting initiative to promote conservation and create long-term carbon sinks.

Scope 2 GHG Emissions (Ton-CO2)



Scope 2 emissions factor obtained from UNFCCC Harmonized grid emissions factor 2019.

We currently monitor our Scope 2 greenhouse gas ("GHG") emissions which arise from our consumption of grid electricity. In this reporting period, we generated 109.78 tonnes of CO_2, a decrease of 0.5% compared to FY2020. Moving forward, we will continue monitoring our efforts to identify the main GHG contributions from our operations and reduce our carbon emissions.

Biodiversity (GRI: 3-3, 304-4)

As outlined in Lagenda's Biodiversity Policy, we acknowledge the potential impact of our township development on the surrounding natural environment. We mitigate these risks by ensuring that our projects are established on land without high biodiversity value. To construct the BBSAP township, we converted an oil palm plantation and, in the process, avoided situating the development on untouched land.

We are also committed to land rehabilitation and conservation at BBSAP by means of tree planting and landscaping. Since the commencement of the BBSAP development in 2019, we have planted a total of 18,508 seedlings and trees of various sizes across the project area. The plant species are selected not only for their aesthetic value but also for the benefits they provide to the local ecosystem. Some of the tree species selected for planting in BBSAP have conservation importance: *Hopea odorata and Agathis borneensis* are classified as Vulnerable and Endangered respectively on the International Union for Conservation of Nature ("IUCN") Red List of Threatened species. As of FY2021, Lagenda has developed a total of 145,687 m^2 landscape green space at BBSAP.

145,687 m2 of landscape space created at BBSAP to promote rehabilitation and tree conservation

Our green spaces serve our township community with a range of benefits including cleaner air, reduced local temperature and peaceful recreational areas.

SOCIAL RESPONSIBILITY

People are the backbone of Lagenda's business operations. Our employees ensure that we achieve our organisational goals while our customers are the driving force behind our economic success. Members of the communities where our present and future townships are located are instrumental in our social license to operate.

Affordable Housing (GRI: 3-3)

Affordable housing, as broadly defined by the UN-Habitat, is housing which is adequate in quality, location and pricing that can sustain other basic living expenses. It is further described as a housing unit that is affordable for those whose income is lower than the median household income in a particular locality. In conformity with the guidelines established in the National Affordable Housing Policy that was enacted in 2019, the pricing for affordable homes will not exceed RM300,000, with exact selling price variables across different states.

Having identified the B40 and M40 income segment as Lagenda's target market, we facilitate accessibility to home ownership by reverse engineering our pricing scheme based on construction cost and average household income in the state where our townships are located. Housing units in these townships do not exceed RM250,000 for single-storey terrace houses.

Of the six (6) projects that we reported in the previous financial year, two (2) projects have since been completed and are ready for occupancy.

Public servants who purchase a Lagenda home are exempted from the free stamp duty for the Memorandum of Transfer. Property booking fees are also waived for both army and police personnel. These initiatives align with the government's targets of providing citizens with better access to affordable housing as set out in the 12MP.

Quality and Customer Satisfaction (GRI: 3-3, 2-29)

Lagenda aims to strike a balance between maintaining the affordability of housing units and ensuring that products and services are consistently of high quality. We have established a procedure to assess purchaser satisfaction in accordance with the requirements of ISO 9001:2015 Quality Management System. The procedure references:

- ISO 9001:2015 Clause 9.1.2 Customer Satisfaction
- ISO 9001:2015 Clause 9.1.3 Analysis and Evaluation
- LGD/QM09 Performance Evaluation

We endeavour to be proactive in addressing our customers' concerns, ensuring that issues and complaints are resolved within thirty (30) days as specified in our sale and purchase agreement. Complaints regarding property defects detected during the first 24 months of occupancy may be directed to the vendor via the Defects Form. The vendor will forward the information to Lagenda for appropriate action and record-keeping purposes. The vendor is also responsible for tracking the complaints and providing updates to Lagenda every quarter.

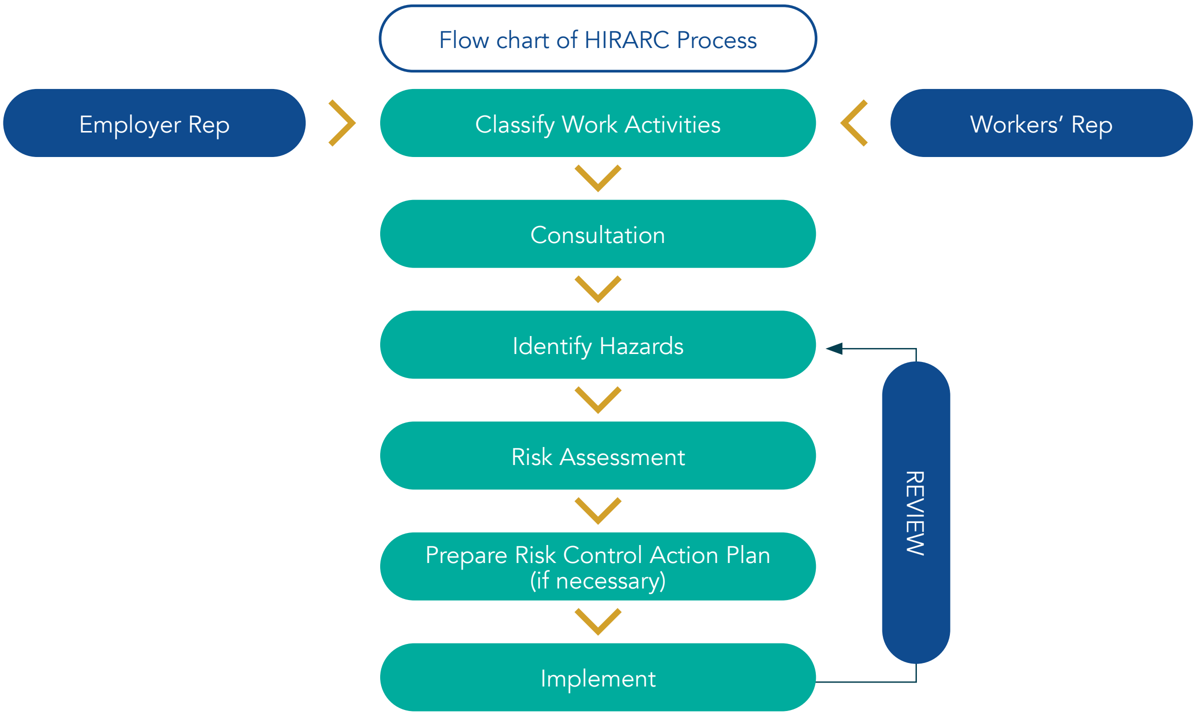
To keep our customers aware of new developments pertaining to our township projects, we have expanded our online presence to popular social media platforms where we frequently publish relevant information for buyers and home owners alike.

Occupational Safety and Health (GRI: 3-3, 403-1, 403-2, 403-4, 403-5, 403-9)

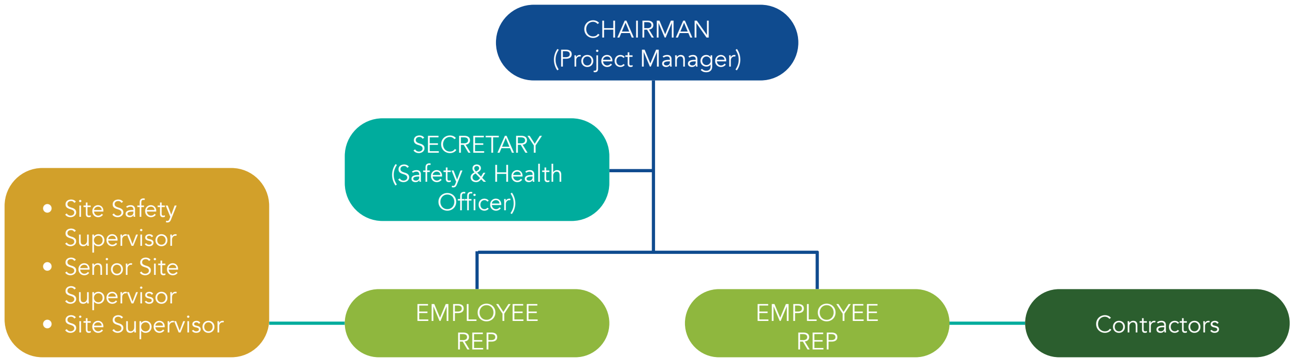
The safety of our workers, remains our top priority regardless of the workplace location. To ensure the health and wellbeing of our workforce, we have implemented relevant measures to promote workplace safety and prevention of work-related incidents, including a strict compliance with Hazard Identification, Risk Assessment and Risk Control ("HIRARC") process.

HIRARC Compliance

HIRARC forms the basis of occupational safety and health at Lagenda. It involves the identification and assessment of various hazards that may cause injury or harm to a person when exposed to these risks.



In compliance with the Occupational Safety and Health Act ("OSHA") of 1994, we have established an OSH Policy and procedures that were made easily available to all relevant parties. The implementation of the OSH policy and procedures and matters of policy compliance fall within the purview of the OSH Committee whose composition is illustrated below.



The OSH Policy consists of:

- Complying with applicable legal and other requirements;
- Prevention of accidents and serious bodily injuries at the work site;
- Prevention of environmental pollution at the work site;
- Investigation of any safety incident reported at the work site;
- Promoting continuous improvement; and
- Providing all the necessary resources in pursuance of the safety and health objectives.

As a result of our strict OSH policy and procedures, we are proud to report that zero lost time injuries or other related injuries have been recorded over 66,800 hours of work in FY2021.

COVID-19 Response: Maintaining Safety and Wellbeing throughout the Pandemic

In minimising the spread of the COVID-19 infections, Lagenda has implemented the necessary measures. Internal COVID-19 awareness advertisements were organised to remind employees to take the required precautions to protect themselves and their families. The Group increased the healthcare coverage for employees who contracted the virus and initiated a vaccination programme between 21 July and 21 August to encourage acceptance of the vaccine's booster dose.

A vaccination database and COVID-19 cluster report have been maintained and updates are conducted through surveys on:

- Vaccine and Booster Status;
- Cluster Report on positive cases and close contacts.

We continue to observe the following Standard Operating Procedures ("SOPs") in the workplace during working hours:

- Observing COVID-19 Internal Guidelines for positive cases and their close contacts
- Scheduling sanitisation two (2) times daily
- Temperature scanning
- Enforcing the wearing of face mask and maintaining social distance
- Encouraging virtual meetings
- Limiting the number of attendees for physical meetings

Diversity and Inclusion (GRI: 3-3, 401-1, 405-1)

As an equal opportunity employer, Lagenda acknowledges the value of workplace diversity in offering a range of knowledge, skills and competencies that bolster productivity. The Group treats all employees equally regardless of gender, age, geographical origin, ethnicity, sex, disability, religion and any other status. Our full-time workforce currently totals 260 employees, a 16% increase from the previous year's headcount. To align with the government's long-term plan to reduce dependence on foreign workers to 15%, we exclusively employ local talent. In FY2021, Lagenda has no staff with disabilities (0%).

Gender

	Male	Female	Total
2021	98 (38%)	162 (62%)	260
2020	89 (40%)	135 (60%)	224

2021: **260**
2020: **224**

Age

	Below 30	30-50	50 & Above	Total
2021	112 (43%)	132 (51%)	16 (6%)	260
2020	123 (55%)	93 (42%)	8 (3%)	224

Category

	Senior Management	Management	Executive	Non-Exec.	Total
2021	4 (2%)	40 (15%)	120 (46%)	96 (37%)	260
2020	3 (1%)	37 (17%)	109 (49%)	75 (33%)	224

TOTAL WORKFORCE

100% LOCAL

Region

	Perak	KL/ Selangor	Total
2021	195	65	260

.Gender diversity extends to Lagenda's Board, with the membership of at least 10% female representation now prioritised in our Board Charter. The Group recognises that board diversity is a vital measure of good corporate governance and strategic decision making. Lagenda's Board strives to bring together a diversity of knowledge, skill areas, and life experiences that reflects the diversity of our customers.

Lagenda's equal opportunity employment practices are outlined in the Employment Policy that is to be read in conjunction with our Human Rights Policy and OSA Policy and Procedures. These policies apply to all current and future employees of the Group.

As a result of stringent enforcement of internal policies, we recorded zero incidence of discrimination during this reporting period.

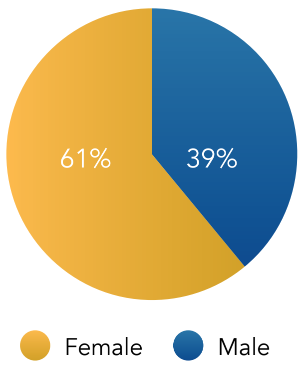
Human Capital Development (GRI: 3-3, 401-2, 404-1, 404-2)

Cultivating a conducive work environment is a critical component of talent attraction, growth and retention. Developing our human capital is a matter of high priority in order to maintain a highly motivated, high-performing and productive workforce. By providing our employees with competitive remuneration and benefits as well as professional and personal development opportunities, we enable them to perform better year on year.

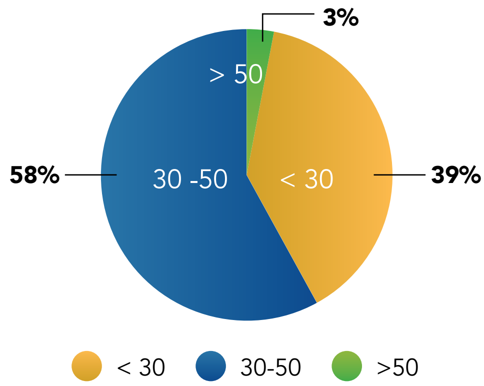
Employee Attraction and Retention

Retaining the required headcount is essential in maintaining productivity levels. We ensure that vacancies are filled in a timely manner to avoid work disruptions, particularly among teams. During the reporting period, we successfully hired 155 new employees, of which two-thirds were female. The majority of our new employees are between the age of 30 and 50, representing fresh perspectives and different thought process.

NEW EMPLOYEES BY GENDER

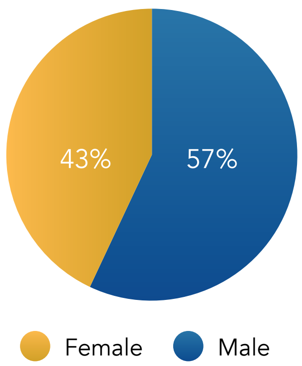


NEW EMPLOYEES BY AGE GROUP

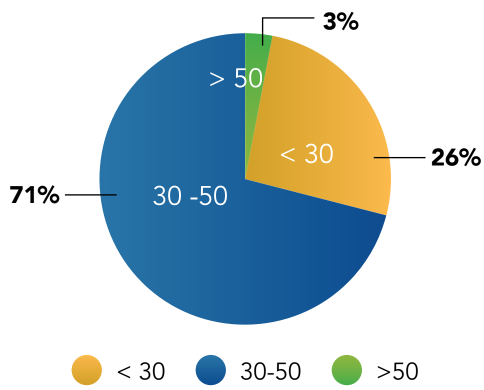


In FY2021, there were 121 resignations, the majority of which were male and from among the middle range age group.

RESIGNATION BY GENDER



RESIGNATION BY AGE GROUP



Compensation and Benefits

Providing a competitive and equitable salary and benefits package is critical to attracting and retaining the right people. At Lagenda, we remunerate our employees with a three-tier package consisting of a basic salary that is in accordance with the Minimum Wage Order, as well as annual leave credits, medical, statutory and other benefits.

Leave Entitlements

- Annual leave
- Medical leave
- Hospitalisation leave
- Prolonged illness leave
- Materniy leave
- Compassionate leave
- Replacement leave

Medical Benefits

- Outpatient Coverage
- Dental/ Annual Check-up
- Medical Check-up
- Group Personal Accident Insurance
- Group Hospitalization Scheme
- COVID-19 Coverage (RTK, PCR, Hospitalization)

Statutory & Other Benefits

- EPF
- EIS
- SOCSO
- HRDF

Business Travel Claims:
- Mileage reimbursements
- Lodging
- Transportation
- Accommodation
- Clothing (for overseas travels)
- Replacement leave

Life Events:
- Ang Pow for Wedding
- Bereavement contribution

Training and Development

We invest in capacity building to enrich our people's skillset, ensuring that their competencies remain relevant as the industry evolves. In FY2021, a total of 637 training hours were deployed across Lagenda's various departments, benefiting 163 learners. A combination of online and in-person learning modes were utilised and COVID-19 SOPs were strictly enforced during physical training sessions. An increase of 50% in the average training hours per employee, per session.

Employee Group	Gender Category		Total Training Hours
	Female	Male	
Senior Management	NIL	1	
Management	5	10	**637 Training Hours**
Executive	51	39	
Non-Executive	41	16	
Total number of training beneficiaries	**97**	**66**	

LAGENDA TRAINING PROGRAMMES 2021

Safety and Heath • Rigging & slinging for construction work • Ergonomic management at workplace • Seminar KKP Negara 2021 • Safetyedge virtual conference 2021 • Kursus Pegawai Penilai SHASSIC (CIDB) • Seminar Keselamatan Struktur Sementara • Pelan Induk Keselamatan dan Kesihatan Pekerjaan 2021-2025	**Human Resource** • JobStreet's Hiring Solutions Training • Fundamentals of Performance Management • New Hire Onboarding Induction Training • Rewards Review and Design - HR **Projects** • Seminar Pematuhan di Bawah Syarat-syarat Environmental Impact Assessment (EIA)
Governance • MAICSA Annual Conference - The New Norm: Managing Disruption	**Sales** • Sales Product Training

Employee Relations and Engagement

Lagenda recognises that one of the major factors that influences employee retention is job satisfaction. Creating a positive and conducive workplace enables a high-performing workforce. The Group takes a proactive approach to employee engagement, ensuring that our employees are kept abreast of relevant information at all times. Staff notifications are distributed via Yammer, while new joiners are also informed about Group policies through the Welcome Board email.

In FY2021, we organised a departmental domestic travel and a Chinese New Year Lucky Draw to reward our employees for their excellent work performance throughout the prolonged COVID-19 pandemic.

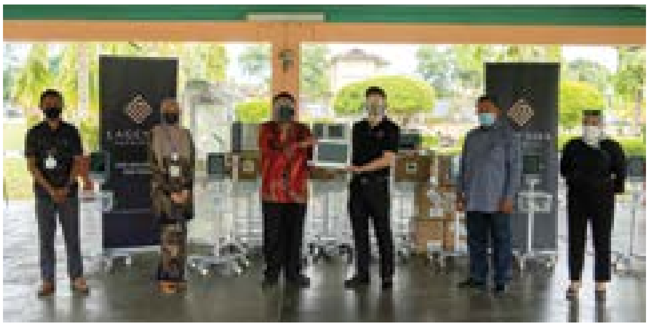
Community Engagement (GRI: 3-3, 413-1)

At Lagenda, we deem it our corporate responsibility to promote the wellbeing of the local communities in the areas surrounding our business operations. The impositions of Movement Control Orders ("MCO") in the early part of the year did not prevent Lagenda from organising our engagement initiatives through permissible means. Throughout the financial year, we have contributed a total of RM1.48 million for community engagement activities. More than half of the donations were utilised to ease the burden of victims affected by the COVID-19 pandemic. Beneficiaries included the Royal Malaysian Navy and the Royal Malaysia Police personnel who had to undergo quarantine after being identified as close contacts of COVID-19 patients. Food boxes were delivered to 200 vulnerable families to alleviate their situation.

Our employees demonstrated enthusiasm in taking part in the distribution of food aid and essential goods to vulnerable groups who were impacted by the COVID-19 pandemic and also to urban underprivileged communities that were affected by natural disasters.

In FY2021, the Group launched the Lagenda Privilege Club with the intention of giving back to the community through savings. The incentives available included an additional 3% rebate on house purchase, and RM1,500 in referral rewards.

To address the job insecurity that was caused by the pandemic, we participated in JobStreet's Hiring Solutions Career Fair, with SOCSO online and in collaboration with the Ministry of Human Resources.



Our notion of giving back includes the health and wellbeing of the local communities. The Group invested almost RM1million in critical care medical equipment deployed in COVID-19 focused hospitals in Perak and Kedah. In addition, we collaborated with the state government of Perak to roll out a mobile vaccination clinic in the outlying and underserved communities. We also partnered with the Larut District Health Office to organise the Vaccination Outreach Programme which benefited 4,000 residents from PPR Simpang Perdana.

FORGING AHEAD WITH ESG

With a mission to make home ownership affordable for Malaysians, Lagenda continues to develop eco-friendly and sustainable property to cater to the needs of middle to low-income households and uplift their standard of living. Having embedded ESG in our operations and across our value chain, we continue to direct our business affairs with robust corporate governance as we advocate for environmental stewardship and social responsibility.

As we forge ahead in our sustainability journey, we will invest in innovative ways to deliver the aspirations of our Sustainability Roadmap and achieve our ESG goals. In close collaboration with our stakeholders, we stand firm on our commitment to contribute to the realisation of the global and national sustainable development agenda.

GRI CONTENT INDEX

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GRI Indicator	Content of Disclosure	Page Number
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CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Malaysian Code of Corporate Governance defines corporate governance as "the process and structure used to direct and manage the business and affairs of the company towards promoting business prosperity and corporate accountability with the ultimate objective of realising long-term shareholder value, whilst taking into account the interests of the other stakeholders."

Good governance depends on capable and effective leadership, professional behaviour and ethical corporate culture. The Board of Directors ("Board") recognises that good corporate governance practices in its business conduct are vital and necessary for business growth by adopting the new practices, continuing to improve existing practices and enhancement of shareholders' value. The Board remains committed to upholding the principles of good corporate governance, which are effective to operation throughout the Company and its subsidiaries ("the Group") and to ensuring the highest standards of accountability and transparency.

Set out below is a general overview of the corporate governance practices of the Group pursuant to the three (3) main principles in the Malaysian Code on Corporate Governance ("MCCG 2021") known as Board Leadership and Effectiveness (Principle A), Effective Audit and Risk Management (Principle B) and Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders (Principle C) throughout the financial year ended 31 December 2021 ("FY2021"). The shareholders are advised to read this statement together with the Corporate Governance Report for the full details.

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS

I Board Responsibilities

The Board as a whole continues to take ownership of effective leadership and the long-term success of the Group. The diversified skills and leadership experience offered by the Non-Executive Directors enable them to scrutinize performance, assess the Group's risk management and control processes and support the Executive Director.

The Board assumes the overall responsibility for the Group and is primarily responsible for charting and reviewing the strategic direction of the Group and delegates the implementation of these directions to the Management. The responsibilities of the Board are inclusive of but not limited to:

i) Formulating the strategic direction and set out short-term and long-term plans for the Group.
ii) Promoting ethical and best corporate governance culture in the Group.
iii) Ensuring that a sound reporting framework on management information systems and internal controls is in place.
iv) Identifying and managing the principal risks of all aspects of the Group's operations and affairs.
v) Monitoring compliance with relevant laws & regulations and accounting standards within the corporate and business environment.
vi) Overseeing and reviewing business operations within a systematic and controlled environment.
vii) Monitoring the financial performance of the Group quarterly.
viii) Ensuring all senior management positions are held by candidates of sufficient experience.
ix) Ensuring that effective communication with its shareholders and stakeholders is in place.

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 backgrounds and specialization, bring with them a diverse wealth of experience and expertise in areas such as business, finance, banking industry, property development, construction and operations which are relevant to the Group.

The Independent Non-Executive Directors of the Company play a key role in providing unbiased and independent views, advice and contributing their knowledge and experience toward the formulation of policies and in the decision-making process. The Board structure ensures that no individual or Group of individuals dominates the Board's decision-making process. Although all the Directors have equal responsibility for the Company and the Group's operations, the role of the Independent Directors are particularly important in ensuring that the strategies proposed by the Executive Director are deliberated on and have taken into account the interest, not only of the Company, but also that of the shareholders, employees, customers, suppliers and the community.

The Board had appropriately delegated specific tasks to three (3) Board Committees, namely, the Audit and Risk Committee ("ARC"), Nomination Committee ("NC") and Remuneration Committee ("RC"). All the Board Committees are chaired by Independent Non-Executive Directors. The Board retains collective oversight over the Board Committees. Notwithstanding the delegation of specific powers, the Board retains full responsibility for the strategic initiatives, direction and control of the Company and the Group. The ultimate responsibility for decision-making on all matters lies with the Board.

<table>
<tr><td colspan="3">BOARD OF DIRECTORS
Responsible for providing stewardship and oversight of the Group's performance and initiatives on Environmental, Social and Governance ("ESG") to meet its business objectives and goals</td></tr>
<tr><td>ARC</td><td>NC</td><td>RC</td></tr>
<tr><td>The Committee oversees the Group's financial reporting process, related party transactions and conflict of interest situations, internal and external audit, and risk management matters.</td><td>Review candidates for Board appointment and re-appointment as well as conduct annual assessment of the Board, Board Committees and Directors.</td><td>Review and recommend the remuneration packages for individual Directors and Senior Management.</td></tr>
</table>

The Board has also established the following management committees to assist the Board in discharging various areas of its duties:

(i) Sustainability Steering Committee ("SSC")
(ii) Employees' Share Option Scheme ("ESOS") Committee

Each Committee operates within clearly defined terms of reference ("TOR"), which sets out the matters relevant to the functions, responsibilities and authorities of these committees.

Directors' Responsibilities on Sustainability of the Group

The Board has delegated the SSC to develop sustainability strategies, policies and statements for the Board's approval. The SSC comprises of Executive Director, head of divisions as well as relevant head of departments.

The post-pandemic investment landscape is set to place greater value on ESG disclosures. For the second half of the FY2021, the SSC was briefed comprehensively by the sustainability consultant on a gap analysis exercise to identify areas of improvement in the Company's ESG performance using the indicators from the FTSE4Good Bursa Malaysia Index. The insights gathered from the exercise have been transformed into a concrete Sustainability Roadmap that directs the actions to be implemented in the next three (3) years as the Company deploys various initiatives across the ESG pillars.

Following a comprehensive roadmap conducted by the sustainability consultant, works have been ongoing to develop the strategic sustainability roadmap for the Company. The Board is mindful that setting sustainability targets requires the Company to cautiously examine the attainability of the targets, which should be weighed against the Company's ambitions and goals.

Six (6) new policies have been in place during the FY2021 and can be accessed on the sustainability section of the Company's website. Further information on sustainability is set out in the Sustainability Statement of this Annual Report.

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, and 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 ARC 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 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 a reasonable and prudent judgement and estimates.

Separation of Position of Chairman and Managing Director

To ensure a balance of power and authority, accountability and independent decision making, the roles of the Chairman and the Managing Director ("MD") are distinct and separated.

The Company has a clear distinction and separation of roles between the Chairman and MD, with a clear division of responsibilities. The Board is headed by Admiral Tan Sri Dato' Seri Panglima Dr. Ahmad Kamarulzaman Bin Hj Ahmad Badaruddin (R), the Independent Non-Executive Chairman, who has broad exposure and vast strategic corporate experiences. As Chairman, he plays a vital role in leading and guiding the Board, creates a conducive environment geared towards building and growing Directors' oversight and effectiveness and ensures that the Board's decisions fairly reflect board consensus.

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.

The MD has the authority and responsibility for the day-to-day management of the business and implementing policies, strategies and decisions adopted by the Board. The MD leads Management and is responsible to ensure due execution of strategic goals, sustainability efforts, effective operations within the Group, and explaining, clarify and inform the Board on key matters pertaining to the Group.

The Group continues to comply with Practice 1.3 of the MCCG 2021 in respect of the separation of roles between Chairman and MD.

Company Secretaries

The Company is supported by Company Secretaries who possess the requisite qualification and are qualified to act as Company Secretaries under Section 235(2) of the Companies Act 2016. The Company Secretaries play a significant role in supporting the Board for ensuring that all governance matters and Board procedures are followed and that applicable laws and regulations are complied with. The Company Secretaries also highlighted all compliance and governance issues that they feel ought to be brought to the Board's attention, monitored corporate governance developments and assisted 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 provides a central source of guidance and advice to the Board and assists in determining board agenda, formulating governance, coordinating board assessment process and other board-related matters.

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. Board papers are circulated to the Directors on a timely basis, at least 3 days in advance from the meeting date for them to have sufficient time to review and request further explanation and information, if necessary. The board papers are comprehensive and encompass both quantitative and qualitative factors so that informed decisions can be made.

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 MD, 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, 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.

Board Charter

The Board is guided by a Board Charter which sets out the principles governing the Board of the Company and adopts the principles of good governance and practice in line with recommendations from MCCG 2021 and in accordance with applicable laws, rules and regulations in Malaysia.

The Board will review the Board Charter periodically and any amendments/ improvements shall be made thereto as of and when the Board deems appropriate and necessary. The Board Charter is available on the Company's website.

Code of Conduct and Ethics

Code of Conduct and Ethics defines the standards of conduct that are expected of Directors and employees to help them make the right decision in the course of performing their jobs to the highest standards of ethics, integrity and governance. Details of the Code of Conduct and Ethics which includes policies and procedures for managing conflicts of interest as well as preventing abuse of power, corruption, insider trading and money laundering is accessible for reference at the Company's website. The Board will periodically review the Code of Conduct and Ethics to ensure it remains relevant and appropriate.

Whistle-Blowing Policy

The Board encourages employees and external parties to report suspected or known misconduct, wrongdoings, corruption and instances of fraud, waste or abuse involving the resources of the Group. The Whistle-Blowing Policy established by the Group provides and facilitates a mechanism for any employee and external parties to report and disclose suspected malpractice or misconduct and to provide protection to employees or external parties who report allegations of such practices.

The Whistle-Blowing Policy is available on the Company's website for ease of access for reporting by employees of the Group and external parties.

Anti-Bribery and Anti-Corruption Policies and Guidelines

In line with the new provision, Section 17A of the Malaysian Anti-Corruption Commission Act 2009 (Amendment 2018), the Board has approved an Anti-Bribery and Anti-Corruption Policies and Guidelines. The policy sets out the Group's overall position to prevent bribery and corruption practices in relation to its business activities.

A copy of the Anti-Bribery and Anti-Corruption Policies and Guideline is also available on the Company's website. This policy will be reviewed from time to time to ensure its relevance.

Time Commitment, Board Meetings and Directors' Training Programmes

During the FY2021, 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, sustainability initiatives, 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.

The Board meeting calendar scheduling the meeting dates of the Board for each financial year were fixed in advance for the whole year to ensure that all Board meeting dates are booked and also to enable the Management's planning for the whole financial year. The Board is also mindful of the importance of devoting sufficient time and effort to discharge the relevant duties and responsibilities besides attending meetings of the Board and Board Committees.

For the FY2021, the Board met five (5) times. The Board meetings were held on 22 February 2021, 12 April 2021, 25 May 2021, 17 August 2021 and 15 November 2021 respectively.

The Board is satisfied with the level of time commitment given by Directors towards fulfilling their roles and responsibilities as Directors which is evidenced by their attendance at Board meetings as follows:

No.	Name of Directors	Position	No. of Meeting Attended
1.	Dato' Doh Tee Leong*	Non-Independent Non-Executive Chairman	5/5
2.	Admiral Tan Sri Dato' Seri Panglima Dr. Ahmad Kamarulzaman Bin Hj Ahmad Badaruddin (R)^	Independent Non-Executive Chairman	-
3.	Dato' Doh Jee Ming	Managing Director	5/5
4.	Dr. Lim Pang Kiam#	Independent Non-Executive Director	4/4
5.	Ms. Looi Sze Shing	Independent Non-Executive Director	5/5
6.	En. Mohamad Ali bin Ariffin	Independent Non-Executive Director	5/5
7.	Dato' Doh Jee Chai	Non-Independent Non-Executive Director	5/5

Notes:
*Resigned as Chairman / Director on 3 January 2022
^Appointed as Chairman / Director on 14 January 2022
#Appointed as Director on 1 March 2021

All the Directors have complied with the minimum attendance requirements as stipulated by the Main Market Listing Requirements ("MMLR") of Bursa Securities. None of the Directors of the Company hold more than five (5) directorships of listed companies as provided under paragraph 15.06 of the MMLR.

The Board continues to evaluate and determine the training needs of its Directors to ensure continuing education to assist them in the discharge of their duties as Directors. In addition to the Mandatory Accreditation Programmes ("MAP") required by the Bursa Securities, the Directors will continue to update their knowledge and enhance their skills through appropriate continuing education programmes to keep them abreast with the current development of the industry as well as any new statutory and regulatory requirements. This will also enable the Directors to effectively discharge duties and sustain active participation in the Board deliberations.

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

Directors	Seminars / Workshops / Courses	Date
Admiral Tan Sri Dato' Seri Panglima Dr. Ahmad Kamarulzaman Bin Hj Ahmad Badaruddin (R)	SC Updated The Malaysian Code On Corporate Governance To Promote Board Leadership And Oversight Of Sustainability	19 August 2021
	Board Room Workshop For Director Inspiring Your Board Performance	6 September 2021
	Risk Management Approach & Methodology	29 September 2021
	Audit Oversight Board Conversation With Audit Committee	6 December 2021

Directors	Seminars / Workshops / Courses	Date
Dato' Doh Jee Ming	MSWG Webinar – COVID Creates Unique Governance Issues	21 October 2021
	KPMG Asia Pacific Board Leadership And Assurance Summit 2021	16-18 November 2021
Dr. Lim Pang Kiam	KPMG Tax : Navigating Ways Through Tax Audit & Investigation	29 March 2021
	PIKOM Cybersecurity Chapter : Cybercrime Malware Attacks & Digital Forensic	29 June 2021
	Anti-Bribery And Corruption	14 July 2021
	Audit Oversight Board Conversation With Audit Committee	6 December 2021
Dato' Doh Jee Chai	KPMG Board Leadership Center Exclusive US Forced Labor Legislation : Impact On Corporate Malaysia	15 September 2021
	Monash Tax Webinar – Budget 2022	18 November 2021
Looi Sze Shing	Nominating And Remuneration Committees – Beyond Box-Ticking & Enhancing Effectiveness	5-6 July 2021
	ACCA Virtual Seminar : Post Budget 2022	11 November 2021
	MIA Webinar Series : Tax Deductible Expenses – Principles And Latest Developments	3 March 2022
Mohamad Ali bin Ariffin	MSWG Webinar – COVID Creates Unique Governance Issues	21 October 2021
	City Expo Malaysia 2021	8 November 2021

II. Board Composition

During the FY2021, the Board continues to strengthen its board leadership and independence by ensuring that its composition reflects the requisite boardroom ingredients in terms of skill sets, experience and diversity.

The Board currently has six (6) members, comprising four (4) Independent Non-Executive Directors, one (1) Non-Independent Non-Executive Director and one (1) Executive Director. The Chairman of the Board is an Independent Non-Executive Director and the Board Chairman is not a member of the ARC, NC and RC in line with Practice 1.4 of MCCG 2021. 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 Practice 5.2 of the MCCG 2021 that at least half of the Board comprises independent directors. The Board will continue to monitor and review the Board size and composition as may be needed.

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 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.

Board Committees

The Board is supported by relevant Board Committees, i.e. ARC, NC and RC. 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 has specific 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 MCCG 2021 and the MMLR.

Nomination Committee

The Nomination Committee which currently comprises two (2) Directors, is exclusively made up of Independent Non-Executive Directors and is chaired by Ms. Looi Sze Shing. The NC is responsible for nominating to the Board individuals as Directors and for assessing the Directors on an ongoing basis.

The NC operates within defined TOR which is available for reference on the Company's website. The TOR discloses the following in compliance with the MMLR of Bursa Securities:

i) Board composition
ii) Objectives of the Committee
iii) Meetings and access to information
iv) Authorities, duties and responsibilities

In the process of selecting and evaluating candidates, the NC takes into consideration suitability for the role, Board balance and composition, mix of skills, experience, knowledge and other qualities as well as diversity in terms of gender, age and ethnic background. An assessment mechanism is in place to assess on an annual basis, the effectiveness of the Board as a whole and the Board Committees and the contribution of each individual Director. The annual assessment enables the Board to ensure that each of the Board members, including the Managing Director has the character, experience, integrity, competence and time to effectively discharge their respective roles.

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.

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.

The key activities undertaken by the NC during the financial year are 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.

An evaluation of the Independent Directors was also carried out to assess their independence and competency to continue in office as an independent director of the Company. It was concluded that each independent director has continuously maintained his independency and is competent to continue serving as an independent Director of the Company.

Boardroom Appointments

The selection, nomination and appointment of suitable candidates to the Board follow a transparent process. Review of candidates for Board appointment has been delegated to the NC. NC is also responsible to review the existing composition of the Board, identifying the gaps and subsequently review and recommend to the Board a suitable candidate with relevant skill, expertise and experience.

The NC 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 a merit basis. The NC will then recommend the candidates to be approved and appointed by the Board.

The appointment process is as follows:

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

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

(c) Recommendation to be made by NC to the Board. This also includes a 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.

The Company's Constitution provides that 1/3 of the directors for the time being, shall retire from office by rotation every year. 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 the next AGM is assessed by the NC before a 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 Chai	Retiring pursuant to Clause 95
(ii)	Ms. Looi Sze Shing	Retiring pursuant to Clause 95
(iii)	Admiral Tan Sri Dato' Seri Panglima Dr. Ahmad Kamarulzaman Bin Hj Ahmad Badaruddin (R)	Retiring pursuant to Clause 102

Gender Diversity Policy

The Company embraces gender diversity for the Board and senior Management and adheres to the practice of non-discrimination of any form, whether based on age, race, religion or gender, throughout the Group. The Group is committed to provide fair and equal opportunities to candidates with merit and nurturing diversity within the Group.

The Board believes that the presence of diverse ethnicities, age and gender can widen its perspectives and experience in effectively discharging its duties and responsibilities. While promoting diversity, the final decision on the appointment of Directors will be based on financial and technical expertise, knowledge, industry experience, and skill sets that will enhance the effectiveness of the Board.

In acknowledging the recommendation of MCCG 2021 on gender diversity, the Board has adopted a formal gender diversity policy in its Board Charter. There is currently one female Director on the Board. The NC and Board will continue considering 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.

Board Evaluation and Assessment

The purpose of the Board Evaluation is to assess the processes by which the Board fulfils its responsibilities, including those provided by the MCCG 2021 and outlined by the Board Charter.

The Board, through the NC, undertakes an evaluation each year in order to assess how well the Board, its committees, the Directors and the Chairman are performing. The evaluation covers the Director's composition, a combination of skills, experience, communication, roles and responsibilities, effectiveness as well as conduct. All Directors complete questionnaires regarding the Board and Committees' processes, their effectiveness and where improvements may be considered. The outcome of the evaluation exercise is reported to the NC and then to the Board for review. The NC has also reviewed the performance of the independent directors and is satisfied that they have discharged their responsibilities in an independent manner.

Tenure of Independent Directors

The Board is mindful of the recommendation of the MCCG 2021 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 5.3 of the MCCG 2021 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 beyond 9 years, the Board will justify its decision and seek shareholders' approval annually through a two-tier voting process.

III. Remuneration

The Remuneration Committee is chaired by Ms Looi Sze Shing, comprises of three (3) Directors, of which two (2) are Independent Non-Executive Directors and one (1) Executive Director.

The RC held two (2) meetings during the financial year to carry out its function and duties within its TOR. The details of the TOR of RC are available for reference at the Company's website.

The Group has adopted the Remuneration Policy and Procedures for Directors and Senior Management that link the level of remuneration to the experience, expertise and level of responsibilities undertaken by the individuals and to structure the component parts of remuneration so as to link rewards to corporate and individual performance and ensure it is aligned with the business strategy and long-term objectives of the Group.

The performance of the Executive Director is measured based on the achievements of his annual performance as well as the performance of the Group. The Group rewards its employees and the Executive Directors with options under the ESOS. The details of the vesting of options under the ESOS are set out in the Directors' Report of the Audited Financial Statements for the FY2021.

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.

Details of the remuneration of Directors and Senior Management for the FY2021 are provided in the Corporate Governance Report.

Given the confidential and commercial sensitivities associated with remuneration matters 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 cognizant of MCCG 2021 on 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 as this will facilitate opportunity for competitors to pinch the Group's top senior Management. As such, disclosure of specific remuneration information could give rise to recruitment and talent retention issues going forward.

PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT

I Audit and Risk Committee

The ARC of the Company currently comprises three (3) Independent Non-Executive Directors. The ARC is chaired by Dr. Lim Pang Kiam with broad and extensive knowledge in the banking industry, construction and related financial management expertise. The Committee also comprises members who are financially literate and can provide diverse perspectives that strengthen the quality of deliberations. 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 9.1 of the MCCG 2021 whereby the Chairman of the ARC is not the Chairman of the Board and Practice 9.4 Step Up 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 3 years before being appointed as a member of the ARC and such practice was formalised 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 a 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. The Board has adopted a formalised External Auditors' Policy to enhance the External Auditors' assessment processes and procedures. The policy shall assess the performance, suitability, objectivity and independence of the external auditor.

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 11 April 2022 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 the FY2022 to the shareholders for approval at the upcoming 21st Annual General Meeting ("AGM"). 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 remains committed to ensuring that its communications with shareholders continue to present a fair, balanced and understandable assessment of the Group and its prospects. The Board is responsible for determining the nature and extent of the significant risks it is willing to take in achieving its strategic objectives.

The Board is assisted by the ARC and Risk Management Working Group ("RMWG") to discharge the risk management function of the Group. The RMWG is responsible in implementing processes in identifying, evaluating, monitoring and reporting of risks and internal controls which arise from daily business activities of the Group and report directly to the ARC whenever there are any significant risks and to mitigate the risks. The ARC then will report directly to the Board for notation.

The Company engages the Internal Auditors to review the operational procedures and processes to ensure the integrity of the system of internal control. 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 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 and robust 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 Statement on Risk Management and Internal Control furnished separately in this Annual Report provides an overview on the state of internal controls within the Group, in an effort to manage risk.

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

I Communication with Stakeholders

The Board is committed in ensuring the Group continues to engage effectively with the shareholders or stakeholders to facilitate a mutual understanding of objectives. The Group has a number of formal channels in place to effectively communicate this information to all the shareholders and stakeholders. The Board primarily achieves this through the following activities; the annual report, announcements to Bursa Securities, quarterly reports, Group's website and investor relations.

The MD 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.

II Conduct of General Meetings

The AGM is the principal forum for dialogue and interaction with the shareholders. The Board is committed to provide shareholders with comprehensive and timely information about the Group's activities and performance to enable investors make informed decisions. Shareholders are encouraged to attend General Meetings and use the opportunity to ask questions on resolutions being proposed and on the progress, performance and future prospects of the Company. The Chairman and Board members, with the assistance of senior Management and external auditors, where appropriate, are responsible to respond and provide explanations on matters raised. In accordance with the recommendations of the MCCG 2021, the Company gives its shareholders at least 28 days prior notice of the AGM of the Company.

In light of the COVID-19 pandemic and the constant evolving situation in relation thereof, the Company has leveraged on technology to facilitate remote shareholders' participation and voting in absentia via electronic polling for the convenience of the shareholders. The Company's AGM and Extraordinary General Meeting were conducted with smooth broadcast and meaningful engagement between the Board, Senior Management and shareholders during the events.

Statement On Compliance and CG Report

The Board will continue to strive for sound standards of corporate governance throughout the Group to comply with the principles and practices as set out in the MCCG 2021. As required under paragraph 15.25(2) of MMLR of Bursa Securities, the Group's application of each Practice of the MCCG 2021 during the financial year and explanation for departure or alternative practice is set out in the Group's CG Report and can be downloaded at Company's website.

This Corporate Governance Overview Statement was approved by the Board of Directors on 11 April 2022.

AUDIT & RISK COMMITTEE REPORT

The main objective of the Audit and Risk Committee ("ARC" or "Committee"), as a Committee of the Board of Directors ("Board") is to assist the Board in ensuring effective governance over the appropriateness of the Group's financial reporting with adequate related disclosures, the performance of both the internal audit function and the external auditors, and the oversight over the Group's systems of internal controls, risk management and related compliance measures.

Main Responsibilities	Terms of Reference ("TOR")
• Overseeing the Group's financial reporting process and integrity of the financial and narrative reporting; • Ensuring the soundness of the Group's internal control framework and the effectiveness of its risk management framework; • Evaluating and monitoring the formal and transparent policies and procedures to ensure the independence and effectiveness of the internal and external audit functions; and • Reviewing any related party transaction and conflict of interest situation that may arise within the Group.	The TOR of the ARC are consistent with the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities") and the Malaysian Code of Corporate Governance 2021 ("MCCG 2021"). All the requirements under the TOR are fully complied with. The TOR is accessible to the public for reference on the Company's website at www.lagendaproperties.com.

COMPOSITION

The composition of the ARC is in compliance with Paragraph 15.09 of the MMLR and Step Up Practice 9.4 under Principle B of MCCG 2021. The members of the ARC as at the date of this report are as follows:

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

Members
Looi Sze Shing (Independent Non-Executive Director)
Mohamad Ali Bin Ariffin (Independent Non-Executive Director)

The ARC comprises three (3) Non-Executive Directors, all of whom are Independent Non-Executive Directors. Two (2) of the ARC members are members of the Malaysian Institute of Accountants (MIA). All members of the ARC are financially literate, able to analyze and interpret financial statements and objectively review matters under the purview of the Committee.

The Chairman of the ARC, Dr. Lim Pang Kiam is not the Chairman of the Board. The ARC Chairman has vast experience and extensive knowledge in banking industry, construction and investment banking. He always ensures the ARC meetings are efficiently conducted by encouraging open discussions with all members of the ARC on the agenda items during meetings and will report and highlights the key issues discussed to the Board accordingly.

MEETINGS

The ARC held five (5) meetings during FYE 31 December 2021. The meetings were properly convened with notice and agenda distributed prior to the meetings.

Members of the ARC	No. of Meetings Attended
Dr. Lim Pang Kiam	5/5
Ms. Looi Sze Shing	5/5
En. Mohamad Ali bin Ariffin	5/5

The Company Secretary was in attendance during the meetings and the Managing Director, Chief Financial Officer and Management were invited to the meetings to deliberate on audit issues, financial and business operation of the Group. The External Auditors 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.

Separate meetings between the ARC and both External Auditors and Internal Auditors without the presence of executive Board members and Management of the Group was held twice during FYE 31 December 2021 to discuss on audit feedback.

All proceedings of the ARC meetings are duly recorded and confirmed at the subsequent ARC Meeting. Minutes of the ARC meetings are included in the Board meeting papers to keep the Board updated on activities of the ARC. The ARC Chairman also briefed the Board on matters of significant concern raised in the ARC meeting. The ARC may also take action by way of circular resolutions in lieu of convening a formal meeting.

SUMMARY OF WORK OF ARC

The ARC's activities for the financial year under review comprise the followings:-

Financial Reporting

- In overseeing the Group's financial reporting processes, the ARC reviewed and discussed the Group's unaudited quarterly financial results and final draft audited financial statements at the ARC meetings, as well as discussing the financial performance of the Group.

- In the review of the quarterly financial results and annual audited financial statements, the ARC remains focus on ensuring the integrity of the financial reporting. The ARC deliberated and analyzed with the Management, Chief Financial Officer and External Auditors to ensure that they are prepared in compliance with applicable financial reporting standards and regulatory requirements, before presentation to the Board for consideration and approval.

- Reviewed and discussed on the impact of any changes/adoption of new accounting standards, auditing and regulatory issues to the Group's financial reporting processes.

- Reviewed and assessed the adequate of the processes and controls in place for effective and efficient financial reporting and that reasonable estimates had been made in accordance with the requirements set out in the Malaysian Financial Reporting Standards.

Related Party Transactions

- Reviewed with the Chief Financial Officer on all related party transactions ("RPT") that may arise within the Company and its Group and apprised the Board that there were no significant RPT which arose within the Company or Group, including any transaction, procedure or course of conduct that raised questions of the Management's integrity during the financial year.

Oversight Matters Relating to External Audit

- Reviewed and discussed with the external auditors, prior to the commencement of audit, the audit planning memorandum which include matters pertaining to the audit service team, scope of the work, significant risks and areas of key audit focus, internal control plan, technical updates, independent policies and procedures, timeline, etc.

- Reviewed and discussed with external auditors on major audit findings arising from the external audit and resolution of the findings, including key audit matters raised by the external auditors in their auditors' report.

- The ARC also diligently exercised its rights to hold annual meetings with the external auditors without the presence of executive Board members and management personnel at two separate occasions on 12 April 2021 and 15 November 2021. These sessions were held to enable an open discussion with the ARC and ensure the external auditors were not restricted in their scope of audit.

- Reviewed, assessed and monitored the performance, suitability and independence of the external auditors. The ARC undertook an annual assessment to assess the performance, suitability and independence of the external auditors based on, amongst others, the quality of service, sufficiency of resources, communication and interaction, as well as independence, objectivity and professional scepticism.

- The ARC has also reviewed the independence and suitability of the external auditors in the provision of non-audit services to the Company and the Group. In considering the nature and scope of non-audit services and related fees, the ARC was satisfied that they were not likely to impair their independence. Moore Stephens Associates PLT has also given their independence assurance throughout their audit works for FYE 31 December 2021. 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 their suitability, performance, objectivity, professionalism and independence of the external auditors.

- The Board has in place, a formalised External Auditors' Policy to enhance the external auditors' assessment processes and procedures. This policy provides a structured, formalized/documented assessment, review and supervision of the performance, suitability, objectivity and independence of external auditors, to facilitate accountability and transparency of the Group's dealing with its external auditors.

- Considered and recommended to the Board for approval of the audit fees payable.

Oversight Matters Relating to Internal Audit

- Reviewed and approved the internal audit plan for year 2021 from the outsourced internal audit service provider, BDO Governance Advisory Sdn Bhd 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.

- Discussed and reviewed the internal audit reports presented by BDO Advisory on two (2) cycles basis. The ARC considered major findings and areas required improvements highlighted by the internal auditors and responses from management thereto, including follow-up on status of actions taken by Management to address issues raised in previous internal audit reports.

- Reviewed the independence, competency, performance and effectiveness of the internal audit function. The ARC was satisfied and approved the re-appointment of BDO Advisory as the internal audit service provider for the Group.

- 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 in overseeing and reviewing the Group's Enterprise Risk Management ("ERM"), which reflects the framework for Enterprise-wide Risk Management and Internal Control System. Such framework states the tolerance level for risk within the Group and process in place to identify, assess and monitor key business risks arising from the existing environment and foreseeable future events.

- Reviewed 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 and evaluated operational and financial performance of the Group to ensure that appropriate measures were taken to address any significant risks.

- Oversaw the management in the design and implementation of a robust and effective system of internal controls in monitoring and managing risks within the Group.

Others

- Reviewed the ARC Report and its recommendation to the Board for inclusion in the Annual Report.

- Reviewed the Statement on Risk Management and Internal Control and its recommendation to the Board for inclusion in the Annual Report.

ANNUAL PERFORMANCE ASSESSMENT OF ARC

The term of office, performance and effectiveness of the ARC and its members are assessed annually by Nomination Committee. Based on the assessment, the Board is satisfied that the ARC and its members have discharged their duties, functions and responsibilities in accordance with the ARC's Terms of Reference.

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 by its members based on five (5) key areas, namely composition and charter, committee process, external auditors, internal audit, financial statements and quarterly results.

AUDIT & RISK COMMITTEE REPORT

INTERNAL AUDIT FUNCTION

The Company has outsourced the internal audit function to BDO Governance Advisory Sdn Bhd ("BDO Advisory") to assist the Group in discharging its duties and governance responsibilities of maintaining a sound internal control systems. The cost incurred for the internal audit function in respect of FYE 31 December 2021 was RM47,126.

The internal audit team of BDO Advisory is led by an Engagement Partner and assisted by a team with professional qualifications. During FYE 31 December 2021, the internal audit of the Group was carried out in accordance with a risk based audit plan (as guided by the International Standards for the Professional Practice of Internal Auditing) approved by the ARC.

The role of the internal audit function is to provide assurance to the ARC in monitoring and managing risks and internal controls of the Group. A systematic and disciplined approach is used to evaluate the system of internal control of the Group so as to provide independent assurance on the adequacy and effectiveness of governance, risk management and internal control processes.

On a half-yearly basis or more frequently as requested by the ARC, BDO Advisory will present their audit reports which include their findings and recommendations for improvements to the ARC for review and deliberation. During the financial year, the ARC evaluated the adequacy of the responses, actions and measures taken/to be taken by the Management within the required timeframe in resolving the audit issues reported. BDO Advisory also carried out follow-up reviews to monitor the implementation of the said actions plans and measures reported to the ARC. The ARC Chairman then briefed the Board on any major findings in the internal audit reports.

For the FYE 31 December 2021, BDO Advisory has direct access to the ARC. In order for the internal audit function to carry out its responsibilities, it shall have unrestricted access to all records, properties and personnel of the Group.

BDO Advisory carried out the following activities during the year:

a) Prepared the annual internal audit plan for the approval of the ARC.
b) Presented significant audit findings to the ARC and Management identifying control weaknesses and issues as well as highlighting recommendations for improvements.
c) Conducted discussions with Management to identify significant concerns and risk areas for inclusion in the internal audit coverage.
d) Considered the concerns of the ARC and Management when undertaking the respective audit work.
e) The internal audit fieldwork undertaken by BDO Advisory covered the following business processes:

    (i) Internal Control Review on Project Management of Bandar Baru Setia Awan Perdana Phase 2D; and
    (ii) Internal Control Review on Procurement to Payment Process

All findings and recommendations arising from audit work for FYE 31 December 2021 were tabled to the ARC and the reviews were conducted based on the internal audit plan approved by the ARC.

This Audit and Risk Committee Report was approved by the Board of Directors on 11 April 2022.

STATEMENT ON RISK MANAGAMENT & INTERNAL CONTROL

The Statement on Risk Management and Internal Control ("SORMIC") for the financial year ended 31 December 2021 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 of Directors ("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 the areas of governance, risk management, financial strategy, organisational, operational, regulatory and compliance control. The Board recognises that this system is designed to manage and prevent rather than to eliminate such risks that may impede the achievement of the Group's policies, strategies and corporate objective.

Accordingly, the Board, to the best of knowledge and belief, exists an ongoing process within the Group to identify, evaluate and manage the significant risks faced by the Group and they are regularly reviewed by the Board. The ongoing process, in accordance with the SRMICG are place for the year under review and up to the date of this SORMIC for the inclusion in the Annual Report. Therefore, such a system may provide a reasonable and not an absolute assurance against any wilful material misstatement or loss, contingencies, fraud or irregularities.

The ARC, on behalf of the Board, receives reports from both the internal and external auditors and regularly reviews and holds discussions with the management on the actions taken on identified risk management and internal control issues. The role of the Audit and Risk Committee is further elaborated in the ARC Report on pages 63 to 65.

ENTERPRISE RISK MANAGEMENT FRAMEWORK

The Group had embarked on the 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 and be minful of 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 the Management maintains a sound and robust a 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 of the operating companies will be responsible to report on the current, potential and emerging risks to the attention of the 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 & 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 and identify principal risks	▶	Impact assessment and evaluation	▶	Risk response and mitigation procedures	▶	Implementation and risk monitoring
Risk identification		Risk mapping		Risk response management		Risk monitoring

The identification and rating of the current key business risks were conducted on the following departments during the financial year ended 31 December 2021 "FY2021":

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

Through these mechanisms, the risks identified were managed and monitored continuously, so that the impact of the risks may be mitigated to avoid any potential loss or damage to the Group of Companies. 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 CONTROL SYSTEM

The Board is committed to evaluate, enhance and maintain the structure established to ensure effective control over the Group's business operation to safeguard the value and security of the Group's assets. The key elements of the Group's internal control framework include:

- A clear and defined organizational structure;
- Clear authorisation levels for all aspects of the business are formalised via the Group's limit of authority;
- ISO 9001:2015 Quality Management Systems has been implemented for the Company and where documented internal procedures and standard operating procedures have been put in place. Internal quality audits are carried out by management and annual surveillance audits are conducted by an independent certification body to provide a high assurance of compliance;
- Documentation of standard operating procedures and ensuring that internal policies, processes and procedures are drawn-up, reviewed and revised as and when required and necessary;
- Occupational safety and health ("OSH") guidelines, which include the formation of a safety committee to monitor OSH procedures and to address OSH issues that may arise from time to time;
- Board and Audit & Risk Committee meetings are scheduled regularly, that is at least four (4) times per year and the respective meeting papers are distributed on a timely basis to enable members to have access to all relevant information for reviews and queries to be raised;
- Regular group management meetings are held as and when necessary to raise issues, discuss, review and monitor the business development and resolve operational and management issues; and
- Code of Conduct and Ethics and Anti-Bribery and Anti-Corruption Policies and Guideline which are extended to external parties dealing with the Group.

The Board is of the view that the overall system of internal control is satisfactory and has not resulted in any material losses, contingencies or uncertainties that would require public disclosure. The Board continues to review and implement measures to strengthen the internal control environment of the Group.

INTERNAL AUDIT FUNCTION

The internal audit function is carried out by an independent internal audit firm, namely BDO Governance Advisory Sdn Bhd, to assess the adequacy and effectiveness of the internal control system. The internal audit reviews are performed based on an internal audit plan which has been reviewed and approved by the ARC.

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, which in turn reports them to the Board. Follow-up reviews may be conducted to report to the ARC on the status of implementation of management follow-up 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 FY 2021 amounted to RM47,126.

For FY 2021, the following 2 significant business units were identified and selected for internal audit with the Audit Committee's concurrence:

Review Area	Description
Project Management on Bandar Baru Setia Awan Perdana Phase 2D	• Tendering and award • Progress billing and collection • Progress claims and payments • Project monitoring and Health and Safety controls
Procurement to Payment Process	• Procurement planning and monitoring; • Vendor evaluation and management • Controls over purchase requisition to payment processes

ASSURANCE

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

MANAGEMENT'S ROLE

The Management is responsible for implementing the Group's strategies and day-to-day businesses. The organisation structure sets out clear segregation of roles and responsibilities, lines of accountability and levels of authority to ensure effective and responsible stewardship. The Management assists the Board in implementing the policies approved by the Board, implementing risk control procedures and developing, operating and monitoring internal controls to mitigate and control identified risks.

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 2021. 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.

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 continuously improve the Group's risk management and internal control system in meeting the Group's corporate and strategic objectives.

This Statement on Risk Management and Internal Control was approved by the Board of Directors on 11 April 2022.

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 11 April 2022.

(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; and
(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 December 2021, the status of the utilisation of the proceeds of RM134.35 million raised via the Private Placement is as follows:

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	18,000	0	Within 12 months
Working Capital	108,350	109,201	(851)	Within 12 months
Estimated expenses for the corporate exercise*	8,000	7,149	851	Within 1 month
Total#	134,350	134,350	0	

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) Material Contracts Involving Directors and Major Shareholders

There were no material contracts entered into by the Group involving Directors' and major shareholders' interest which were still subsisting as at the end of the financial year or which were entered into since the end of the previous financial period.

(iii) 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	326,500	68,000
Non-Audit Fees	37,500	37,500

(iv) Contract Relating to Loans

During the financial year, there were no contracts relating to loans entered into by the Company and its subsidiaries involving the interests of major shareholders and/or Directors.

(v) Employees' Share Option Scheme ("ESOS")

At an Extraordinary General Meeting held on 28 June 2021, the Company's shareholders had approved the establishment of an employees' share option scheme ("ESOS") of not more than fifteen (15%) of the total number of issued ordinary shares of the Company at any one time during the tenure of the ESOS, to eligible Directors, employees and its non-dormant subsidiaries to subscribe for new ordinary shares in the Company under the ESOS. A total of 76,250,000 options with exercise price of RM1.44 were granted pursuant to the ESOS during FY2021.

The information in relation to the ESOS is as follows:

	FY2021
Total number of options offered	79,400,000
Total number of options or shares granted	74,600,000
Total number of options exercised or shares vested	-
Total options or shares outstanding	74,600,000

Options or shares granted to the Directors and Senior Management:

	FY2021
Aggregate options or shares granted	16,000,000
Aggregate options exercised or shares vested	-
Aggregate option or shares outstanding	-

Options granted to Directors and Senior Management:

	FY2021
Aggregate maximum allocation in percentage	20.2
Actual percentage granted to them	21.4

DIRECTORS' REPORTS AND FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2021

DIRECTORS' REPORT

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 2021.

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	201,465,914	56,539,772
Attributable to:		
Owners of the Company	201,505,701	
Non-controlling interest	(39,787)	
	201,465,914	

DIVIDENDS

As proposed and disclosed in the last year's report, on 22 February 2021, the Board of Directors has declared an interim single tier dividend of 2.5 cent per ordinary share for the financial year ended 31 December 2020, amounting to RM20,462,228, which was paid on 09 April 2021.

On 17 August 2021, the Board of Directors has declared an interim single tier dividend of 3.0 cent per ordinary share for the financial year ended 31 December 2021, amounting to RM24,554,696, which was paid on 05 October 2021.

On 22 February 2022, the Board of Directors has declared a second interim single tier dividend of 3.5 cent per ordinary share for the financial year ended 31 December 2021, amounting to RM29,306,451. The entitlement date has been fixed on 25 March 2022, which is payable on 11 April 2022 and will be credited into the entitled depositors' securities accounts maintained with Bursa Malaysia Depository Sdn. Bhd. This dividend will be accounted for in the equity as an appropriation of retained profits in the financial year ending 31 December 2022.

The Board of Directors does not recommend any final dividend in respect of the current financial year.

RESERVES AND PROVISIONS

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

ISSUANCE OF SHARES OR DEBENTURES

Ordinary shares

During the financial year, the Company has increased its issued ordinary shares from RM339,580,184 to RM617,385,785 by way of the issuance of: -

(i) 85,000,000 new ordinary shares through private placement at an issue price of RM1.11 per share for working capital purpose and net off with incurred placement fee of RM1,707,560;

(ii) 250,000,000 new ordinary shares of RM0.7351 each pursuant to the conversion of redeemable convertible preference shares ("RCPS") at a conversion ratio of 1 RCPS for 1 new ordinary share and net off with incurred dividend paid of RM3,539,589; and

(iii) 3,942,200 new ordinary shares at an issue price of RM1.25 per share pursuant to the exercise of Warrants B 2017/2022 ("Warrants B").

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

RCPS

On 21 January 2021, the RCPS of the Company decreased from RM303,394,098 to RM164,519,098 by way of the conversion of 250,000,000 RCPS for 250,000,000 new ordinary shares at a conversion ratio of 1 RCPS for 1 new ordinary share and net off with incurred dividend paid or payable of RM8,468,953 and unwinding of discount recognised to statements of comprehensive income of RM6,839,913.

On 3 August 2021, the Company has issued and allotted 76,550,572 retention RCPS of which the fair value of RM0.7351 per RCPS has been recognised in prior financial year for the purpose of acquisition of Blossom Eastland Sdn. Bhd. and its subsidiaries, i.e., Taraf Nusantara Sdn. Bhd. and Triprise Sdn. Bhd. ("Blossom Group"). As at 31 December 2021, the total number of RCPS remain unconverted amounted to 296,192,288.

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 the Warrant B and Employee Share Option Scheme ("ESOS").

Warrant B

During the financial year, 3,942,200 of Warrants B were exercised at an exercise price of RM1.25 per Warrant B. As at 31 December 2021, the total numbers of Warrants B that remained unexercised amounted to 19,283,577.

On 21 January 2022, the total numbers of Warrants B that remained unexercised amounted to 4,387,765 were expired and lapsed.

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

ESOS

At an Extraordinary General Meeting held on 28 June 2021, the Company's shareholders approved the establishment of ESOS of up to 15% of the total number of issued ordinary shares of the Company (excluding treasury shares, if any) at any point in time during the existence of the ESOS. This ESOS shall be in force for a period of five (5) years from 25 October 2021 and may be extended by the Board of Directors at their absolute discretion for a further period of five (5) years but will not, in aggregate, exceed ten (10) years from 24 October 2021 or such longer period as may be allowed by the relevant authorities.

During the financial year, the Company has granted 74,600,000 share options under the ESOS plan. These options have a vesting period of five (5) years from 25 October 2021 to 24 October 2026 and will expire on 25 October 2026. These options are exercisable if the employee remains in service for three (3) years from the date of grant.

The salient features and other terms of the ESOS are disclosed in Note 23 to the financial statements.

OPTIONS GRANTED OVER UNISSUED SHARES (Cont'd)

ESOS (Cont'd)

The options offered for the subscription of unissued ordinary shares and the respective exercise prices are as follows: -

Date of offer	Exercise price RM	At 1 January 2021 Unit	Granted Unit	Exercised Unit	At 31 December 2021 Unit
25 October 2021	1.44	-	74,600,000	-	74,600,000

Details of ESOS granted to Directors and employees of the Group are disclosed in Note 23 to the financial statements.

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 Jee Chai ^	
Looi Sze Shing	
Mohamad Ali Bin Ariffin	
Dr. Lim Pang Kiam	Appointed on 01 March 2021
Admiral Tan Sri Dato' Seri Panglima Dr. Ahmad Kamarulzaman Bin HJ Ahmad Badaruddin (R)	Appointed on 14 January 2022
Dato' Doh Tee Leong ^	Resigned on 03 January 2022

* *This Director is also Director of subsidiaries included in the financial statements of the Group for the financial year.*

^ *These Directors are also Directors of subsidiaries, of whom are resigned on 20 October 2021, included in the financial statements of the Group for the financial year.*

DIRECTORS OF THE SUBSIDIARIES OF THE COMPANY

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

Lee Wei Jin	
Ha Siok Ching	
Sau Yong Kiat	
Meera Bhai A/P Kalimuthu	Appointed on 01 March 2021
Surulhuda Binti MD Tasir	First Director and appointed on 21 June 2021
Chin Keng Seng	Resigned on 08 March 2021
Macro Chin Wen Joon	Resigned on 26 July 2021
Abdul Hamid Bin Osman	Resigned on 27 July 2021
Mohd Afizan Bin Mohd Ariff	Resigned on 27 July 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 during the financial year were as follows: -

	<---------------------------- Number of ordinary shares			---------------------------->
	At 01.01.2021 Unit	Conversion Unit	Sold Unit	At 31.12.2021 Unit
Name of Directors				
The Company				
Direct interest:				
- Dato' Doh Jee Ming	2,300,800	-	-	2,300,800
Indirect interest:				
- Dato' Doh Jee Ming *	357,571,209	250,000,000	-	607,571,209
- Dato' Doh Tee Leong *	357,571,209	250,000,000	-	607,571,209
- Dato' Doh Jee Chai *	357,571,209	250,000,000	-	607,571,209

	<------------------------------------ Number of RCPS			------------------------------------>
	At 01.01.2021 Unit	Allotment Unit	Conversion Unit	At 31.12.2021 Unit
Name of Directors				
The Company				
Indirect interest:				
- Dato' Doh Jee Ming ^	469,641,716	76,550,572	(250,000,000)	296,192,288
- Dato' Doh Tee Leong ^	469,641,716	76,550,572	(250,000,000)	296,192,288
- Dato' Doh Jee Chai ^	469,641,716	76,550,572	(250,000,000)	296,192,288

* *Indirect interest pursuant to Section 8(4) of the Companies Act 2016 via Lagenda Land Sdn. Bhd. and Setia Awan Plantation Sdn. Bhd., which in turn holds 100% equity interest in Doh Capital Sdn. Bhd. (formerly known as 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 over 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 Capital Sdn. Bhd. (formerly known as 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 amounts 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
Fees	161,667	-
Salaries and other emoluments	898,500	840,000
Contributions to defined contribution plan	420,000	420,000
Share options	1,922,708	-
Others	924	924
Benefits-in-kind	25,000	250,000
Total fees and other benefits	3,428,799	1,510,924

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(i) 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 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 there were no known bad debts and that no provision for doubtful debts was necessary; and

   (ii) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including their value 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.

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

   (i) which would necessitate the writing off of bad debts or the 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

OTHER STATUTORY INFORMATION (Cont'd)

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

(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 of the Company and its subsidiaries as remuneration for their services has been disclosed in Note 6 to the financial statements.

(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 private limited liability 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 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 11 April 2022.

DATO' DOH JEE MING

MOHAMAD ALI BIN ARIFFIN

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 pages 85 to 186 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia, so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2021 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 11 April 2022.

DATO' DOH JEE MING

MOHAMAD ALI BIN ARIFFIN

STATUTORY DECLARATION

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

I, LEE WEI JIN (MIA No.:33992), 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 pages 85 to 186 are to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the
abovenamed
at Kuala Lumpur in the Federal Territory
on 11 April 2022

Before me,

LEE WEI JIN

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Lagenda Properties Berhad, which comprise the statements of financial position as at 31 December 2021 and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 85 to 186.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2021, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

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

Independence and Other Ethical Responsibilities

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. 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 Review of Goodwill and the Company's Investments in Subsidiaries

Goodwill

As at 31 December 2021, as shown in Note 11 to the financial statements, the carrying amount of the Group's goodwill amounted to RM25,576,497.

The Group is required to, at least annually, perform impairment assessments of goodwill that has an indefinite useful life. The annual impairment assessment of goodwill is considered to be an area of audit focus because the assessment process is complex, involves significant management judgement and is based on assumptions that are affected by expected future market and economic conditions.

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 value-in-use ("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 2021.

Investments in subsidiaries

As at 31 December 2021, as shown in Note 12 to the financial statements, the carrying amount of the Company's investments in subsidiaries amounted to RM776,922,480.

A lower of net assets recorded by certain subsidiaries have resulted in an indication that the carrying amount of investments in subsidiaries may be impaired. Accordingly, the Company estimated the recoverable amount of the investments in subsidiaries either based on 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 Review of Goodwill and the Company's Investments in Subsidiaries (Cont'd)

Investments in subsidiaries (Cont'd)

We have identified the impairment review of goodwill and investments in subsidiaries 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 investments 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;
- Evaluated management's budgeting process by comparing actual results to historical cash flow projections;
- Reviewed management's impairment assessment including their considerations of the impact of COVID-19 pandemic has on the operations and compare, growth rate, gross margin and discount rate against our knowledge of the Group's 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 investments and goodwill; and
- Assessed the fair value less costs of disposal of the respective subsidiaries and CGUs in deriving the recoverable amounts of the cost of investments and goodwill.

Property development revenue and cost recognition

Revenue and cost from property development activity recognised during the financial year as disclosed in Notes 4 and 5 to the financial statements amounted to RM645,060,089 and RM341,312,101 respectively.

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 (i.e., 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 property development revenue and cost recognition: -

- Verified the contracted selling price of the property development units to the sale and purchase agreements ("SPA");
- 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;
- Verified the costs incurred to supporting documentation such as the sub-contractors' claim certificates and invoices from vendors;

Key Audit Matters (Cont'd)

<u>Property development revenue and cost recognition</u> (Cont'd)

Our audit performed and responses thereon (Cont'd)

In addressing the matters above, we have performed the following audit procedures to assess the property development revenue and cost recognition: - (Cont'd)

- 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 of the Group and of the Company and our auditors' report thereon.

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

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

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

Responsibilities of the Directors for the Financial Statements

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

In preparing the financial statements of the Group and of the Company, the Directors are 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 judgment 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 content of this report.

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

STEPHEN WAN YENG LEONG
02963/07/2023 J
Chartered Accountant

Petaling Jaya, Selangor
Date: 11 April 2022

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

		Group		Company	
	Note	2021 RM	2020 RM	2021 RM	2020 RM
Revenue	4	**835,577,786**	697,612,454	**75,500,000**	-
Cost of sales	5	**(511,496,870)**	(420,630,254)	**-**	-
Gross profit		**324,080,916**	276,982,200	**75,500,000**	-
Other income		**36,927,848**	7,002,131	**8,199,073**	2,963,043
Administrative expenses		**(45,160,364)**	(25,258,662)	**(12,766,404)**	(9,508,416)
Selling and marketing expenses		**(22,408,075)**	(18,055,179)	**-**	-
Other expenses		**(1,311,112)**	(14,565,696)	**-**	-
Profit/(Loss) from operations		**292,129,213**	226,104,794	**70,932,669**	(6,545,373)
Finance costs	6	**(13,049,879)**	(9,561,766)	**(14,751,448)**	(5,515,305)
Share of results of associates	13	**-**	(600,347)	**-**	-
Profit/(Loss) before tax	6	**279,079,334**	215,942,681	**56,181,221**	(12,060,678)
Income tax expense	7	**(77,613,420)**	(64,255,741)	**358,551**	(358,551)
Profit/(Loss) net of tax, representing total comprehensive income for the financial year		**201,465,914**	151,686,940	**56,539,772**	(12,419,229)
Total comprehensive income attributable to: -					
Owners of the Company		**201,505,701**	142,486,700	**56,539,772**	(12,419,229)
Non-controlling interests	12(c)	**(39,787)**	9,200,240	**-**	-
		201,465,914	151,686,940	**56,539,772**	(12,419,229)
Earnings per ordinary share attributable to Owners of the Company (RM):					
- Basic	8	**0.25**	0.57		
- Diluted	8	**0.20**	0.55		

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 2021

	Note	Group 2021 RM	Group 2020 RM	Company 2021 RM	Company 2020 RM
ASSETS					
Non-current assets					
Property, plant and equipment	9	**11,054,408**	8,949,284	**334,799**	10,157
Investment properties	10	**22,922,044**	9,513,996	**-**	-
Goodwill	11	**25,576,497**	24,505,996	**-**	-
Investments in subsidiaries	12	**-**	-	**776,922,480**	771,592,682
Investments in associates	13	**-**	-	**-**	-
Other investment	15	**1,038,000**	1,038,000	**-**	-
Inventories	16	**139,020,923**	110,509,895	**-**	-
Other receivables	18	**-**	19,067,297	**-**	19,067,297
		199,611,872	173,584,468	**777,257,279**	790,670,136
Current assets					
Inventories	16	**472,183,734**	361,434,162	**-**	-
Trade receivables	17	**271,074,917**	203,346,187	**-**	-
Other receivables	18	**53,294,067**	32,294,165	**172,904,754**	52,468,129
Contract assets	19	**222,670,585**	177,473,938	**-**	-
Tax recoverable		**-**	-	**347,071**	-
Cash and cash equivalents	20	**229,363,072**	214,279,976	**11,435,045**	1,860,519
		1,248,586,375	988,828,428	**184,686,870**	54,328,648
TOTAL ASSETS		**1,448,198,247**	1,162,412,896	**961,944,149**	844,998,784
EQUITY AND LIABILITIES					
Equity					
Ordinary shares	21	**314,550,795**	220,520,194	**617,385,785**	339,580,184
Redeemable convertible preference shares ("RCPS")	22	**-**	-	**164,519,098**	303,394,098
Other reserves	23	**(1,700,026)**	(5,864,104)	**9,093,442**	-
Retained earnings/ (Accumulated losses)		**567,777,690**	403,882,141	**(10,523,028)**	(22,045,876)
Equity attributable to Owners of the Company		**880,628,459**	618,538,231	**780,475,297**	620,928,406
Non-controlling interests	12	**(5,390)**	7,811,169	**-**	-
Total Equity		**880,623,069**	626,349,400	**780,475,297**	620,928,406

		Group		Company	
	Note	2021 RM	2020 RM	2021 RM	2020 RM
Liabilities					
Non-current liabilities					
Redeemable convertible preference shares ("RCPS")	22	**-**	-	**52,041,906**	95,031,357
Borrowings	24	**159,137,672**	180,687,494	**88,585,896**	100,512,916
Lease liabilities	25	**3,030,079**	2,655,096	**142,292**	-
Deferred tax liabilities	26	**922,741**	2,236,026	**-**	-
Trade payables	27	**2,792,010**	-	**-**	-
Other payables	28	**-**	13,807,708	**-**	13,807,708
		165,882,502	199,386,324	**140,770,094**	209,351,981
Current liabilities					
Trade payables	27	**195,492,805**	182,713,777	**-**	-
Other payables	28	**142,449,828**	81,698,400	**16,934,329**	2,394,628
Contract liabilities	19	**2,701,228**	3,797,480	**-**	-
Borrowings	24	**40,860,739**	41,527,749	**23,726,682**	12,010,218
Lease liabilities	25	**1,770,903**	1,310,099	**37,747**	-
Tax payable		**18,417,173**	25,629,667	**-**	313,551
		401,692,676	336,677,172	**40,698,758**	14,718,397
Total Liabilities		**567,575,178**	536,063,496	**181,468,852**	224,070,378
TOTAL EQUITY AND LIABILITIES		**1,448,198,247**	1,162,412,896	**961,944,149**	844,998,784

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 2021

	Note	Ordinary shares RM	Other Reserves RM	Distributable Retained Earnings RM	Equity attributable to Owners of the Company RM	Non-Controlling Interest RM	Total Equity RM
		<-------------- Attributable to Owners of the Company --------------->					
		<----- Non-distributable ------->					
Group							
2020							
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(ii)	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(ii)	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

		<------------- 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 Interest RM	Total Equity RM
Group (cont'd)							
2021							
At 1 January 2021		**220,520,194**	**(5,864,104)**	**403,882,141**	**618,538,231**	**7,811,169**	**626,349,400**
Profit for the year, representing total comprehensive income for the financial year		**-**	**-**	**201,505,701**	**201,505,701**	**(39,787)**	**201,465,914**
Transactions with Owners of the Company							
Additional investment in a subsidiary from non-controlling interests	12(b)	**-**	**-**	**7,406,772**	**7,406,772**	**(7,806,772)**	**(400,000)**
Subscription of shares in a subsidiary by non-controlling interest		**-**	**-**	**-**	**-**	**30,000**	**30,000**
Issuance of shares pursuant to: -							
- private placement	21(ii)	**92,642,440**	**-**	**-**	**92,642,440**	**-**	**92,642,440**
Share options granted	23		**9,093,442**	**-**	**9,093,442**	**-**	**9,093,442**
Dividend paid to shareholders	29	**-**	**-**	**(45,016,924)**	**(45,016,924)**	**-**	**(45,016,924)**
RCPS dividend paid/payable during the year	22,23	**-**	**(8,468,953)**	**-**	**(8,468,953)**	**-**	**(8,468,953)**
Conversion of RCPS		**(3,539,589)**	**3,539,589**	**-**	**-**	**-**	**-**
Conversion of Warrant B	21(ii)	**4,927,750**	**-**	**-**	**4,927,750**	**-**	**4,927,750**
Total transactions with Owners of the Company		**94,030,601**	**4,164,078**	**(37,610,152)**	**60,584,527**	**(7,776,772)**	**52,807,755**
At 31 December 2021		**314,550,795**	**(1,700,026)**	**567,777,690**	**880,628,459**	**(5,390)**	**880,623,069**

		<------- Attributable to Owners of the Company ------>			
		<--------- Non-Distributable ---------->			
	Note	**Ordinary Shares RM**	**RCPS (Note 22) RM**	**Accumulated Losses RM**	**Total Equity RM**
Company					
2020					
At 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 ordinary shares pursuant to:					
- direct acquisition of subsidiaries	12(b)	14,418,992	-	-	14,418,992
- private placement	21(ii)	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(ii)	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

		<------ Attributable to Owners of the Company ------>				
		<------ Non-distributable ------>				
	Note	Ordinary shares RM	RCPS (Note 22) RM	Other Reserves (Note 23) RM	(Accumulated Losses)/ Retained Earnings RM	Total Equity RM
Company (cont'd)						
2021						
At 1 January 2021		**339,580,184**	**303,394,098**	**-**	**(22,045,876)**	**620,928,406**
Profit for the year, representing total comprehensive income for the financial year		**-**	**-**	**-**	**56,539,772**	**56,539,772**
Transactions with Owners of the Company						
Issuance of ordinary shares pursuant to:						
- private placement	21(ii)	**92,642,440**	**-**	**-**	**-**	**92,642,440**
Conversion of RCPS	22	**180,235,411**	**(138,875,000)**	**-**	**-**	**41,360,411**
Conversion of Warrant B	21(ii)	**4,927,750**	**-**	**-**	**-**	**4,927,750**
Share options granted	23	**-**	**-**	**9,093,442**	**-**	**9,093,442**
Dividend paid to shareholders	29	**-**	**-**	**-**	**(45,016,924)**	**(45,016,924)**
Total transactions with Owners of the Company		**277,805,601**	**(138,875,000)**	**9,093,442**	**(45,016,924)**	**103,007,119**
At 31 December 2021		**617,385,785**	**164,519,098**	**9,093,442**	**(10,523,028)**	**780,475,297**

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 2021

		Group		Company	
	Note	2021 RM	2020 RM	2021 RM	2020 RM
Cash flows from operating activities					
Profit/(Loss) before tax:		**279,079,334**	215,942,681	**56,181,221**	(12,060,678)
Adjustments for:					
Accretion of interest income on deferred other receivable		**(1,470,284)**	(612,116)	**(1,470,284)**	(1,469,080)
Depreciation of: -					
- property, plant and equipment		**2,396,304**	1,742,020	**50,893**	172
- investment properties		**-**	30,083	**-**	-
Fair value adjustment on investment properties		**(6,776,621)**	-	**-**	-
Gain on disposal of property, plant and equipment		**(356,022)**	(446,874)	**-**	-
Loss/(gain) on remeasurement of lease liabilities		**18,445**	(46,519)	**-**	-
Bargain purchase on acquisition of a subsidiary		**(11,019,782)**	-	**-**	-
Gain on remeasurement of deferred other receivable		**(970,903)**	-	**(970,903)**	-
Interest expense		**13,049,879**	9,561,766	**14,751,448**	5,515,305
Interest income		**(2,997,722)**	(2,500,083)	**(4,048,596)**	(1,232,235)
Dividend income		**-**	-	**(75,500,000)**	-
Share based payment expenses		**9,093,442**	-	**4,513,644**	-
Inventories written down		**-**	6,331,468	**-**	-
Loss on disposal of associates		**-**	2,047,979	**-**	-
Loss on remeasurement of deferred trade payable		**-**	6,175,271	**-**	-
Reversal of impairment loss on: -					
- other receivables		**-**	(620,108)	**-**	-
Share of results of associates		**-**	600,347	**-**	-
Written off on: -					
- goodwill		**869,412**	-	**-**	-
- trade receivables		**-**	6,535	**-**	-
- other receivables		**-**	115	**-**	-
- property, plant and equipment		**-**	4,328	**-**	4
Operating profit/(loss) before changes in working capital		**280,915,482**	238,216,893	**(6,492,577)**	(9,246,512)

		Group		Company	
	Note	2021 RM	2020 RM	2021 RM	2020 RM
Balance bought forward		**280,915,482**	238,216,893	**(6,492,577)**	(9,246,512)
Changes in working capital:					
Inventories		**(103,269,328)**	(68,823,114)	**-**	-
Receivables		**(23,573,687)**	211,774,020	**26,544,539**	4,325,459
Payables		**42,285,533**	(93,702,806)	**26,125,039**	1,002,698
Contract assets/liabilities		**(44,751,312)**	(10,027,361)	**-**	-
Cash generated from/ (used in) operations		**151,606,688**	277,437,632	**46,177,001**	(3,918,355)
Interest paid		**(11,648,904)**	(9,073,390)	**(10,815,433)**	(2,243,320)
Interest received		**2,997,722**	2,500,083	**3,875,916**	1,232,235
Income tax paid		**(86,121,545)**	(52,830,256)	**(302,071)**	(45,000)
Income tax refunded		**-**	169,020	**-**	-
Net cash from/(used in) operating activities		**56,833,961**	218,203,089	**38,935,413**	(4,974,440)
Cash flows from investing activities					
Direct acquisition of subsidiaries, net of cash and cash equivalent acquired	12(b)	**(17,672,061)**	(141,436,243)	**-**	(150,000,000)
Acquisition through reverse acquisition, net of cash and cash equivalents	12(a)	**-**	11,997,168	**-**	-
Advances to subsidiaries		**-**	-	**(74,800,000)**	(4,151,060)
Dividend income received		**-**	-	**1,900,000**	-
Investments in subsidiaries		**-**	-	**(750,000)**	-
Additional investment in a subsidiary from non-controlling interests		**(400,000)**	-	**-**	-
Purchase of property, plant, and equipment	9(ii)	**(1,984,772)**	(1,021,480)	**(174,235)**	(10,329)
Purchase of investment properties		**-**	(40)	**-**	-
Proceeds from disposal of: -					
- property, plant and equipment		**420,000**	973,494	**-**	-
- associates	13	**-**	9,800,000	**-**	9,800,000
Deposits paid for lands held for future development		**(42,492,394)**	-	**-**	-
Proceeds from subscription of shares in a subsidiary by non-controlling interest		**30,000**	-	**-**	-
Repayment from Directors' elated companies		**-**	14,740,580	**-**	-
Net cash (used in)/from investing activities		**(62,099,227)**	(104,946,521)	**(73,824,235)**	(144,361,389)

	Note	Group 2021 RM	Group 2020 RM	Company 2021 RM	Company 2020 RM
Cash flows from financing activities					
Dividend paid to: -					
- RCPS holder	22	**(7,700,439)**	(4,749,187)	**(7,700,439)**	(4,749,187)
- non-controlling interest		**-**	(11,107,548)	**-**	-
- shareholders	29	**(45,016,924)**	-	**(45,016,924)**	-
Expenses incurred pursuant to issuance of RCPS		**-**	(20,800)	**-**	-
Repayment to Directors' related companies	(iii)	**(115,631)**	(87,547,872)	**(157,662)**	(66,928)
Repayment to corporate shareholders	(iii)	**-**	(1,706,600)	**-**	-
Repayment to a Director	(iii)	**(535,000)**	-	**-**	-
(Repayment)/Drawdown of borrowings	(iii)	**(21,896,827)**	98,396,628	**(210,556)**	112,523,134
Uplift/(Increase) in fixed deposits pledged		**21,444,056**	(20,443,614)	**-**	-
Repayment of principal portion of lease liabilities	(ii)(iii)	**(1,637,002)**	(1,017,853)	**(21,261)**	-
Proceeds from conversion of Warrant B	21(ii)	**4,927,750**	-	**4,927,750**	-
Proceeds from private placement	21(ii)	**92,642,440**	39,256,000	**92,642,440**	43,489,000
Net cash from financing activities		**42,112,423**	11,059,154	**44,463,348**	151,196,019
Net increase in cash and cash equivalents		**36,847,157**	124,315,722	**9,574,526**	1,860,190
Cash and cash equivalents at beginning of financial year		**188,930,445**	64,614,723	**1,860,519**	329
Cash and cash equivalents at end of financial year	(i)	**225,777,602**	188,930,445	**11,435,045**	1,860,519

Note:

(i) Cash and cash equivalents comprise of the following: -

		Group		Company	
	Note	2021 RM	2020 RM	2021 RM	2020 RM
Cash and bank balances	20	**84,984,909**	69,748,606	**8,293,074**	1,860,519
Short term investments	20	**106,538,741**	118,036,948	**3,141,971**	-
Fixed deposits with licensed banks	20	**37,839,422**	26,494,422	**-**	-
		229,363,072	214,279,976	**11,435,045**	1,860,519
Less:					
- Bank overdrafts	24	**-**	(320,005)	**-**	-
- Fixed deposits pledged	20	**(3,585,470)**	(25,029,526)	**-**	-
		225,777,602	188,930,445	**11,435,045**	1,860,519

(ii) Cash outflows for leases as a lessee are as follows: -

	Group	
	2021 RM	2020 RM
Included in net cash used in operating activities		
Interest paid in relation to lease liabilities	**268,469**	231,210
Payment relating to short term lease rental and low value asset	**867,662**	306,861
Included in net cash from financing activities		
Payment for the principal portion of lease liabilities	**1,637,002**	1,017,853
	2,773,133	1,555,924

	Company	
	2021 RM	2020 RM
Included in net cash used in operating activities		
Interest paid in relation to lease liabilities	**4,960**	-
Payment relating to short term lease rental and low value asset	**722,140**	120,130
Included in net cash from financing activities		
Payment for the principal portion of lease liabilities	**21,261**	-
	748,361	120,130

Note: (Cont'd)

(iii) Reconciliation of movement of liabilities to cash flows arising from financing activities: -

	Note	Lease liabilities RM	Borrowings (excluding bank overdrafts) RM	Amounts due to Directors' related companies RM	Amount due to a Director RM
Group					
2021					
At beginning of the financial year		**3,965,195**	**221,895,238**	**164,515**	**-**
Payment for the principal portion of lease liabilities		**(1,637,002)**	**-**	**-**	**-**
Drawdown		**-**	**-**	**-**	**-**
Advances from		**-**	**-**	**49,653**	**-**
Repayment to		**-**	**(21,896,827)**	**(165,284)**	**(535,000)**
Net changes in cash flow from financing activities		**(1,637,002)**	**(21,896,827)**	**(115,631)**	**(535,000)**
Direct acquisition of subsidiaries	12(b)	**258,460**	**-**	**-**	**535,000**
Acquisition of new lease	9(ii)	**2,214,329**	**-**	**-**	**-**
At end of the financial year		**4,800,982**	**199,998,411**	**48,884**	**-**

Note: (Cont'd)

(iii) Reconciliation of movement of liabilities to cash flows arising from financing activities: - (Cont'd)

	Note	Lease liabilities RM	Borrowings (excluding bank overdrafts) RM	Amounts due to Directors' related companies and corporate shareholders RM	Amount due to a Director RM
Group (cont'd)					
2020					
At beginning of the financial 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(ii)	1,033,923	-	-	-
Net changes in cash flows 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(ii)	-	-	(14,500,590)	(18,409,154)
At end of the financial year		3,965,195	221,895,238	164,515	-

Note: (Cont'd)

(iii) Reconciliation of movement of liabilities to cash flows arising from financing activities: - (Cont'd)

	Note	Lease liabilities RM	Borrowings (excluding bank overdrafts) RM	Amounts due to Directors' related companies RM
Company				
2021				
At beginning of the financial year		**-**	**112,523,134**	**157,662**
Payment for the principal portion of lease liabilities		**(21,261)**	**-**	**-**
Repayment to		**-**	**(210,556)**	**(157,662)**
Net changes in cash flow from financing activities		**(21,261)**	**(210,556)**	**(157,662)**
Acquisition of new lease	9(ii)	**201,300**	**-**	**-**
At end of the financial year		**180,039**	**112,312,578**	**-**
2020				
At beginning of the financial 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 financial 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 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.

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

The financial statements were authorised for issue in accordance with a Board of Directors' resolution dated 11 April 2022.

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 also considered the 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, MFRS 7, MFRS 4 and MFRS 16	Interest Rate Benchmark Reform – Phase 2

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 the Company.

Effective for financial periods beginning on or after 1 April 2021

Amendments to MFRS 16	COVID-19 – Related Rent Concession beyond 30 June 2021

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

MFRS 17	Insurance Contracts
Amendments to MFRS 17	Insurance Contracts
Amendments to MFRS 17	Initial Application of MFRS 17 and MFRS 9 – Comparative Information
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current
Amendments to MFRS 101 and MFRS Practice Statement 2	Disclosure of Accounting Policies
Amendments to MFRS 108	Definition of Accounting Estimates
Amendments to MFRS 112	Deferred Tax related to Assets and Liabilities arising from a Single Transaction

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

The 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.

2. BASIS OF PREPARATION (Cont'd)

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

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.

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 amount of assets and liabilities within the next financial year are set out below.

(i) Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis and at other times when such indication exists. 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.

(ii) Property development revenue

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.

(iii) Impairment of investments in subsidiaries

The Company determines whether its investments in subsidiaries is impaired by evaluating the extent to which the recoverable amount of the investment in subsidiaries is less than its carrying amount. Discounted cash flows are used to determine the recoverable amount of which significant judgement is required in the estimation of the present value of future cash flows generated by respective subsidiaries which regarded as stand-alone. Cash-generating Unit ("CGU"), which involve uncertainties and are significantly affected by assumptions used and judgements made regarding estimates of future cash flows and discount rates. The carrying amounts of investment in subsidiaries as at the reporting date are disclosed in Note 12.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to the periods presented in these financial statements.

(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.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(a) Basis of consolidation (Cont'd)

Consolidation (Cont'd)

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 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.

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.

Changes in the Company's ownership interests in subsidiaries that do not result in the Company losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Company'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.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(a) Basis of consolidation (Cont'd)

Reverse acquisition accounting

In prior financial year, the Company completed the acquisition of the entire equity interest in 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.

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.

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) are 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.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(a) Basis of consolidation (Cont'd)

Non-controlling interests

Non-controlling interests represent the equity in subsidiaries not attributable directly or indirectly, to Owners of the Company, and is presented separately in the Group's statements of comprehensive income and within equity in the Group's statements of financial position, separately from equity attributable to Owners of the Company. Non-controlling interest is initially measured at acquisition-date share of net assets other than goodwill as of the acquisition after and is subsequently adjusted for the changes in the net assets of the subsidiary after the acquisition date.

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 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.

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 the 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 the profit or loss. Any gains or losses previously recognised in other comprehensive income are also reclassified proportionately to profit or loss.

Joint arrangements

A joint arrangement is an arrangement of which there is contractually agreed sharing of control by the Group with one or more parties, where decisions about the relevant activities relating to the joint arrangement require unanimous consent of the parties sharing control.

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.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(a) Basis of consolidation (Cont'd)

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 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.

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.

The Group has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

The Group has identified its Performance Obligation ("PO") toward its customers as follows: -

Sale of completed properties

Sales of completed units is satisfied upon delivery of properties when the control of the properties had been transferred to purchasers. Payment is generally due 90 days after Sales and Purchase Agreement signed. Revenue is recognised at point in time when the customer takes vacant possession of the properties.

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). Payment is generally due 30 days upon issuance of invoice when right to payment for PO completed to date.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

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

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

Property development revenue (Cont'd)

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. Payment is generally due 30 days from date when PO is satisfied.

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.

Trading of building materials and hardware

Sales of building materials and hardware is satisfied upon delivery of goods where the control of the goods has 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. Payment is generally due within 60 to 90 days from the date when PO is satisfied. Revenue is recognised at point in time when customers have acknowledged the receipt of goods sold.

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 distribution expenses in the profit or loss, based on the nature of commission costs, and not under amortisation expenses.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

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

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

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) Dividend income

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

(iii) Interest income

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

(iv) Other income

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

(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 is 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.

(iii) Equity-settled share-based payment transaction

The Group granted an equity-settled, share-based compensation plan for the Directors and employees of the Group for equity instruments of the Company (known as "share options"). Employee services received in exchange for the grant of the share options is recognised as an expense in the profit or loss over the vesting periods of the grant with a corresponding increase in equity.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(c) Employee benefits (Cont'd)

(iii) Equity-settled share-based payment transaction (Cont'd)

In the Company's separate financial statements, the grant of the share options to the subsidiaries' Directors and employees is not recognised as an expense. Instead, the fair value of the share options measured at the grant date is accounted for as an increase to the investment in subsidiary undertaking with a corresponding credit to the employee share option reserve.

When the options are exercised, the Company issues new ordinary shares. The proceeds received net of any directly attributable transaction costs are credited to ordinary shares when the options are exercised. The share options reserves are transferred to ordinary shares when the options are exercised. When options are not exercised and lapsed, the share options reserve is transferred to retained earnings.

(d) Government grants

Government grants are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions, they are then recognised in profit or loss as other income on a systematic basis over the useful life of the assets.

Grants that compensate the Group for expenses incurred are recognised in profit or loss as other income on a systematic basis in the same period in which the expenses are recognised.

During the financial year, the Group had received government grants relating to costs from wage subsidy programme introduced by the Malaysian Government due to the COVID-19 pandemic.

(e) 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 borrowings costs that are directly attributable to the acquisition, construction or production of 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 required to complete and prepare the asset for its intended use. Capitalisation of borrowing costs ceases when the assets are ready for their intended use or sale whereby the assets are no longer qualifying asset.

(f) 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.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(f) Income taxes (Cont'd)

Deferred tax (Cont'd)

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 relation 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.

(g) 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(o)(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.

Lease payments associated with short term leases and leases of low value assets are recognised on a straight-line basis as an expense in profit or loss. Short term leases are leases with a lease term of 12 months or less. Low value assets are those assets valued at less than RM20,000 each when purchased new.

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".

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(h) Earnings per share

Basic earnings per share ("EPS") is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the 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, free Warrant B and share options granted to employees.

(i) 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 the Company and its cost 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 at the following annual rates: -

Freehold properties	50 years
Warehouse	50 years
Machinery	10 years
Furniture and fittings	10 years
Motor vehicles	5 years
Office equipment	10 years
Office 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.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(i) Property, plant and equipment (Cont'd)

(iii) Depreciation (Cont'd)

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.

(j) Investment properties

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

Investment properties are measured initially at its cost. Cost includes expenditure that is directly attributable to the acquisition of the investment properties. The cost of self-constructed investment properties includes the cost of materials and direct labour, any other cost directly attributable to bringing the investment properties to a working condition for their intended use.

Investment properties are subsequently measured at fair value with any change therein recognised in profit or loss for the period in which they arise.

Fair value gain or loss arising from the reclassification from inventories to investment property is recognised in profit or loss.

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

(k) Intangible assets

Goodwill

Goodwill acquired in a business combination represents the difference between the purchase consideration and the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities in the subsidiary companies at the date of acquisition.

Goodwill is allocated to cash generating units and is stated at cost less accumulated impairment losses, if any. Goodwill is not amortised but is tested for impairment annually and whenever there is an indication that they may be impaired. Impairment losses recognised are not reversed in subsequent periods.

Upon the disposal of investment in the subsidiary, the related goodwill will be included in the computation of gain or loss on disposal of investment in the subsidiary in the profit or loss.

(l) 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.

Land held for property development

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.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(l) Inventories (Cont'd)

Land held for property development (Cont'd)

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.

Property development costs

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 defect liability period, is recognised as an expense immediately.

Property development costs not recognised as an expense are recognised as an asset, which is measured at the lower of cost and net realisable value.

Unsold completed properties

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

Net realisable value is the estimated selling price in the ordinary course of business, less the cost of completion and applicable variable selling expenses.

Finished goods (building materials and hardware)

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

The cost of inventories is measured based on weighted average cost formula, and includes expenditure incurred in acquiring the inventories and other costs incurred in bringing them to their existing location and condition.

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

(m) Cash and cash equivalents

Cash and cash equivalents consist of cash at bank (including housing development account) and on hand, short term fund and fixed deposits 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 overdraft and pledged deposits, if any.

(n) Financial instruments

(i) Initial recognition and measurement

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

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(n) Financial instruments (Cont'd)

(i) Initial recognition and measurement (Cont'd)

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

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

(ii) Financial instrument categories and subsequent measurement

The Group and the Company categorise financial instruments as follows:

Financial assets

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 its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change of the business model.

<u>Amortised cost</u>

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(o)(i).

Financial liabilities

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

<u>Amortised cost</u>

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 statements of financial position when, and only when, the Group and the Company currently have a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and liability simultaneously.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(n) Financial instruments (Cont'd)

(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.

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 risk and rewards of ownership of the financial assets 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 or 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.

(o) Impairment of assets

(i) Financial assets

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

Loss allowance 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.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(o) Impairment of assets (Cont'd)

(i) Financial assets (Cont'd)

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

Simplified approach - trade receivables and contract assets

The Group applies 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 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.

General approach - other financial instruments and financial guarantee contracts

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

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 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 120 days (property development and construction contract segment) or 330 days (trading segment) 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.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(o) Impairment of assets (Cont'd)

(i) Financial assets (Cont'd)

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 procedures for recovery of amounts due. Any recoveries made are recognised in profit or loss.

(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.

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.

(p) Equity instruments

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

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.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(p) Equity instruments (Cont'd)

RCPS

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.

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.

(q) Operating segments

Operating segments are defined as components of the Group that:

(a) 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 assets of all operating segments.

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.

(r) Fair value measurement

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(r) Fair value measurement (Cont'd)

When measuring the fair value of an asset or liability, the Group and the Company use 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 (unadjusted) market prices in active markets for identical assets or liabilities that the Group and the Company can access at the measurement date.

Level 2: Input 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 transfer between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfers.

(s) 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		Company	
		2021 RM	2020 RM	2021 RM	2020 RM
Revenue from contracts with customers					
Property development	(i)	**645,060,089**	528,665,878	**-**	-
Furniture and fittings		**-**	300,705	**-**	-
Sales of completed properties		**4,597,097**	8,019,400	**-**	-
Construction contract	(ii)	**70,391,805**	95,827,492	**-**	-
Trading of building materials		**115,528,795**	64,798,979	**-**	-
Dividend income		**-**	-	**75,500,000**	-
		835,577,786	697,612,454	**75,500,000**	-
Timing of revenue recognition:					
Point in time		**120,125,892**	73,119,084	**75,500,000**	-
Over time		**715,451,894**	624,493,370	**-**	-
		835,577,786	697,612,454	**75,500,000**	-

The accounting policy for the Group's revenue is disclosed in the Note 3(b).

Unsatisfied long-term contracts

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

(i) Property development revenue

	Group	
	2021 RM	2020 RM
Total contracted revenue, net	**1,739,665,460**	1,568,534,129
Less: Property development revenue recognised, net	**(898,389,300)**	(662,978,709)
Less: Completed during the year	**(409,649,498)**	(541,366,074)
Aggregate amount of the transaction price allocated to property development revenue that are partially or fully unsatisfied as at 31 December, net	**431,626,662**	364,189,346

4. REVENUE (Cont'd)

(ii) Construction contract revenue

	Group	
	2021 RM	**2020 RM**
Total contracted revenue	**347,490,710**	347,490,710
Less: Construction revenue recognised, net	**(311,117,466)**	(244,175,661)
Less: Completed during the year	**(3,450,000)**	-
Aggregate amount of the transaction price allocated to construction revenue that are partially or fully unsatisfied as at 31 December, net	**32,923,244**	103,315,049

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

(i) Property development revenue

	Group	
	2021 RM	2020 RM
Within 1 year	**305,097,784**	296,802,595
Between 1 and 3 years	**126,528,878**	67,386,751
	431,626,662	364,189,346

(ii) Construction contract revenue

	Group	
	2021 RM	**2020 RM**
Within 1 year	**32,923,244**	103,315,049

5. COST OF SALES

	Group	
	2021 RM	**2020 RM**
Property development costs	**341,312,101**	276,640,360
Furniture and fittings	**-**	226,800
Cost from sales of completed properties	**3,441,845**	5,043,641
Construction costs	**57,095,766**	77,812,921
Trading of building material costs	**109,647,158**	60,906,532
	511,496,870	420,630,254

6. PROFIT/(LOSS) BEFORE TAX

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

	Note	Group 2021 RM	Group 2020 RM	Company 2021 RM	Company 2020 RM
Auditors' remuneration:-					
- statutory audit		**326,500**	203,913	**68,000**	68,000
- (over)/under provision in prior financial year		**-**	(1,000)	**-**	(1,000)
- other services		**37,500**	58,000	**37,500**	173,500
Accretion of interest income on deferred other receivables		**(1,470,284)**	(612,116)	**(1,470,284)**	(1,469,080)
Depreciation of: -					
- property, plant and equipment		**2,396,304**	1,742,020	**50,893**	172
- investment properties		**-**	30,083	**-**	-
Directors' remuneration	(i)	**4,664,723**	3,068,793	**3,403,799**	561,308
Employee benefits expense	(ii)	**24,667,558**	9,051,179	**6,333,486**	706,353
Finance costs: -					
- accretion of interest on contingent consideration		**1,209,438**	488,376	**1,209,438**	488,376
- accretion of interest on RCPS liability portion		**-**	-	**6,839,913**	2,783,609
- accretion of interest on deferred landowner's entitlement		**190,748**	-	**-**	-
- bank overdraft		**302**	50	**-**	-
- banker's acceptance		**355,886**	594,394	**-**	-
- late payment		**-**	866,446	**-**	-
- lease liabilities		**268,469**	231,210	**4,960**	-
- term loan		**10,753,282**	7,363,482	**6,425,383**	2,225,512
- revolving credit		**271,754**	17,808	**271,754**	17,808
Fair value adjustmenton investment porperties		**(6,776,621)**	-	**-**	-
Gain on disposal ofproperty, plant and equipment		**(356,022)**	(446,874)	**-**	-
Gain on remeasurement of deferred other receivable		**(970,903)**	-	**(970,903)**	-
Loss/(Gain) on remeasurement of lease liabilities		**18,445**	(46,519)	**-**	-
Bargain purchase on acquisition of a subsidiary		**(11,019,782)**	-	**-**	-
Interest income from: -					
- financial institution		**(2,997,722)**	(2,500,083)	**(837,501)**	(34,192)
- advances to subsidiaries		**-**	-	**(3,211,095)**	(1,198,043)
Liquidated ascertained damages ("LAD") income		**(5,454,112)**	-	**-**	-

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

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

		Group		Company	
	Note	2021 RM	2020 RM	2021 RM	2020 RM
Inventories written down		**-**	6,331,468	**-**	-
Loss on disposal of associates		**-**	2,047,979	**-**	-
Loss on remeasurement of deferred trade payables		**-**	6,175,271	**-**	-
Rental income		**(488,056)**	(349,777)	**(468,000)**	(39,000)
Reversal of impairment loss on: -					
- other receivables		**-**	(620,108)	**-**	-
Short term lease for: -					
- office space		**767,220**	278,022	**722,140**	120,130
- equipment		**100,442**	28,839	**-**	-
Sale of fresh fruit bunches		**(2,474,593)**	(1,586,568)	**-**	-
Wages subsidy		**(357,600)**	-	**-**	-
Written off on: -					
- goodwill		**869,412**	-	**-**	-
- property, plant and equipment		**-**	4,328	**-**	4
- trade receivables		**-**	6,535	**-**	-
- other receivables		**-**	115	**-**	-

(i) Directors' remuneration

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Directors' remuneration				
Directors' fee	**161,667**	71,000	**161,667**	117,500
Salaries and other emoluments	**1,738,500**	2,206,334	**898,500**	263,500
Contributions to defined contribution plan	**840,000**	786,648	**420,000**	120,000
Share options	**1,922,708**	-	**1,922,708**	-
Others	**1,848**	4,811	**924**	60,308
	4,664,723	3,068,793	**3,403,799**	561,308
Estimated money value of benefits-in- kind ("BIK")	**275,000**	-	**25,000**	8,333
Total including estimated money value of BIK	**4,939,723**	3,068,793	**3,428,799**	569,641

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

(ii) Employee benefits expense

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Staff costs				
Salaries and other emoluments	**15,427,347**	7,608,295	**3,325,548**	625,660
Contributions to defined contribution plan	**1,872,243**	989,680	**388,783**	74,002
Share options	**7,170,734**	-	**2,590,936**	-
Others	**197,234**	453,204	**28,219**	6,691
	24,667,558	9,051,179	**6,333,486**	706,353

7. INCOME TAX EXPENSE

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Income tax:				
Current financial year	**80,265,104**	66,545,487	**-**	358,551
Overprovision in prior financial year	**(1,335,449)**	(4,157,704)	**(358,551)**	-
	78,929,655	62,387,783	**(358,551)**	358,551
Deferred tax (Note 26):				
(Reversal)/Origination of temporary differences	**(1,321,130)**	1,865,133	**-**	-
Underprovision in prior financial year	**4,895**	2,825	**-**	-
	(1,316,235)	1,867,958	**-**	-
Total income tax expense/ (credit) for the financial year	**77,613,420**	64,255,741	**(358,551)**	358,551

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (2020: 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	
	2021 RM	**2020 RM**	**2021 RM**	**2020 RM**
Profit/(Loss) before tax	**279,079,334**	215,942,681	**56,181,221**	(12,060,678)
Tax at the Malaysian statutory income tax rate of 24%	**66,979,040**	51,826,243	**13,483,493**	(2,894,563)
Income not subject to tax	**(1,005,343)**	(700,971)	**(18,300,572)**	(352,579)
Expenses not deductible for tax purpose	**12,970,277**	17,292,276	**4,817,079**	3,605,693
Utilisation of previously unrecognised deferred tax assets	**-**	(6,928)	**-**	-
(Over)/underprovision in prior financial year				
- income tax	**(1,335,449)**	(4,157,704)	**(358,551)**	-
- deferred tax	**4,895**	2,825	**-**	-
Income tax expense/ (credit) for the financial year	**77,613,420**	64,255,741	**(358,551)**	358,551

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	
	2021	**2020**
Profit after tax attributable to Owners of the Company (RM)	**201,505,701**	142,486,700
Weighted average number of ordinary shares:		
Number of ordinary shares in issue at beginning of the financial year	**483,489,169**	2,678,229,306
Effect of share consolidation	**-**	(2,571,100,138)
Effect of weighted average number of ordinary shares issued during the financial year	**318,810,271**	140,689,206
	802,299,440	247,818,374
Basic earnings per share (RM)	**0.25**	0.57

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.

	Group	
	2021	**2020**
Profit after tax attributable to Owners of the Company (RM)	**201,505,701**	142,486,700
Weighted average number of ordinary shares:		
Issued ordinary shares at end of the financial year	**802,299,440**	247,818,374
Effect of dilutive potential ordinary shares ("RCPS")	**191,808,785**	9,158,713
Effect of dilutive potential ordinary shares ("Warrant B")	**3,826,415**	-
Effect of dilutive potential ordinary shares ("ESOS")	**379,115**	-
	998,313,755	256,977,087
Diluted earnings per share (RM)	**0.20**	0.55

9. PROPERTY, PLANT AND EQUIPMENT

	Freehold land and properties RM	Warehouse RM	Machinery RM	Furniture and fittings RM	Office equipment RM	Motor vehicles RM	Office renovation RM	Leased properties RM	Total RM
Group									
2021									
Cost									
At 1 January	2,976,403	7,945	8,440	19,598	182,764	7,767,852	2,157,753	689,753	13,810,508
Additions	-	-	-	116,190	123,248	2,756,900	660,034	542,729	4,199,101
Addition through: -									
- direct acquisition of subsidiaries [Note 12(b)]	-	-	29,000	-	55,739	422,279	91,086	-	598,104
Lease modification	-	-	-	-	-	-	-	(22,133)	(22,133)
Disposals	-	-	-	-	-	(774,100)	-	-	(774,100)
At 31 December	2,976,403	7,945	37,440	135,788	361,751	10,172,931	2,908,873	1,210,349	17,811,480

9. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

	Freehold land and properties RM	Warehouse RM	Machinery RM	Furniture and fittings RM	Office equipment RM	Motor vehicles RM	Office renovation RM	Leased properties RM	Total RM
Group (Cont'd)									
2021 (Cont'd)									
Accumulated depreciation									
At 1 January	143,859	2,384	4,730	7,827	64,884	4,112,331	356,839	168,370	4,861,224
Charge for the financial year	59,528	159	1,874	6,533	32,247	1,655,867	253,740	386,356	2,396,304
Addition through: -									
- direct acquisition of subsidiaries [Note 12(b)]	-	-	11,583	-	43,055	95,487	63,229	-	213,354
Lease modification	-	-	-	-	-	-	-	(3,688)	(3,688)
Disposals	-	-	-	-	-	(710,122)	-	-	(710,122)
At 31 December	203,387	2,543	18,187	14,360	140,186	5,153,563	673,808	551,038	6,757,072
Net carrying amount									
At 31 December	2,773,016	5,402	19,253	121,428	221,565	5,019,368	2,235,065	659,311	11,054,408

9. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

	Freehold land and properties RM	Warehouse RM	Machinery RM	Furniture and fittings RM	Office equipment RM	Motor vehicles RM	Office renovation RM	Leased properties RM	Total RM
Group (Cont'd)									
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)]	-	7,945	8,440	-	1,499	243,935	-	17,359	279,178
- 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	2,976,403	7,945	8,440	19,598	182,764	7,767,852	2,157,753	689,753	13,810,508

9. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

	Freehold land and properties RM	Warehouse RM	Machinery RM	Furniture and fittings RM	Office equipment RM	Motor vehicles RM	Office renovation RM	Leased properties RM	Total RM
Group (Cont'd)									
2020 (Cont'd)									
Accumulated depreciation									
At 1 January	119,384	-	-	6,728	74,023	3,665,490	202,918	139,798	4,208,341
Charge for the financial 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)
Disposals	(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	64,884	4,112,331	356,839	168,370	4,861,224
Net carrying amount									
At 31 December	2,832,544	5,561	3,710	11,771	117,880	3,655,521	1,800,914	521,383	8,949,284

9. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

	Motor vehicles RM	Office equipment, furniture and fittings and renovation RM	Total RM
Company			
2021			
Cost			
At 1 January	**-**	**10,329**	**10,329**
Additions	**345,000**	**30,535**	**375,535**
At 31 December	**345,000**	**40,864**	**385,864**
Accumulated depreciation			
At 1 January	**-**	**172**	**172**
Charge for the financial year	**47,000**	**3,893**	**50,893**
At 31 December	**47,000**	**4,065**	**51,065**
Net carrying amount			
At 31 December	**298,000**	**36,799**	**334,799**
2020			
Cost			
At 1 January	-	42,157	42,157
Additions	-	10,329	10,329
Written off	-	(42,157)	(42,157)
At 31 December	-	10,329	10,329
Accumulated depreciation			
At 1 January	-	42,153	42,153
Charge for the financial year	-	172	172
Written off	-	(42,153)	(42,153)
At 31 December	-	172	172
Net carrying amount			
At 31 December	-	10,157	10,157

9. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

(i) Assets pledged as security

In addition to assets held under finance lease arrangements, the freehold land and buildings of the Group with a total carrying amount of RM1,737,945 (2020: RM1,774,572) have been pledged to licensed bank as securities for credit facilities granted to the Group as disclosed in Note 24.

(ii) Acquisition of property, plant and equipment

	Group		Company	
	2021 RM	**2020 RM**	**2021 RM**	**2020 RM**
Cash purchase of property, plant and equipment	**1,984,772**	1,021,480	**174,235**	10,329
Financed by lease arrangement	**2,214,329**	1,033,923	**201,300**	-
Total acquisition of property, plant and equipment	**4,199,101**	2,055,403	**375,535**	10,329

(iii) Assets classified as right-of-use assets

	Motor vehicles RM	**Leased properties RM**	**Total RM**
Group			
2021			
Cost			
At 1 January	**6,103,194**	**689,753**	**6,792,947**
Additions	**2,246,901**	**542,729**	**2,789,630**
Lease modification	**-**	**(22,133)**	**(22,133)**
At 31 December	**8,350,095**	**1,210,349**	**9,560,444**
Accumulated depreciation			
At 1 January	**2,776,701**	**168,370**	**2,945,071**
Charge for the financial year	**1,112,868**	**386,356**	**1,499,224**
Lease modification	**-**	**(3,688)**	**(3,688)**
At 31 December	**3,889,569**	**551,038**	**4,440,607**
Net carrying amount			
At 31 December	**4,460,526**	**659,311**	**5,119,837**

9. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

(iii) Assets classified as right-of-use assets (Cont'd)

	Motor vehicles RM	Leased properties RM	Total RM
Group (Cont'd)			
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 financial 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

* *The Group had derecognised right-of-use assets as the Group has settled the finance lease arrangement.*

9. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

(iii) Assets classified as right-of-use assets (Cont'd)

	Motor vehicles RM
Company	
2021	
Cost	
At 1 January	-
Additions	250,000
At 31 December	250,000
Accumulated depreciation	
At 1 January	-
Charge for the financial year	37,500
At 31 December	37,500
Net carrying amount	
At 31 December	212,500

The expenses charged to profit or loss during the financial year are as follows:

	Group		Company	
	2021 RM	**2020 RM**	**2021 RM**	**2020 RM**
Depreciation of right-of-use assets	**1,499,224**	1,412,445	**37,500**	-
Interest expense of lease liabilities	**268,469**	231,210	**4,960**	-
	1,767,693	1,643,655	**42,460**	-

10. INVESTMENT PROPERTIES

	Freehold land RM	Freehold properties RM	Total RM
Group			
2021			
Fair value			
At 1 January	6,012,296	3,501,700	9,513,996
Transfer from inventories [Note 16(iii)]	-	6,631,427	6,631,427
Fair value adjustments	1,694,748	5,081,873	6,776,621
At 31 December	7,707,044	15,215,000	22,922,044
2020			
Cost			
At 1 January	1,438,942	-	1,438,942
Additions	40	-	40
Addition through direct acquisition of subsidiaries [Note 12(b)]	4,573,314	3,610,000	8,183,314
At 31 December	6,012,296	3,610,000	9,622,296
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	6,012,296	3,501,700	9,513,996

In prior years, the investment properties are measured at cost whilst the fair values disclosure of the investment properties were determined based on comparison of similar properties within the proximity based on Directors' assumption and categorised as Level 3 of the fair value hierarchy.

In current financial year, the management has adopted fair value measurement for all its investment properties. The fair values were arrived by reference to market evidence of transaction prices for similar properties and were performed by registered independent valuers having an appropriate recognised professional qualification and recent experience in the location and category of the properties being valued.

Fair values were determined based on comparison method with similar lands and properties that have been sold recently and those that are currently being offered for sale in the vicinity with appropriate adjustments made to reflect improvements and other dissimilarities and to arrive at the value of the subject lands and properties.

The fair value of the investment properties is categorised at Level 3 of the fair value hierarchy as certain inputs for the properties were unobservable, of which the most significant inputs into this valuation approach are location, size, age and condition of tenure and title restriction.

The investment properties with total net carrying amount of RM8,967,044 (2020: RM8,075,014) 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 financial year was RM163,239 (2020: RM15,816).

11. GOODWILL

	Group	
	2021 RM	2020 RM
Cost		
At 1 January	**24,505,996**	-
Addition from: -		
- reverse acquisition [Note 12(a)]	**-**	4,690,160
- direct acquisition of subsidiaries [Note 12(b)]	**1,939,913**	19,815,836
Written off [Note 12(b)]	**(869,412)**	-
At 31 December	**25,576,497**	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.

2021

In current financial year, net additional goodwill on consolidation of RM1,070,501 arose from the acquisition of two (2) direct subsidiaries, namely Opti Vega Sdn. Bhd. ("OVSB") and Sitiawan Bolts and Nuts Hardware Sdn. Bhd. ("SBNH") via Blossom Eastland Sdn. Bhd. ("BESB") and YWT as disclosed in Note 12. The consideration paid for the business combination included a control premium. In addition, the consideration paid for the business combination effectively included amounts in relation to the on-going development project sum which will then be allocated to inventories of the Group. These benefits are recognised separately from goodwill because they meet the recognition criteria for identifiable intangible assets.

2020

In prior financial year, 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 business combination included a control premium. In addition, the consideration paid for the business 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.

11. GOODWILL

Impairment review on goodwill

Goodwill arising from business combinations has been allocated to five (2020: 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	SBNH RM	OVSB RM	Total RM
Group						
2021						
Goodwill	**4,690,160**	**11,181,561**	**8,634,275**	**1,070,501**	**869,412**	**26,445,909**
Written off	**-**	**-**	**-**	**-**	**(869,412)**	**(869,412)**
	4,690,160	**11,181,561**	**8,634,275**	**1,070,501**	**-**	**25,576,497**
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 9.13% (2020: 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.

The sensitivity analysis is presented as follows: -

- An increase of 0.1 percentage point in the discount rate would have reduced the recoverable amount by approximately RM5.90 million.

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.

The key assumptions used in the preparation of the projected cash flows are as follows:

(i) Pre-tax discount rates of 9.07% (2020: 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.

The sensitivity analysis is presented as follows: -

- An increase of 0.1 percentage point in the discount rate would have reduced the recoverable amount by approximately RM0.69 million.

11. GOODWILL

Impairment review on goodwill (Cont'd)

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 9.11% (2020: 6.45%);
(ii) There will be no material changes in the structure and principal activities of the subsidiary;
(iii) Projected growth rate of 10% (2020: 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
(v) Receivables and payables turnover period are estimated to be consistent with the current financial year.

The sensitivity analysis is presented as follows:

- A decrease of 0.1 percentage point in the revenue growth rate would have reduced twhe recoverable amount by approximately RM7.73 million.

- A decrease of 1 percentage point in the budgeted gross margin would have reduced the recoverable amount by approximately RM25.34 million.

- An increase of 0.1 percentage point in the discount rate would have reduced the recoverable amount by approximately RM9.73 million.

Trading of building materials and hardware segment (SBNH)

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 9.14%;
(ii) There will be no material changes in the structure and principal activities of the subsidiary;
(iii) Projected growth rate of 10% 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
(v) Receivables and payables turnover period are estimated to be consistent with the current financial year.

The sensitivity analysis is presented as follows:

- A decrease of 0.1 percentage point in the revenue growth rate would have reduced the recoverable amount by approximately RM1.24 million.

- A decrease of 1 percentage point in the budgeted gross margin would have reduced the recoverable amount by approximately RM1.19 million.

- An increase of 0.1 percentage point in the discount rate would have reduced the recoverable amount by approximately RM0.32 million.

During the financial year, the Group performed goodwill impairment testing and no impairment loss is required to be recognised.

12. INVESTMENTS IN SUBSIDIARIES

	Company	
	2021 RM	**2020 RM**
Unquoted shares		
At cost		
At beginning of the financial year	**771,592,682**	250,001
Addition	**750,000**	771,342,681
At end of the financial year	**772,342,682**	771,592,682
Capital contribution to subsidiaries		
At beginning of the financial year	**-**	-
Addition	**4,579,798**	-
At end of the financial year	**4,579,798**	-
Carrying amount at end of the financial year	**776,922,480**	771,592,682

Capital contribution to subsidiaries represent share options granted by the Company to the Directors and employees of subsidiaries and is treated as additional investment in the subsidiaries, which is stated at cost less accumulated impairment losses.

The details of the subsidiaries are as follows: -

Name of Subsidiaries	Country of Incorporation	Principal Activities	Effective Equity Interest 2021	Effective Equity Interest 2020
LPB Development Sdn.Bhd. ("LPBD")	Malaysia	Property development	**100%**	100%
LPB Construction Sdn.Bhd. ("LPBC")	Malaysia	Dormant	**100%**	100%
Blossom Eastland Sdn.Bhd. ("BESB") *	Malaysia	Property development	**100%**	100%
Rantau Urusan (M) Sdn.Bhd. ("RUSB") *	Malaysia	Building construction	**100%**	100%
Yik Wang Trading Sdn.Bhd. ("YWT") *	Malaysia	Trading of building materials and hardware	**100%**	100%
Held through BESB				
Taraf Nusantara Sdn.Bhd. ("TNSB")	Malaysia	Property development and construction works	**100%**	100%
Triprise Sdn. Bhd. ("TSB")	Malaysia	Property development	**100%**	60%
Maxitanah Sdn. Bhd. ("MTSB")	Malaysia	Property development	**100%**	-
Opti Vega Sdn. Bhd. ("OVSB")	Malaysia	Property development	**100%**	-

12. INVESTMENTS IN SUBSIDIARIES (Cont'd)

The details of the subsidiaries are as follows: - (Cont'd)

Name of Subsidiaries	Country of Incorporation	Principal Activities	Effective Equity Interest 2021	2020
Held through YWT				
Sitiawan Bolts and Nuts Hardware Sdn. Bhd. ("SBNH")	Malaysia	Trading of building materials and hardware	**100%**	-
Held through LPBD				
Lagenda Mersing Sdn.Bhd. ("LMSB")	Malaysia	Property development	**70%**	-

* 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

2020

The acquisition of the entire equity interest in 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 and its subsidiaries, LPBD and LPBC (collectively named as "LPB Group") is regarded as the accounting acquiree of 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 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.

12. INVESTMENTS IN SUBSIDIARIES (Cont'd)

(a) Reverse Acquisition (Cont'd)

2020 (Cont'd)

The fair value of the identifiable assets and liabilities arising from PPA of LPB Group as at the date of reverse acquisition were: -

	As at 31.07.2020 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: -

	RM
Net cash flow arising from reverse acquisition	
Cash and cash equivalents from acquisition of subsidiaries,	
representing net cash inflow from reverse acquisition	11,997,168
Goodwill arising from reverse acquisition	
Deemed purchase consideration transferred [Note 21(iii)(b)]	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

2021

On 30 April 2021, the Company via BESB acquired 400,000 ordinary shares in TSB representing the remaining equity interest of 40% for a cash consideration of RM400,000. Consequently, TSB become a wholly owned subsidiary of the Group.

On 21 June 2021, the Company via LPBD subscribed for 70,000 ordinary shares representing an equity interest of 70% in LMSB for a cash consideration of RM70,000.

On 04 October 2021, the Company had further subscribed 750,000 ordinary shares in LPBD for a cash consideration of RM750,000. No changes to the Company's effective equity interest of 100% in LPBD.

12. INVESTMENTS IN SUBSIDIARIES (Cont'd)

(b) Direct acquisition of subsidiaries (Cont'd)

2021 (Cont'd)

During the financial year, the Company via BESB and YWT acquired the entire equity interest of Maxitanah Sdn. Bhd. ("MTSB"), Opti Vega Sdn. Bhd. ("OVSB") and Sitiawan Bolts and Nuts Hardware Sdn. Bhd. ("SBNH") which were completed on 1 June 2021, 26 July 2021 and 6 October 2021 respectively via the following purchase consideration: -

MTSB
Cash consideration of RM10,200,000.

OVSB
Cash consideration of RM9,900,000.

SBNH
Cash consideration of RM1,400,000.

For accounting purpose, the cut-off was taken on 31 May 2021, 31 July 2021 and 30 September 2021 respectively.

The fair value of the identifiable assets and liabilities arising from the PPA of MTSB, OVSB and SBNH as at the date of completion were: -

	As at 31.05.2021 RM
MTSB	
Inventories	**26,783,756**
Contract assets	**1,541,587**
Trade receivables	**257,433**
Other receivables	**83,367**
Cash and cash equivalents	**3,026,020**
Trade payables	**(3,970,623)**
Other payables	**(6,497,294)**
Tax payable	**(4,466)**
Fair value of net identifiable assets acquired	**21,219,780**

	As at 31.07.2021 RM
OVSB	
Inventories	**14,910,568**
Cash and cash equivalents	**716,567**
Trade payables	**(53,640)**
Other payables	**(6,540,607)**
Tax payable	**(2,300)**
Fair value of net identifiable assets acquired	**9,030,588**

12. INVESTMENTS IN SUBSIDIARIES (Cont'd)

(b) Direct acquisition of subsidiaries (Cont'd)

2021 (Cont'd)

The fair value of the identifiable assets and liabilities arising from the PPA of MTSB, OVSB and SBNH as at the date of completion were: - (Cont'd)

	As at 30.09.2021 RM
SBNH	
Property, plant and equipment	**384,750**
Inventories	**928,377**
Trade receivables	**534,868**
Other receivables	**278,397**
Tax recoverable	**27,370**
Cash and cash equivalents	**85,352**
Deferred tax liabilities	**(2,950)**
Trade payables	**(1,068,535)**
Other payables	**(44,668)**
Amount due to a Director	**(535,000)**
Lease liabilities	**(258,460)**
Fair value of net identifiable assets acquired	**329,501**

The effect of the acquisition on cash flows is as follows: -

	RM
Net cash flow arising from acquisition of subsidiaries	
Cash consideration	**21,500,000**
Less: Cash and cash equivalents from acquisition of subsidiaries	**(3,827,939)**
Net cash outflow on completion of acquisition of subsidiaries	**17,672,061**

The goodwill arising from the direct acquisition is as follows: -

	RM
Goodwill arising from direct acquisition	
Cash consideration	**21,500,000**
Less: Fair value of net identifiable assets acquired	**(30,579,869)**
Goodwill on consolidation	**(9,079,869)**

12. INVESTMENTS IN SUBSIDIARIES (Cont'd)

(b) Direct acquisition of subsidiaries (Cont'd)

2021 (Cont'd)

The goodwill arising from the direct acquisition is as follows: - (Cont'd)

	RM
Representing as follows: -	
Goodwill on consolidation [SBNH (Note 11)]	**1,070,501**
Goodwill written off [OVSB (Note 11)]	**869,412**
Bargain purchase on consolidation (MTSB)	**(11,019,782)**
	(9,079,869)

Purchase price allocation ("PPA")

During the financial year, the Group had performed PPA exercise for those newly acquired subsidiaries, namely, MTSB, OVSB and SBNH.

(i) MTSB

The Group has recognised a bargain purchase of RM11,019,782 arising from the acquisition of MTSB which contributed from its future on-going development project sum which will then be allocated to inventories of the Group. The bargain purchase on acquisition of MTSB has been recognised in the statements of comprehensive income under the line item "Other income".

(ii) OVSB

The Group has written off the unallocated premium paid of RM869,412 arising from the acquisition of OVSB of which it does not derive any further recoverable value. The goodwill written off has been recognised in the statements of comprehensive income under the line item "Other expenses".

2020

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(i).

For accounting purposes, the cut-off was taken on 31 July 2020.

12. INVESTMENTS IN SUBSIDIARIES (Cont'd)

(b) Direct acquisition of subsidiaries (Cont'd)

2020 (Cont'd)

The fair value of the identifiable assets and liabilities arising from the PPA of RUSB and YWT as at the date of completion were: -

	As at 31.07.2020 RM
Property, plant and equipment	117,966
Investment properties	8,105,097
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: -

	RM
Net cash flow arising from acquisition of subsidiaries	
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

The goodwill arising from the direct acquisition is as follows: -

	RM
Goodwill arising from direct acquisition	
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. INVESTMENTS IN SUBSIDIARIES (Cont'd)

(b) Direct acquisition of subsidiaries (Cont'd)

2020 (Cont'd)

Purchase price allocation ("PPA")

In prior financial year, the Group had performed PPA exercise for those newly acquired subsidiaries, namely, RUSB and YWT.

(i) RUSB

The Group has identified a fair value of net identifiable assets of RM53,482,686 arising from the acquisition of RUSB which contributed from its secured on-going construction contract sum which will then be allocated to other receivables and inventories of the Group.

(c) Non-controlling interests in subsidiaries

The subsidiaries of the Group that have non-controlling interests ("NCI") are as follows: -

	LMSB	TSB *	Total
2021			
NCI percentage of ownership and voting interest (%)	**30%**	**0%**	
Carrying amount of NCI (RM)	**(5,390)**	**-**	**(5,390)**
Loss allocated to NCI (RM)	**(35,390)**	**(4,397)**	**(39,787)**
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

* *During the financial year, the Group had acquired remaining 40% equity interest in TSB and resulted TSB became a wholly-owned subsidiary.*

12. INVESTMENTS IN SUBSIDIARIES (Cont'd)

(c) 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: -

	LMSB RM
At 31 December 2021	
Current assets	**4,948,270**
Current liabilities	**(4,966,237)**
Net liabilities	**(17,967)**
For the financial period ended 31 December 2021	
Loss for the financial year	**(117,967)**
Total comprehensive income	**(117,967)**
Cash flows (used in)/from	
Operating activities	**(165,843)**
Investing activities	**(4,506,892)**
Financing activities	**4,928,445**

	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 financial 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)

13. INVESTMENTS IN ASSOCIATES

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Unquoted shares, at cost				
At beginning of the financial year	-	-	-	9,800,000
Addition through reverse acquisition [Note 12(a)]	-	12,448,326	-	-
Disposal	-	(12,448,326)	-	(9,800,000)
At end of the financial year	-	-	-	-
Less: Share of post acquisition result				
At beginning of the financial year	-	-	-	-
Addition	-	(600,347)	-	-
Disposal	-	600,347	-	-
At end of the financial year	-	-	-	-
Net carrying amount	-	-	-	-

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)	-

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
Assets and liabilities	
Total assets	65,351,418
Total liabilities	54,107,418
Results	
Revenue	163,117,071
Profit for the financial year	2,681,001
Total comprehensive income	2,681,001

14. INVESTMENT IN JOINT OPERATIONS

2021

BDB Lagenda Sdn. Bhd. ("BDB") was incorporated on 02 April 2021 where LPBD holds 1 unit of ordinary share and BDB Land Sdn. Bhd. holds the remaining 1 unit of ordinary share. On 06 April 2021, LPBD entered into a Joint Venture Cum Shareholders Agreement with BDB Land Sdn. Bhd. to jointly develop 5 separate parcels of lands located in Darulaman Putra, Negeri Kedah which measuring approximately 229.99 acres into a mixed development project. The Group has classified investment in BDB as investment on joint operation as the Group has rights to the assets and obligations for the liabilities relating to the arrangement.

2020

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.

The details of the joint operation companies are as follows:

Name of Joint Operation Companies	Country of Incorporation	Principal Activities	Effective Equity Interest 2021	Effective Equity Interest 2020
Held through TNSB Lagenda Tapah Sdn.Bhd. ("LTSB")	Malaysia	Property development	**50%**	50%
Held through LPBD BDB Lagenda Sdn.Bhd. ("BDB")	Malaysia	Property development	**50%**	-

15. OTHER INVESTMENT

This represents 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

	Note	Group 2021 RM	Group 2020 RM
Non-current asset			
At cost:			
Lands held for future property development	(i)	**117,960,923**	89,449,895
At net realisable value:			
Lands held for future property development	(i)	**21,060,000**	21,060,000
		139,020,923	110,509,895
Current assets			
Property development costs	(ii)	**401,984,977**	337,590,275
Unsold completed units	(iii)	**69,109,694**	23,843,887
Building materials and hardware		**1,089,063**	-
At end of the financial year		**472,183,734**	361,434,162

16. INVENTORIES (Cont'd)

(i) Lands held for future development

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.

(ii) Property development costs

	Group	
	2021 RM	**2020 RM**
Cumulative property development costs		
At beginning of the financial year		
Land costs	**106,453,540**	137,541,058
Development costs	**459,285,100**	448,647,877
	565,738,640	586,188,935
Cost incurred during the financial year		
Land costs	**115,393,468**	36,680,819
Development costs	**296,099,809**	340,175,178
Addition through acquisition of subsidiaries [Note 12(b)]	**41,694,324**	35,887,681
Addition through reverse acquisition [Note 12(a)]	**-**	43,838,041
Less:		
Transfer to inventories (unsold completed units)	**(47,480,798)**	(11,933,664)
Adjustments to completed projects during the financial year	**(353,161,994)**	(465,098,350)
At end of the financial year	**618,283,449**	565,738,640
Cumulative costs recognised in statements of comprehensive income		
At beginning of the financial year	**(228,148,365)**	(416,606,355)
Recognised during the financial year	**(341,312,101)**	(276,640,360)
Less:		
Adjustments to completed projects during the financial year	**353,161,994**	465,098,350
At end of the financial year	**(216,298,472)**	(228,148,365)
Property development costs at end of financial year	**401,984,977**	337,590,275

(iii) Unsold completed units

During the financial year, total unsold completed units (i.e., commercial shop lots) of RM6,631,427 have been transferred to investment properties as disclosed in Note 10.

The titles to certain lands held for property development, unsold completed units and on-going property development are in the name of Directors' related company ("Landowner") with full power of attorney obtained by the Group. The titles to the on-going development, 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 on-going development of the Group with the total net carrying amount of RM107,994,730 (2020: RM107,814,996) have been pledged to licensed banks for the banking facilities granted to the subsidiaries as disclosed in Note 24.

17. TRADE RECEIVABLES

	Note	Group 2021 RM	Group 2020 RM
Trade receivables			
- third parties		**234,108,296**	165,149,329
- Directors' related companies		**25,505,984**	30,690,717
- retention sum	(i)	**11,460,637**	7,506,141
		271,074,917	203,346,187

The normal credit term of trade receivables is 30 days (2020: 30 days).

(i) 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.

18. OTHER RECEIVABLES

		Group		Company	
	Note	2021 RM	2020 RM	2021 RM	2020 RM
Non-current asset					
Other receivables	(i)	**-**	19,067,297	**-**	19,067,297
Current assets					
Other receivables					
- third parties	(i)	**22,299,266**	2,230,981	**11,454,070**	-
- Directors' related companies	(ii)	**2,963,516**	821,272	**-**	-
- subsidiaries	(iii)	**-**	-	**156,965,265**	49,661,581
Accrued income	(iii)	**-**	-	**484,801**	-
Deposits	(iv)	**12,701,643**	8,207,022	**2,770,714**	2,269,714
Contract costs: -					
- commission	(v)	**6,661,765**	6,526,323	**-**	-
- direct acquisition of subsidiaries		**4,093,350**	11,335,644	**-**	-
Prepayments		**4,574,527**	3,172,923	**1,229,904**	536,834
Goods and service tax ("GST") receivables	(vi)	**-**	-	**-**	-
		53,294,067	32,294,165	**172,904,754**	52,468,129

18. OTHER RECEIVABLES (Cont'd)

(i) This is in respect of receivable from a former associate under deferred payment term pursuant to Shares Sale Agreement ("SSA").

	Group/Company	
	2021 **RM**	**2020** RM
Future minimum collection:		
- collectible within one year	**12,329,194**	-
- collectible within two years	**-**	22,383,608
Less: Fair value adjustment	**(875,124)**	(3,316,311)
	11,454,070	19,067,297

Included in the other receivables of the Group of RM5,454,112 represented liquidated ascertained damages income charged to a sub-contractor regarding the late completion of works on certain development projects.

(ii) Amounts due from Directors' related companies are non-trade in nature, unsecured, which are collectible on demand. As at 31 December 2021, the outstanding balance of RM2,963,516 (2020: RM820,187) is related to sale of fresh fruit bunch income.

(iii) These amounts are non-trade in nature, which represented accrued management fee and interest charged to subsidiaries, which are collectible on demand.

Included in the amounts due from subsidiaries of RM50,500,000, represented dividend income receivable as at the reporting date.

(iv) Included in deposits of the Group of RM7,492,394 (2020: RM4,485,502) were deposits paid for five (2020: 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.

(v) Contract costs represent costs to obtain contracts which 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 as selling and marketing expenses in profit or loss amounting to RM20,395,529 (2020: RM16,467,580).

18. OTHER RECEIVABLES (Cont'd)

(vi) In relation to GST receivable by the Group

	Group	
	2021 **RM**	**2020** **RM**
GST receivable, gross	**-**	211,321
Addition through direct acquisition of subsidiaries [Note 12(b)]	**-**	408,787
Refund	**-**	(620,108)
	-	-
Less: Allowance for impairment loss		
At beginning of the financial year	**-**	(211,321)
Addition through direct acquisition of subsidiaries [Note 12(b)]	**-**	(408,787)
Reversal	**-**	620,108
At end of the financial year	**-**	-
GST receivable, net	**-**	-

19. CONTRACT ASSETS/(LIABILITIES)

		Group	
	Note	**2021** **RM**	**2020** **RM**
Property development	(i)	**214,714,203**	165,708,857
Construction	(ii)	**7,956,382**	11,765,081
Completed units	(iii)	**(2,701,228)**	(3,797,480)
		219,969,357	173,676,458
Represented by:			
Contract assets		**222,670,585**	177,473,938
Contract liabilities		**(2,701,228)**	(3,797,480)
		219,969,357	173,676,458

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.

19. CONTRACT ASSETS/(LIABILITIES) (Cont'd)

Contract liabilities primarily relate to amount billed to customer before a related performance obligation is satisfied by the Group.

(i) Property development

	Group	
	2021 **RM**	**2020** **RM**
At beginning of the financial year	**165,708,857**	105,402,173
Acquisition through reverse acquisition [Note 12(a)]	**-**	22,506,143
Acquisition through direct acquisition [Note 12(b)]	**1,541,587**	-
Revenue recognised during the financial year (Note 4)	**645,060,089**	528,665,878
Consideration paid on behalf/payable	**74,404,230**	67,836,661
Progress billings during the financial year	**(672,000,560)**	(558,701,998)
At end of the financial year	**214,714,203**	165,708,857

(ii) Construction

	Group	
	2021 **RM**	**2020** **RM**
At beginning of the financial year	**11,765,081**	8,389,521
Acquisition through direct acquisition [Note 12(b)]	**-**	31,788,400
Revenue recognised during the financial year (Note 4)	**70,391,805**	95,827,492
Progress billings during the financial year	**(74,200,504)**	(124,240,332)
At end of the financial year	**7,956,382**	11,765,081

(iii) Completed units

	Group	
	2021 **RM**	**2020** **RM**
At beginning of the financial year	**(3,797,480)**	(4,437,140)
Revenue recognised during the financial year (Note 4)	**4,597,097**	8,019,400
Progress billings during the financial year	**(3,500,845)**	(7,379,740)
At end of the financial year	**(2,701,228)**	(3,797,480)

20. CASH AND CASH EQUIVALENTS

		Group		Company	
	Note	2021 RM	2020 RM	2021 RM	2020 RM
Cash and bank balances	(i)	**84,984,909**	69,748,606	**8,293,074**	1,860,519
Fixed deposits with licensed banks	(ii)	**37,839,422**	26,494,422	**-**	-
Short term fund	(iii)	**106,538,741**	118,036,948	**3,141,971**	-
		229,363,072	214,279,976	**11,435,045**	1,860,519

(i) Included in the bank balances of the Group are amount of RM37,753,429 (2020: RM11,561,380) 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.

(ii) The fixed deposits placed with licensed banks by the Group carry interest rates ranging from 2.04%-3.53% (2020: 2.04%-3.53%) per annum.

Included in fixed deposits of the Group is an amount of RM3,585,470 (2020: RM20,029,526) pledged to licensed banks as security for banking facilities granted to the Group as disclosed in Note 24.

(iii) 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 and the Company.

21. ORDINARY SHARES

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Issued and fully paid:				
At beginning of financial year	**220,520,194**	50,500,000	**339,580,184**	56,842,332
Issuance of ordinary shares pursuant to:				
- reverse acquisition [(iii)(b)(c)]	**-**	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 expenses	**92,642,440**	39,256,000	**92,642,440**	43,489,000
Conversion of RCPS	**(3,539,589)**	(178,290)	**180,235,411**	124,788,710
Conversion of Warrant B	**4,927,750**	-	**4,927,750**	-
At end of financial year	**314,550,795**	220,520,194	**617,385,785**	339,580,184

21. ORDINARY SHARES (Cont'd)

	Group/Company	
	2021 Unit	**2020 Unit**
Issued and fully paid:		
At beginning of financial year	**483,489,169**	2,678,229,306
Issued pursuant to private placement	**-**	159,000,000
Before share consolidation	**483,489,169**	2,837,229,306
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	**85,000,000**	50,000,000
Conversion of RCPS	**250,000,000**	170,000,000
Conversion of Warrant B	**3,942,200**	-
At end of financial year	**822,431,369**	483,489,169

(i) 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.

(ii) **2021**

During the financial year, the Company has increased its issued ordinary shares from RM339,580,184 to RM617,385,785 by way of the issuance of: -

- 85,000,000 new ordinary shares through private placement at an issue price of RM1.11 per share for working capital purpose and net off with incurred placement fee of RM1,707,560;
- 250,000,000 new ordinary shares of RM0.7351 each pursuant to the conversion of redeemable convertible preference shares ("RCPS") at a conversion ratio of 1 RCPS for 1 new ordinary share and net off with incurred dividend paid of RM3,539,589; and
- 3,942,200 new ordinary shares at an issue price of RM1.25 per share pursuant to the exercise of Warrants B 2017/2022 ("Warrants B").

2020

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")*

21. ORDINARY SHARES (Cont'd)

(ii) **2020 (Cont'd)**

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.

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.

(iii) 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).

(a) 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.

(b) 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.

(c) 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.

(d) 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.

(iv) 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 21 January 2022. Any warrants which have not been exercised at date of maturity will lapse and cease to be valid for any purpose.

21. ORDINARY SHARES (Cont'd)

Warrants (Cont'd)

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.

During the financial year, 3,942,200 of Warrants B were exercised at an exercise price of RM1.25 per Warrant B. As at 31 December 2021, the total numbers of Warrants B that remain unexercised amounted to 19,283,577.

On 21 January 2022, the total numbers of Warrants B that remained unexercised amounted to 4,387,765 were expired and lapsed.

22. REDEEMABLE CONVERTIBLE PREFERENCE SHARES ("RCPS")

	Company			
	2021 Unit	**2020 Unit**	**2021 RM**	**2020 RM**
Equity				
At beginning of the financial year	**469,641,716**	-	**303,394,098**	-
Issued pursuant to reverse acquisition net off with related expenses	**-**	639,641,716	**-**	355,305,255
Deferred RCPS recognised	**76,550,572**	-	**-**	42,523,843
Conversion during the financial year	**(250,000,000)**	(170,000,000)	**(138,875,000)**	(94,435,000)
At end of the financial year	**296,192,288**	469,641,716	**164,519,098**	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

22. REDEEMABLE CONVERTIBLE PREFERENCE SHARES ("RCPS") (Cont'd)

The carrying amount of the liability component of RCPS of the Company at the reporting date is arrived as follow: - (Cont'd)

	Company			
	2021 Unit	2020 Unit	2021 RM	2020 RM
Liabilities				
At beginning of the financial year	**469,641,716**	-	**95,031,357**	-
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	**76,550,572**	-	**-**	13,748,482
Conversion during the financial year	**(250,000,000)**	(170,000,000)	**(41,360,411)**	(30,353,710)
Dividend paid/payable	**-**	-	**(8,468,953)**	(6,021,594)
Unwinding of discount recognised to profit or loss	**-**	-	**6,839,913**	2,783,609
At end of the financial year	**296,192,288**	469,641,716	**52,041,906**	95,031,357

No RCPS recognised by the Group as a result of reverse acquisition accounting as described in Notes 3(a) and 21(iii).

2021

On 21 January 2021, the RCPS of the Company decreased from RM303,394,098 to RM164,519,098 by way of the conversion of 250,000,000 RCPS for 250,000,000 new ordinary shares at a conversion ratio of 1 RCPS for 1 new ordinary share and net off with incurred dividend paid or payable of RM8,468,953 and unwinding of discount recognised to statements of comprehensive income of RM6,839,913.

On 3 August 2021, the Company has issued and allotted 76,550,572 retention RCPS of which the fair value of RM0.7351 per RCPS has been recognised in prior financial year for the purpose of acquisition of Blossom Group. As at 31 December 2021, the total number of RCPS remain unconverted amounted to 296,192,288.

2020

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 RM6,021,594.

The effective interest rate of the liability component of the RCPS is range from 4.61% to 6.89% (2020: 8.54%) per annum. The changes in effective interest rate are due to early redemption of RCPS during the financial year.

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 RESERVES

		Group		Company	
	Note	2021 RM	2020 RM	2021 RM	2020 RM
Share option reserve	(i)	**9,093,442**	-	**9,093,442**	-
RCPS dividend payable	(ii)	**(10,793,468)**	(5,864,104)	**-**	-
		(1,700,026)	(5,864,104)	**9,093,442**	-

(i) Share option reserve

	Group/Company	
	2021 RM	2020 RM
Share options under ESOS: -		
At 1 January	**-**	-
Addition	**9,093,442**	-
At 31 December	**9,093,442**	-

The share option reserve represents the equity-settled share options granted to employees. This reserve is made up of the cumulative value of services received from employees recorded on grant of share options.

At an extraordinary general meeting held on 28 June 2021, the Company's shareholders approved establishment of an Employee Share Option Scheme ("ESOS") which is governed by the By-Laws.

The salient features of the ESOS are as follows: -

(i) The maximum number of new shares of the Company, which may be available under the scheme, shall not exceed in aggregate 15% of the total number of issued shares of the Company at any point in time during the existence of the ESOS;

(ii) An employee of the Group shall be eligible to participate in the ESOS if, as at the date of the ESOS offer, such employee: -

- has attained the age of at least eighteen (18) years and is not an undischarged bankrupt; and
- is in the employment of any corporation within the Group and/or its subsidiaries, which are not dormant, who has been either confirmed in service for a continuous period of at least one (1) year or serving in a specific designation under an employment contract for a continuous fixed duration of at least one (1) year and has not served a notice to resign nor received a notice of termination.

In the case of a director or a chief executive officer or a major shareholder of the Company and/or persons connected to them, their specific allotments under the ESOS shall be approved by the shareholders of the Company in a general meeting.

(iii) The ESOS shall be in force for a period of five (5) years from 25 October 2021 and may be extended by the Board at its absolute discretion for a further period of up to five (5) years, but will not in aggregate exceed ten (10) years from 25 October 2021 or such longer period as may be allowed by the relevant authorities;

(iv) The option price may be subjected to a discount of not more than 10% of the average of the market quotation of the shares as shown in the daily official list issued by Bursa Malaysia Securities Berhad for the five (5) trading days immediately preceding the offer date, or at par value of the shares of the Company, whichever is higher;

(v) The option may be exercised by the grantee by notice in writing to the Company in the prescribed form during the option period in respect of all or any part of the new shares of the Company comprised in the ESOS;

23. OTHER RESERVES (Cont'd)

(i) Share option reserve (Cont'd)

The salient features of the ESOS are as follows: - (Cont'd)

(vi) All new ordinary shares issued upon exercise of the options granted under the ESOS will rank pari passu in all respects with the existing ordinary shares of the Company, except that new ordinary share allotted and issued, will not be entitled to any dividends, rights, allotments and/or other distributions declared, where the entitlement date of which is prior to date of allotment and issuance of the new shares; and

(vii) The option granted to eligible employees will lapse when they are no longer in employment with the Group.

The option prices and the details in the movement of the options granted are as follows: -

Grant date	Exercisable date	Expiry date	Exercise price RM	01.01.2021 Unit	Granted Unit	Exercised Unit	Lapsed Unit	31.12.2021 Unit
25.10.2021	25.10.2021	25.10.2026	1.44	-	74,600,000	-	-	74,600,000

During the financial year, the Company has granted 74,600,000 share options under the ESOS plan. These options have a vesting period of five (5) years from 25 October 2021 to 24 October 2026 and will expire on 25 October 2026. These options are exercisable if the employee remains in service for three (3) years from the date of grant.

The fair value of ESOS granted during the financial year was estimated using the Trinomial Option Pricing model, taking into account the terms and conditions upon which the options were granted. The fair value of share options measured at grant date and the assumptions are as follows:

	2021
Fair value of ESOS at grant date (RM)	0.80
Weighted average share price (RM)	1.60
Exercise price (RM)	1.44
Expected volatility (%)	43.91%
Risk free rate (%)	3.15%

The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may not necessarily be the actual outcome. No other feature of the option was incorporated into the measurement of fair value.

23. OTHER RESERVES (Cont'd)

(i) Share option reserve (Cont'd)

Directors of the Group have been granted the following number options under ESOS: -

	2021 Unit
At beginning of the financial year	-
Granted	12,000,000
At end of the financial year	12,000,000

(ii) RCPS dividend payable

	Group	
	2021 RM	2020 RM
RCPS dividend payable: -		
At 1 January	**(5,864,104)**	-
Dividend paid/payable during the financial year	**(8,468,953)**	(6,021,594)
Expenses incurred for issuance of RCPS	**-**	(20,800)
Transfer to ordinary share capital	**3,539,589**	178,290
At 31 December	**(10,793,468)**	(5,864,104)

As disclosed in Note 21(iv), other reserve was in relation to dividend paid/payable for unconverted RCPS and will be transferred to ordinary share capital upon conversion.

24. BORROWINGS, SECURED

	Note	Group		Company	
		2021 RM	2020 RM	2021 RM	2020 RM
Secured					
Non-current liability					
Term loans	(i)	**159,137,672**	180,687,494	**88,585,896**	100,512,916
Current liabilities					
Bank overdrafts		**-**	320,005	**-**	-
Banker's acceptance		**8,007,000**	20,583,852	**-**	-
Revolving credit		**10,000,000**	10,000,000	**10,000,000**	10,000,000
Term loans	(i)	**22,853,739**	10,623,892	**13,726,682**	2,010,218
		40,860,739	41,527,749	**23,726,682**	12,010,218
		199,998,411	222,215,243	**112,312,578**	112,523,134

24. BORROWINGS, SECURED (Cont'd)

	Note	Group 2021 RM	Group 2020 RM	Company 2021 RM	Company 2020 RM
Total borrowings					
Bank overdrafts		**-**	320,005	**-**	-
Banker's acceptance		**8,007,000**	20,583,852	**-**	-
Revolving credit		**10,000,000**	10,000,000	**10,000,000**	10,000,000
Term loans	(i)	**181,991,411**	191,311,386	**102,312,578**	102,523,134
		199,998,411	222,215,243	**112,312,578**	112,523,134

The effective interest/profit rates per annum on the borrowings of the Group and of the Company are as follows: -

	Group 2021 %	Group 2020 %	Company 2021 %	Company 2020 %
Bank overdrafts	**-**	2.40 - 6.00	**-**	-
Banker's acceptance	**2.36 - 3.65**	5.45	**-**	-
Revolving credit	**5.45**	5.45	**5.45**	5.45
Term loans	**3.67 - 7.65**	3.70 - 7.70	**5.45**	5.45

(i) Term loans

	Group 2021 RM	Group 2020 RM	Company 2021 RM	Company 2020 RM
Repayble within one year (current)	**22,853,739**	10,623,892	**13,726,682**	2,010,218
Repayable between 1 and 5 years	**128,394,625**	138,333,516	**88,585,896**	100,512,916
Repayable more than 5 years	**30,743,047**	42,353,978	**-**	-
Repayable after 1 year (non-current)	**159,137,672**	180,687,494	**88,585,896**	100,512,916
	181,991,411	191,311,386	**102,312,578**	102,523,134

The banking facilities of the Group and of the Company are secured by the following: -

(i) Third party open charge over lands and properties owned by certain Directors of the Company and Directors' related companies;

(ii) Fixed deposits pledged as disclosed in Note 20(ii);

(iii) Legal charge over lands held for property development and on-going development as disclosed in Note 16;

(iv) Legal charge over the Group's freehold land and properties as disclosed in Note 9(i);

(v) Legal charge over the Group's freehold properties as disclosed in Note 10; and

(vi) Legal charge over the ordinary shares of subsidiaries owned by the Company as disclosed in Note 12.

25. LEASE LIABILITIES

	Group		Company	
	2021	2020	2021	2020
	RM	RM	RM	RM
Non-current liabilities	**3,030,079**	2,655,096	**142,292**	-
Current liabilities	**1,770,903**	1,310,099	**37,747**	-
	4,800,982	3,965,195	**180,039**	-
Future minimum lease payments:				
Repayable within 1 year	**1,994,182**	1,493,227	**44,952**	-
Repayable between 1 and 5 years	**3,162,069**	2,817,061	**153,577**	-
Repayable more than 5 years	**432,500**	2,405	**-**	-
	5,588,751	4,312,693	**198,529**	-
Less: Future finance charges	**(787,769)**	(347,498)	**(18,490)**	-
Present value of minimum lease payments	**4,800,982**	3,965,195	**180,039**	-
Present value of lease liabilities:				
Repayable within 1 year	**1,770,903**	1,310,099	**37,747**	-
Repayable between 1 and 5 years	**2,878,213**	2,652,700	**142,292**	-
Repayable more than 5 years	**151,866**	2,396	**-**	-
	4,800,982	3,965,195	**180,039**	-

The effective interest rates per annum on the lease liabilities of the Group and of the Company are as follows: -

	Group		Company	
	2021 %	2020 %	2021 %	2020 %
Lease liabilities	**4.26 - 14.57**	4.26 - 14.57	**4.42**	-

26. DEFERRED TAX LIABILITIES

	Group	
	2021 RM	2020 RM
At beginning of the financial year	**2,236,026**	358,433
Addition through direct acquisition of subsidiaries [Note 12(b)]	**2,950**	9,635
Recognised in profit or loss (Note 7)	**(1,316,235)**	1,867,958
At end of the financial year	**922,741**	2,236,026

26. DEFERRED TAX LIABILITIES (Cont'd)

The recognised deferred tax (assets)/liabilities before offsetting are as follows: -

	Investment properties RM	Property, plant and equipment RM	Right-of-use assets RM	Other temporary differences RM	Total RM
Group					
2021					
At beginning of the financial year	**-**	**138,267**	**(3,538)**	**2,101,297**	**2,236,026**
Addition through direct acquisition of subsidiaries [Note 12(b)]	**-**	**2,950**	**-**	**-**	**2,950**
Recognised in profit or loss (Note 7)	**36,102**	**5,222**	**(852)**	**(1,356,707)**	**(1,316,235)**
At end of the financial year	**36,102**	**146,439**	**(4,390)**	**744,590**	**922,741**
2020					
At beginning of the financial year	-	84,448	10,311	263,674	358,433
Addition through direct acquisition of subsidiaries [Note 12(b)]	-	9,648	(13)	-	9,635
Recognised in profit or loss (Note 7)	-	44,171	(13,836)	1,837,623	1,867,958
At end of the financial year	-	138,267	(3,538)	2,101,297	2,236,026

27. TRADE PAYABLES

	Note	Group 2021 RM	Group 2020 RM
Non-current liability			
Landowner's entitlement	(i)	**2,792,010**	-
Current liabilities			
Landowner's entitlement	(i)	**2,128,667**	-
Third parties		**140,385,773**	137,350,682
Directors' related companies		**2,516,876**	15,877,625
Retention sum on contracts	(ii)	**50,461,489**	29,485,470
		195,492,805	182,713,777

The normal credit terms granted to the Group range from 30 to 60 days (2020: 30 to 60 days).

(i) These are in respect of payable for landowner's entitlement under deferred payment term pursuant to the development rights agreement entered into with a third party. Pursuant to the said agreement, the entitlement shall be paid based on a mutually agreed schedule of payment. These deferred payables are measured at amortised cost at imputed interest rate of 6.45% per annum.

	Group 2021 RM	Group 2020 RM
Future minimum payments:		
- Repayable within 1 year	**2,331,610**	-
- Repayable within 2 years	**2,840,142**	-
	5,171,752	-
Less: Future accretion interest	**(251,075)**	-
	4,920,677	-
Present value of deferred payable:		
- Repayable within 1 year	**2,128,667**	-
- Repayable within 2 years	**2,792,010**	-
	4,920,677	-

(ii) Retention sums 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

		Group		Company	
	Note	2021 RM	2020 RM	2021 RM	2020 RM
Non-current liability					
Contingent consideration	(i)	**-**	13,807,708	**-**	13,807,708
Current liabilities					
Contingent consideration	(i)	**15,017,145**	-	**15,017,145**	-
Other payables: -					
- third parties		**5,654,003**	947,330	**106,439**	122,639
- Directors' related companies	(ii)	**48,884**	164,515	**-**	157,662
Accruals		**25,018,748**	36,951,013	**1,810,745**	2,114,327
Accrued contractor works	(iii)	**29,048,257**	23,137,005	**-**	-
Refundable deposits received	(iv)	**67,662,791**	20,498,537	**-**	-
		142,449,828	81,698,400	**16,934,329**	2,394,628

(i) Being contingent consideration in relation to direct acquisition of YWT recognised by the Group and the Company in prior 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. Subsequent to the financial year, the remaining consideration has been paid upon satisfaction of profit guarantee by YWT of RM10 million.

The contingent consideration is measured at amortised cost at imputed interest rate of 8.80%.

	Group/Company	
	2021 RM	2020 RM
Future minimum payments:		
- Repayable within 1 year	**15,437,715**	-
- Repayable within 2 years	**-**	15,437,715
Less: Future accretion of interest	**(420,570)**	(1,630,007)
	15,017,145	13,807,708

(ii) These amounts are non-trade in nature, unsecured, interest free advances which are repayable on demand.

(iii) These amounts represent accrued construction costs for on-going development which pending billings from its contractors.

(iv) Refundable deposits received represent booking fees received from the buyers of the units on the project which is refundable upon Certification of Completion and Compliance.

29. DIVIDENDS

	Group/ Company 2021 RM
Recognised during the financial year:	
- Interim single tier dividend for financial year ended 31 December 2020:	
2.5 cent per ordinary share (paid 09 April 2021)	20,462,228
- Interim single tier dividend for financial year ended 31 December 2021:	
3.0 cent per ordinary share (paid 05 October 2021)	24,554,696
	45,016,924

30. RELATED PARTY DISCLOSURES

Identifying related parties

For the purposes 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, directly or indirectly, to control or joint control the party or exercise significant influence over the party in making financial and operating decisions, 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 has a related party relationship with Directors' related companies and key management personnel. The Company has related party relationship with its subsidiaries and Directors' related companies. 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. The related party balances of the Group and of the Company are disclosed in Notes 17, 18, 27 and 28. The related party transactions of the Group and of the Company are shown below.

Related party transactions

The related party transactions between the Group and the Company and their related parties during the financial year are as follows: -

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Subsidiaries				
Advances to	**-**	-	**(75,426,641)**	(50,773,216)
Repayment from	**-**	-	**23,013,740**	46,614,695
Advances from	**-**	-	**112,255**	3,507,461
Repayment to	**-**	-	**(119,906)**	(3,500,000)
Management fee income	**-**	-	**1,084,887**	215,728
Rental income	**-**	-	**429,000**	39,000
Late payment interest	**-**	-	**2,869,436**	1,198,043
Dividend income	**-**	-	**75,500,000**	-

30. RELATED PARTY DISCLOSURES (Cont'd)

	Group		Company	
	2021 RM	**2020 RM**	**2021 RM**	**2020 RM**
Subsidiaries (cont'd)				
Other operating income	**-**	-	**-**	7,000
Other operating expense	**-**	-	**(190)**	-
Assignment of debts	**-**	-	**-**	(33,517,966)
Directors' related companies				
Trade related				
Furniture and fittings cost	**-**	226,800	**-**	-
Repayment to	**-**	(104,628,339)	**-**	-
Non-trade related				
Operating activities				
Sale of fresh fruit bunches	**2,474,593**	1,586,568	**-**	-
Management fees	**(130,142)**	(478,159)	**-**	-
Other operating expenses	**-**	(17,157)	**(21,870)**	(1,590)
Rental expenses and deposits paid	**(867,662)**	(242,250)	**(708,120)**	(223,000)
Financing activities				
Repayment to	**(115,631)**	(87,547,872)	**(157,662)**	(66,928)
Investing activities				
Sale of property, plant and equipment	**-**	199,960	**-**	-
Repayment from	**-**	14,740,580	**-**	-
Directors				
Assignment of debts	**-**	(18,409,154)	**-**	-
Repayment to	**(535,000)**	-	**-**	-
Corporate shareholder				
Repayment to	**-**	(1,706,600)	**-**	-

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, including any Directors of the Company and its subsidiaries.

30. RELATED PARTY DISCLOSURES (Cont'd)

Compensation of key management personnel (Cont'd)

The remuneration of the Directors and other members of key management personnel during the financial year were as follows: -

	Group		Company	
	2021 RM	**2020 RM**	**2021 RM**	**2020 RM**
Directors				
Directors' fee	**161,667**	71,000	**161,667**	117,500
Salaries and other emoluments	**1,738,500**	2,206,334	**898,500**	263,500
Contributions to defined contribution plan	**840,000**	786,648	**420,000**	120,000
Share options	**1,922,708**	-	**1,922,708**	-
Others	**1,848**	4,811	**924**	60,308
	4,664,723	3,068,793	**3,403,799**	561,308
Estimated money value of benefits-in-kind ("BIK")	**275,000**	-	**25,000**	8,333
Total including estimated money value of BIK	**4,939,723**	3,068,793	**3,428,799**	569,641
Key senior management				
Salaries and other emoluments	**483,835**	64,695	**483,835**	64,695
Contributions to defined contribution plan	**52,403**	6,768	**52,403**	6,768
Others	**1,848**	308	**1,848**	308
	538,086	71,771	**538,086**	71,771
Estimated money value of benefits-in-kind ("BIK")	**625**	-	**625**	-
Total including estimated money value of BIK	**538,711**	71,771	**538,711**	71,771

31. CAPITAL COMMITMENT

The Group has the following commitment in respect of acquisition of lands for future development:

	Group	
	2021 RM	**2020 RM**
Authorised and contracted for: -		
Acquisition of lands		
- vacant freehold lands	**89,707,027**	49,145,000
- vacant leasehold lands	**26,869,520**	26,869,520
	116,576,547	76,014,520

32. SEGMENTAL 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 that 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 and supply of hardware and all related products

Segment revenue and results

The accounting policies of the reportable segments are the same as the Group's accounting policies described in Note 3(q). 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. SEGMENTAL INFORMATION (Cont'd)

Information regarding the Group's total reportable segments are presented below: -

	Property development RM	Construction RM	Trading RM	Total reportable segment RM	Non-reportable segment RM	Elimination RM	Group RM
2021							
Revenue							
Sales to external customers	664,473,912	99,563,738	115,528,795	879,566,445	75,500,000	(119,488,659)	835,577,786
Inter-segment revenue	70,893,105	324,417,650	3,941,546	399,252,301	-	(399,252,301)	-
Total revenue	735,367,017	423,981,388	119,470,341	1,278,818,746	75,500,000	(518,740,960)	835,577,786
Segment profit before tax	264,533,556	39,116,754	9,130,446	312,780,756	56,171,990	(89,873,412)	279,079,334
Included in the measure of segment profit are:							
Cost of sales	480,353,178	330,105,486	110,080,916	920,539,580	-	(409,042,710)	511,496,870
Interest income	(2,447,962)	(389,628)	(169,903)	(3,007,493)	(4,072,863)	4,082,634	(2,997,722)
Interest expenses	11,130,564	149,934	411,864	11,692,362	14,751,448	(13,393,931)	13,049,879
Gain on remeasurement of deferred other receivable	-	-	-	-	(970,903)	-	(970,903)
Fair value adjustment on invesment properties	(5,884,591)	441,700	(1,333,730)	(6,776,621)	-	-	(6,776,621)
Depreciation of property, plant and equipment	2,111,073	176,908	57,430	2,345,411	50,893	-	2,396,304
Tax expenses	66,866,579	9,862,397	2,159,490	78,888,466	(363,144)	(911,902)	77,613,420
Segment assets	1,357,559,207	223,851,089	62,921,395	1,644,331,691	962,924,583	(1,159,058,027)	1,448,198,247

32. SEGMENTAL INFORMATION (Cont'd)

Information regarding the Group's total reportable segments are presented below: - (Cont'd)

	Property development RM	Construction RM	Trading RM	Total reportable segment RM	Non-reportable segment 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 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. SEGMENTAL INFORMATION (Cont'd)

Reconciliations of Group's reportable segment profit or loss and assets are presented as below:

	Group	
	2021 RM	**2020 RM**
Segment profit	**312,780,756**	258,764,646
Dividend income	**(75,500,000)**	(16,661,321)
Impairment loss on investment in a subsidiary	**-**	15,143,156
Inter-segment profit	**(33,835,079)**	(39,516,300)
Interest income	**(4,082,634)**	(2,307,662)
Interest expenses	**13,393,931**	12,464,804
Loss on disposal of associates	**-**	(2,047,979)
Bargain purchase on acquisition of a subsidiary	**11,019,782**	-
Goodwill written off	**(869,412)**	-
Other non-reportable segments	**56,171,990**	(9,296,316)
Share of results of associates	**-**	(600,347)
Profit before tax	**279,079,334**	215,942,681

	Group	
	2021 RM	**2020 RM**
Segment assets	**1,644,331,691**	1,323,410,744
Elimination of inter-segment transactions *	**(33,421,805)**	(89,316,870)
Inter-segment balances	**(298,185,829)**	(166,599,227)
Other non-reportable segments	**135,474,190**	94,918,249
Total assets	**1,448,198,247**	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 as 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 the financial risks, including credit risk, interest 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 and the Company's exposure to the abovementioned financial risks and the objectives, policies and processes for the management of these risks.

33. FINANCIAL INSTRUMENTS (Cont'd)

Financial Risk Management Objectives and Policies (Cont'd)

(a) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises principally from its receivables (which consist of trade receivables and other receivables), contract assets and advances to Directors' related companies. The Company's exposure to credit risk arises principally from loans and advances to subsidiaries and financial guarantees given to banks for credit facilities granted to subsidiaries. There are no significant changes as compared to prior year.

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 association 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 2021, the Group have significant concentration of credit risk arising from the amount owing from 4 customers (2020: 3 customers) constituting 26% (2020: 35%) of gross trade receivables of the Group.

Recognition and measurement of impairment loss

Trade receivables and contract assets from property development segment ("collateralised 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 (i.e., 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 lands developed by its subsidiaries and this is deemed serve 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)

Trade receivables and contract assets (Cont'd)

Recognition and measurement of impairment loss (Cont'd)

Trade receivables and contract assets from construction contract segment ("non-collateralised 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-collateralised 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 has applied the simplified approach in MFRS 9 to measure the loss allowance at lifetime expected credit losses as disclosed in Note 3(o)(i). The Group assesses impairment of trade receivables on individual and collective basis.

For individual assessment, it is due to different risk characteristics and these debtors can be individually managed by the Group in an effective and efficient manner. The Group has reasonable and supportable information available to assess the impairment individually.

For collective assessment, the Group determines the expected credit losses by using a provision matrix for collective assessed receivables which are grouped together based on shared credit risk characteristics 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 progressing through successive stages of delinquency.

Loss rates are based on actual credit loss experienced over the prior years and are adjusted to reflect the alternative forward-looking information. 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.

Any receivables having significant balances past due more than 330 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 330 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)

Trade receivables and contract assets (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	
	2021 RM	**2020 RM**
Collateralised receivables		
Trade receivables		
Not past due	**24,171,152**	39,969,160
Past due but not impaired:		
1 day to 30 days	**21,455,391**	17,453,450
31 to 120 days	**37,155,753**	26,293,659
More than 120 days	**53,601,015**	27,846,093
	112,212,159	71,593,202
	136,383,311	111,562,362
Retention sum held by contract customers	**4,617,088**	2,763,142
Contract assets	**214,714,203**	165,708,857
	355,714,602	280,034,361

33. FINANCIAL INSTRUMENTS (Cont'd)

Financial Risk Management Objectives and Policies (Cont'd)

(a) Credit risk (Cont'd)

Trade receivables and contract assets (Cont'd)

Impairment losses (Cont'd)

	Group	
	2021 RM	**2020 RM**
Non-collateralised receivables		
Trade receivables		
Not past due	**47,014,205**	56,165,216
Past due but not impaired:		
1 day to 30 days	**27,666,759**	5,234,791
31 days to 120 days	**26,983,254**	6,851,652
More than 120 days	**14,136,369**	6,355,818
	68,786,382	18,442,261
	115,800,587	74,607,477
Credit impaired:		
More than 120 days	**7,430,382**	9,670,207
Retention sum held by contract customers	**6,843,549**	4,742,999
Contract assets	**7,956,382**	11,765,081
	138,030,900	100,785,764
	493,745,502	380,820,125

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 and 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.

33. FINANCIAL INSTRUMENTS (Cont'd)

Financial Risk Management Objectives and Policies (Cont'd)

(a) Credit risk (Cont'd)

Trade receivables and contract assets (Cont'd)

Receivables that are past due not impaired (Cont'd)

Construction contract and 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 according to historical repayment trend of these trade receivables. The Group does not hold any collateral or other credit enhancement over these balances.

Credit impaired

Property development segment

Trade receivables that are individually determined to be impaired at the reporting date relate to debtors that are in significant financial difficulties and have defaulted on payments subsequent to 120 days past due, depending on risk profile of the respective debtors. These receivables are not secured by any collateral or credit enhancements.

As at 31 December 2021, a debtor of the Group with credit impaired risk on total debt outstanding amounted to RM7,430,382 (2020: RM9,670,207) has been renegotiated with the Group by way of 12-months repayment plan within the next financial year end.

Trading segment

Trade receivables that are determined to be impaired at the reporting date relate to debtors that have defaulted on payments subsequent to 330 days after credit period. These receivables are not secured by any collateral or credit enhancements.

Amounts due from subsidiaries and Directors' related companies

Risk management objectives, policies and processes for managing the risk

The Group and the Company provide unsecured loans and advances to its subsidiaries and Directors' related companies. The Group and the Company monitor the ability of the subsidiaries and Directors' related companies 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 and Directors' related companies 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.

Recognition and measurement of impairment loss

Amount due from subsidiaries and Directors' related companies are repayable on demand. For loans that are repayable on demand, expected credit losses are assessed based on the assumption that repayment of the loan is demanded at the reporting date.

Generally, the Group and the Company consider loans and advances to subsidiaries and Directors' related companies have low credit risk. The Group and the Company assume that there is a significant increase in credit risk when the subsidiaries and Directors' related companies' financial position deteriorates significantly. As the subsidiaries and Directors' related companies are within same group of management and therefore the Management is able to determine the timing of payments of the subsidiaries' and Directors' related companies' loans and advances when it is payable, the Group and the Company consider subsidiaries' and Directors' related companies' loan or advance to be credit impaired when the subsidiaries and Directors' related companies are unlikely to repay the loan or advances to the Group and the Company in full given insufficient highly liquid resources when the loan is demanded.

33. FINANCIAL INSTRUMENTS (Cont'd)

Financial Risk Management Objectives and Policies (Cont'd)

(a) Credit risk (Cont'd)

Amounts due from subsidiaries and Directors' related companies (Cont'd)

Recognition and measurement of impairment loss (Cont'd)

The Group and the Company determine the probability of default for these loans and advances individually using internal information available.

As at year end, there were no indications of impairment loss in respect of amounts due from subsidiaries and Directors' related companies.

Financial guarantees

The Group and the Company provide financial guarantees to its subsidiaries and third parties suppliers in respect of banking facilities and credit limit granted. 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 RM Nil (2020: RM17,408,381) 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 RM 87,685,832 (2020: RM104,599,719) 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 the 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.

Cash and cash equivalents

The cash and cash equivalents are held with banks and financial institutions. As at the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position. These banks and financial institutions have low credit risks. Hence, a loss allowance is not necessary.

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. As at the end of the reporting period, the Group and the Company did not recognise any allowance for impairment losses.

(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.

33. FINANCIAL INSTRUMENTS (Cont'd)

Financial Risk Management Objectives and Policies (Cont'd)

(b) Interest rate risk (Cont'd)

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	
	2021 RM	**2020 RM**	**2021 RM**	**2020 RM**
Floating rate instruments				
Financial asset: -				
Short term investment	**106,538,741**	118,036,948	**3,141,971**	-
Financial liabilities: -				
Bank overdrafts	**-**	(320,005)	**-**	-
Banker's acceptance	**(8,007,000)**	(20,583,852)	**-**	-
Revolving credit	**(10,000,000)**	(10,000,000)	**(10,000,000)**	(10,000,000)
Term loans	**(181,991,411)**	(191,311,386)	**(102,312,578)**	(102,523,134)
	(93,459,670)	(104,178,295)	**(109,170,607)**	(112,523,134)

The Group and the Company are exposed to interest rate risk through the impact of rate changes in floating rate instruments. The changes in interest rates would not have material impact on the profit or loss and equity of the Group and of the Company.

(c) Liquidity risk

Liquidity risk is the risk that the Group and the Company will encounter difficulty 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.

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: -

			<---- Contractual cash flows			---->
Group	**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**
2021						
Trade payables	**198,284,815**	**198,535,890**	**195,695,748**	**2,840,142**	**-**	**-**
Other payables	**142,449,828**	**142,870,398**	**142,870,398**	**-**	**-**	**-**
Borrowings:-						
- Banker's acceptance	**8,007,000**	**8,048,891**	**8,048,891**	**-**	**-**	**-**
- Revolving credit	**10,000,000**	**10,545,000**	**10,545,000**	**-**	**-**	**-**
- Term loans	**181,991,411**	**209,243,663**	**31,776,140**	**49,846,292**	**94,511,480**	**33,109,751**
Lease liabilities	**4,800,982**	**5,588,751**	**1,994,182**	**1,601,726**	**1,560,343**	**432,500**
	545,534,036	**574,832,593**	**390,930,359**	**54,288,160**	**96,071,823**	**33,542,251**
2020						
Trade payables	182,713,777	182,713,777	182,713,777	-	-	-
Other payables	95,506,108	97,136,115	81,698,400	15,437,715	-	-
Borrowings:-						
- Bank overdrafts	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 loans	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
Financial guarantee *	17,408,381	17,408,381	17,408,381	-	-	-
	521,808,704	570,132,287	337,529,482	49,554,492	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
Company						
2021						
Other payables	**16,934,329**	**17,354,899**	**17,354,899**	**-**	**-**	**-**
Borrowings:-						
- Revolving credit	**10,000,000**	**10,545,000**	**10,545,000**	**-**	**-**	**-**
- Term loans	**102,312,578**	**114,222,368**	**19,134,828**	**37,348,584**	**57,738,956**	**-**
Lease liabilities	**180,039**	**198,529**	**44,952**	**153,577**	**-**	**-**
Financial guarantee *	**87,685,832**	**87,685,832**	**87,685,832**	**-**	**-**	**-**
	217,112,778	**230,006,628**	**134,765,511**	**37,502,161**	**57,738,956**	**-**
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 loans	102,523,134	119,738,653	7,548,008	18,953,042	93,237,603	-
Financial guarantee *	104,599,719	104,599,719	104,599,719	-	-	-
	233,325,189	252,715,715	125,087,355	34,390,757	93,237,603	-

* *This liquidity risk exposure is included for illustration purpose only as the related financial guarantees have not crystallised.*

34. FAIR VALUE MEASUREMENTS

Assets and liabilities carried at fair value

The fair value measurement hierarchies used to measure non-financial assets at fair values in the statements of financial position are disclosed in Note 10.

There were no material transfers 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 carrying amounts of short-term receivables and payables and cash and cash equivalents approximate their fair values due to the relatively short-term nature of these 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.

35. CAPITAL MANAGEMENT

The Group's and the Company's objectives when managing capital is to maintain a strong capital base and safeguard the Group's and the Company's ability to continue as a going concern. The Group and the Company monitor and maintain an optimal debt-to-equity ratio that complies with debt covenants and regulatory requirements.

The Group and the Company monitor capital using net debt-to-equity ratio which is the net debt divided by total equity. Net debt includes lease liabilities and loans 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	
	2021 **RM**	**2020** **RM**
Borrowings (Note 24)	**199,998,411**	222,215,243
Lease liabilities (Note 25)	**4,800,982**	3,965,195
Less: Cash and cash equivalents	**(229,363,072)**	(214,279,976)
Total net debts	**(24,563,679)**	11,900,462
Total equity attributable to Owners of the Company	**880,628,459**	618,538,231
Debt-to-equity ratio (%)	*****	2%

* *Not meaningful*

35. CAPITAL MANAGEMENT (Cont'd)

	Company	
	2021 **RM**	**2020** **RM**
Borrowings (Note 24)	**112,312,578**	112,523,134
Lease liabilities (Note 25)	**180,039**	-
Less: Cash and cash equivalents	**(11,435,045)**	(1,860,519)
Total net debts	**101,057,572**	110,662,615
Total equity	**780,475,297**	620,928,406
Debt-to-equity ratio (%)	**13%**	18%

The Group and the Company are in compliance with all externally imposed capital requirements.

36. COMPARATIVE FIGURES

The following are changes in comparative figures due to changes in reclassifications.

(a) Reclassification

Certain comparative figures are reclassified to conform with the current year's presentation.

(b) Reconciliation

	As previously reported RM	As reclassified RM
Group		
Statements of Financial Position		
Non-current assets		
Property, plant and equipment	13,522,598	8,949,284
Investment properties	4,940,682	9,513,996

37. SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

Coronavirus (COVID-19) outbreak

The unprecedented COVID-19 pandemic created global economic uncertainty and caused severe business disruptions. Prevention measures and travel restrictions to contain the spread of COVID-19 is interfering with general activity levels within the community, the economy and the Company's operations. Uncertainty on its duration, scale and long-term impact of the pandemic could have a further impact on the Company's earnings, cash flows and financial condition of the Company.

The Company has acted swiftly to mitigate the effect of declining revenue by implementing stringent cost controls across all its operations, deferring all non-essential capital expenditure, reinforcing liquidity and maintaining sufficient banking facilities to meet its operational needs. The Company will continue to monitor the COVID-19 outbreak affecting the Company's business operations, including the guidelines, regulations and legislations provided by the authorities.

As at the date of this report and based on available information, the Company has assessed the ongoing impact of COVID-19 on its future financial performances, cash flows and liquidity and having considered the outcome of these assessments, the Directors have a reasonable expectation that the Company will have adequate financial resources to enable the Company to meet its obligations and to continue in operational existence for a period of at least twelve months from 31 December 2021.

37. SIGNIFICANT EVENT DURING THE FINANCIAL YEAR (Cont'd)

Acquisition of lands

On 23 June 2021, one of the subsidiaries, LPB Development Sdn. Bhd. ("LPBD") entered into a conditional sale and purchase agreement with SST Development Sdn. Bhd. ("SST"), for the purchase of a parcel of leasehold land, located in Kuantan, Pahang, measuring approximately 2,023,640 square meters for a total cash consideration of RM33,000,000. All conditions precedent ("CPs") set forth in Section 3 of the above-mentioned agreement is satisfied as at 31 December 2021.

On 02 July 2021, Lagenda Mersing Sdn. Bhd. entered into three (3) conditional sale and purchase agreements with Sunrise Mersing Sdn. Bhd. ("SMSB"), to purchase all three (3) parcels of freehold agriculture land, located in Mersing, Johor, measuring approximately 431.09 acres in aggregate for a total cash consideration of RM45,068,918.40 or at RM2.40 per square foot. All conditions precedent ("CPs") set forth in Section 3 of the above-mentioned agreement is yet to be satisfied and therefore the purchase has not been recognised in the financial statements and has been disclosed as capital commitment in Note 31.

Completion on Acquisition of Uncompleted Portion of Teluk Intan Lands

On 26 February 2020, the Company has entered into a conditional share sale agreement ("SSA") with Doh Capital Sdn. Bhd. (formerly known as Doh Properties Holdings Sdn. Bhd.) for the proposed acquisition of the entire equity interest in BESB, for a purchase consideration of RM642,546,412.

Subject to the provisions of completion of Teluk Intan sale and purchase agreement ("SPA") dated 22 May 2017 (as amended by an extension letter dated 21 April 2018 and a supplemental letter dated 30 December 2020) entered into between Ladang Awana Sdn. Bhd. and TNSB in respect of 48 pieces of leasehold land, the parties agreed that the Second, Third and Fourth Tranche Consideration RCPS (amounting to 76,550,572 RCPS) shall only be allotted and issued provided that the sale and purchase of the uncompleted portion of Teluk Intan Lands is completed in accordance with the terms and conditions of the Teluk Intan SPA.

On 03 August 2021, the Company announced that the sale and purchase of the uncompleted portion of Teluk Intan Land was completed on 26 July 2021 pursuant to the Teluk Intan SPA. Accordingly, 76,550,572 Retention RCPS has been allotted and issued to Lagenda Land Sdn. Bhd., being the sole nominee of Doh Capital Sdn. Bhd. (formerly known as Doh Properties Holdings Sdn. Bhd.) pursuant to the above-mentioned SSA on 26 February 2020.

38. EVENTS SUBSEQUENT TO THE END OF FINANCIAL YEAR

Exercise of Warrant B

Subsequent to year end, 14,895,812 of Warrants B were exercised at an exercise price of RM1.25 per Warrant B.

Joint venture arrangement

On 26 January 2022, the Company and Inta Bina Group Berhad ("IBG") had entered into a Shareholders' Agreement ("SA") to incorporate a joint venture company namely, Lagenda Inta Sdn Bhd ("LISB") to carry out the construction activities of the Company. This joint venture is synergistic as it taps into IBG's construction expertise to scale and expand the Group's affordable township development nationwide in the most expeditious manner.

The SA will come into effect on the fulfilment of the following conditions precedent:

(i) IBG having subscribed for 50 ordinary shares at the subscription price of RM150,000 only; and
(ii) The Company having subscribed for 50 ordinary shares at the subscription price of RM150,000 only.

ESOS

On 3 February 2022, the Company has offered 12,450,000 share options to eligible employees of the Company and its non-dormant subsidiaries to subscribe for new ordinary shares in the Company, at an exercise price of RM1.17 per share.

Second interim dividend

On 22 February 2022, the Board of Directors has declared a second interim single tier dividend of 3.5 cent per ordinary share for the financial year ended 31 December 2021. The entitlement date has been fixed on 25 March 2022, which is payable on 11 April 2022 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 2022.

LIST OF GROUP PROPERTIES

No.	Location	Description/ existing use	Land Area	Tenure	Date of Acquisition	Date of Last Valuation	Net Book Value as at 31.12.2021 (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	306.698 hectares	99 years (expiring on 16.12.2091)	06.03.2017	31.12.2019	61,031,716.95
2	H.S.(D) 34904 PT 10546 Mukim Penor, Kuantan, State of Pahang	Land Held for Development	202.364 hectares	99 years (expiring on 26.05.2018)	23.06.2021	N/A	33,000,000.00
3	H.S.(D) 40537, 40539, 40540 PT 42117, 42119, 42120 Mukim Sitiawan, District of Manjung, State of Perak	Agriculture land / Land	183.950 acres	Freehold	29.12.2014	N/A	26,359,818.24
4	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	11.316 hectares	Freehold	20.04.2017	31.12.2019	13,000,000.00
5	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	5.350 acres	Freehold	01.01.2014	31.12.2019	9,905,547.23
6	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	13.450 acres	Freehold	15.11.2013	31.12.2019	7,108,379.79
7	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	7.560 acres	Freehold	15.11.2013	31.12.2019	6,401,270.67

LIST OF GROUP PROPERTIES

No.	Location	Description/ existing use	Land Area	Tenure	Date of Acquisition	Date of Last Valuation	Net Book Value as at 31.12.2021 (RM)
8	H.S.(D) 30233 to 30234 PT 6733 to 6734, H.S.(D) 30226 to 30228 PT 6726 to 6728, and 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	4.108 hectares	Freehold	08.06.2018	31.12.2019	5,303,195.00
9	Geran 53067 Lot 35865 Mukim Sitiawan, District of Manjung, State of Perak	Agriculture land / Land	1.929 hectares	Freehold	25.02.2013	02.04.2021	3,000,000.00
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	3.759 hectares	Freehold	03.07.2017	31.12.2019	2,300,000.00
					TOTAL		167,409,927.89

ANALYSIS OF SHAREHOLDINGS

AS AT 4 APRIL 2022

Total Number of Issued Shares	:	837,327,181
Class of Shares	:	Ordinary Shares
Voting Rights	:	One vote per Ordinary Share
No. of Shareholders	:	7,744

DISTRIBUTION SCHEDULE

Shareholding Category	No. of Shareholders	% of Shareholders	No. of Shares	% of Issued Capital
Less than 100	1,127	14.55	48,278	0.01
100 to 1,000	1,742	22.49	951,708	0.11
1,001 to 10,000	3,543	45.75	15,544,196	1.86
10,001 to 100,000	1,133	14.63	33,364,764	3.98
100,001 and below 5%	196	2.53	246,418,234	29.43
5% and above	3	0.04	541,000,001	64.61
Total	**7,744**	**100.00**	**837,327,181**	**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	341,000,001	40.72
2. Cimsec Nominees (Tempatan) Sdn Bhd Beneficiary: CIMB For Lagenda Land Sdn Bhd	100,000,000	11.94
3. Maybank Nominees (Tempatan) Sdn Bhd Beneficiary: Pledged Securities Account For Lagenda Land Sdn Bhd	100,000,000	11.94
4. SJ SEC Nominees (Tempatan) Sdn Bhd Beneficiary: Pledged Securities Account - Al Rajhi Bank for Lagenda Land Sdn Bhd	29,000,000	3.46
5. Amsec Nominees (Tempatan) Sdn Bhd Beneficiary: Pledged Securities Account - AmBank Islamic Berhad For Doh Capital Sdn bhd	19,520,599	2.33
6. Chen Hong Eng	9,723,100	1.16
7. Doh Properties Holdings Sdn Bhd	9,389,671	1.12
8. Citigroup Nominees (Tempatan) Sdn Bhd Beneficiary: Exempt An For AIA Bhd	8,997,500	1.07
9. Binari Maju Sdn Bhd	8,917,514	1.07
10. Doh Properties Holdings Sdn Bhd	8,660,938	1.03
11. CIMB Islamic Nominees (Tempatan) Sdn Bhd Beneficiary: CIMB Islamic Trustee Berhad - Kenanga Syariah Growth Fund	8,344,500	1.00
12. Tokio Marine Life Insurance Malaysia Bhd Beneficiary: As Beneficial Owner (PF)	8,000,000	0.96
13. Rising Sun Construction Sdn Bhd	7,106,280	0.85
14. CIMB Group Nominees (Tempatan) Sdn Bhd Beneficiary: CIMB Commerce Trustee Berhad For Kenanga Shariah Growth Opportunities Fund	6,980,400	0.83
15. Maybank Nominees (Tempatan) Sdn Bhd Beneficiary: Etiqa Life Insurance Berhad (Growth)	6,859,000	0.82

ANALYSIS OF SHAREHOLDINGS

AS AT 4 APRIL 2022

Name of Shareholders	No. of Shares Held	% of Issued Capital
16. Maybank Nominees (Tempatan) Sdn Bhd Beneficiary: National Trust Fund (IFM Kenanga)	6,533,600	0.78
17. Maybank Nominees (Tempatan) Sdn Bhd Beneficiary: Etiqa Life Insurance Berhad (Dana EKT Prima)	5,941,200	0.71
18. CGS- CIMB Nominess (Tempatan) Sdn Bhd Beneficiary: Pledged Securities Account For Ronie Tan Choo Seng	4,200,000	0.50
19. CIMB Group Nominees (Tempatan) Sdn Bhd Beneficiary: CIMB Commerce Trustee Berhad - Kenanga Malaysian Inc Fund	3,859,500	0.46
20. Chew Soon Kui	3,795,492	0.45
21. Public Nominees (Tempatan) Sdn Bhd Beneficiary: Pledged Securities Account For Ong Tong Pheng @ Eng Ah Toon	3,504,500	0.42
22. Amanahraya Trustees Berhad Beneficiary: Public Emerging Opportunities Fund	3,187,800	0.38
23. Foo Kwai Kheng	2,966,812	0.35
24. Teoh Wei Sheng	2,644,100	0.32
25. HSBC Nominees (Tempatan) Sdn Bhd Beneficiary: HSBC (M) Trustee Bhd For Manulife Investment Al-Faid	2,419,800	0.29
26. Malacca Equity Nominees (Tempatan) Sdn Bhd Beneficiary: Exempt An For Phillip Capital Management Sdn Bhd	2,252,100	0.27
27. Malacca Equity Nominees (Tempatan) Sdn Bhd Beneficiary: Exempt An For Phillip Capital Management Sdn Bhd	2,224,400	0.27
28. Citigroup Nominees (Tempatan) Sdn Bhd Beneficiary: Exempt An For AIA Public Takaful Bhd	2,167,900	0.26
29. Alliancegroup Nominees (Tempatan) Sdn Bhd Beneficiary: Pledged Securities Account For Ong Wee Khiang	2,165,800	0.26
30. Lee Hock Seng	2,150,000	0.26

SUBSTANTIAL SHAREHOLDERS AS AT 4 APRIL 2022 (EXCLUDING BARE TRUSTEES)

(As per Register of Substantial Shareholders)

Name of Substantial Shareholders	No. of shares held or beneficially interested in Direct	Indirect	% of Issued Capital Direct	Indirect
Lagenda Land Sdn Bhd	570,000,001	-	68.07	-
Doh Properties Holdings Sdn Bhd (now known as Doh Capital Sdn Bhd)	37,571,208	-	4.49	-
Setia Awan Plantation Sdn Bhd	-	37,571,208[1]	-	4.49
Dato' Doh Jee Ming	2,300,800	607,571,209[2]	0.27	72.56
Dato' Doh Tee Leong	-	607,571,209[2]	-	72.56
Dato' Doh Jee Chai	-	607,571,209[2]	-	72.56

Notes:

[1] *Deemed interested pursuant to Section 8(4) of the Companies Act 2016 by virtue of its shareholdings in Doh Properties Holdings Sdn Bhd (now known as Doh Capital 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)*

DIRECTORS' SHAREHOLDING AS AT 4 APRIL 2022

(As per Register of Directors' Shareholdings)

Name of Directors	Direct Interest Shareholdings	%	Indirect Interest Shareholdings	%
Dato' Doh Jee Ming	2,300,800	0.27	607,571,209[1]	72.56
Dato' Doh Jee Chai	-	-	607,571,209[1]	72.56
Looi Sze Shing	-	-	-	-
Mohamad Ali bin Ariffin	-	-	-	-
Dr. Lim Pang Kiam	-	-	-	-
Admiral Tan Sri Dato' Seri Panglima Dr. Ahmad Kamarulzaman bin Hj Ahmad Badaruddin (R)	-	-	-	-

Notes:

[1] *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)*

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Twenty-First Annual General Meeting ("21st AGM") of Lagenda Properties Berhad will be held on a fully virtual basis through live streaming and online remote voting via the online meeting platform at https://web.vote2u.my (Domain Registration No with MYNIC: D6A471702) on Monday, 27 June 2022 at 11.00 a.m. or any adjournment thereof 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 2021 together with the Reports of the Directors and Auditors thereon. (Refer to Explanatory Note A)	
2	To approve the payment of Directors' fees up to an aggregate amount of RM440,000 for the Non-Executive Directors of the Company for the financial year ending 31 December 2022.	***(Ordinary Resolution 1)***
3	To approve the payment of Directors' benefits (excluding Directors' fees) up to an aggregate amount of RM85,000 for the financial year ending 31 December 2022.	***(Ordinary Resolution 2)***
4	To re-elect Dato' Doh Jee Chai who retires by rotation pursuant to Clause 95 of the Constitution of the Company.	***(Ordinary Resolution 3)***
5	To re-elect Looi Sze Shing who retires by rotation pursuant to Clause 95 of the Constitution of the Company.	***(Ordinary Resolution 4)***
6	To re-elect Admiral Tan Sri Dato' Seri Panglima Dr. Ahmad Kamarulzaman Bin Hj Ahmad Badaruddin (R) 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 Moore Stephens Associates PLT as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration.	***(Ordinary Resolution 6)***

Special Business

To consider and if thought fit, to pass the following resolution:-

8	**Authority to Issue Shares Pursuant to Sections 75 and 76 of the Companies Act 2016** "THAT pursuant to 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 to issue shares in the capital of the Company at any 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 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 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
29 April 2022

Notes:

1. The 21st AGM of the Company will be conducted entirely on a virtual basis through live streaming and online remote voting using the Remote Participation and Voting Facilities ("RPV Facilities") provided by Agmo Digital Solutions Sdn Bhd on its website at https://web.vote2u.my. Please follow the procedures provided in the Administrative Guide for the 21st AGM in order to register, participate and vote remotely via the RPV Facilities.

2. According to the Revised Guidance Note and FAQs, an online meeting platform can be recognised as the meeting venue or place under Section 327(2) of the Act provided that the online platform is located in Malaysia and all meeting participants of a fully virtual general meeting are to participate in the meeting online.

3. Only members whose names appear on the Record of Depositors on 20 June 2022 ("General Meeting Record of Depositors") shall be entitled to attend, speak and vote at the 21st AGM.

4. 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.

5. A member shall be entitled to appoint not more than two proxies to attend and vote at the 21st 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.

6. 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.

7. 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.

8. Pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions at the 21st AGM shall be put by way of poll.

9. The Form of Proxy duly completed must be deposited at the business address of the Company at Level 4, No. 131, Persiaran PM 2/1, Pusat Bandar Seri Manjung Seksyen 2, 32040 Seri Manjung, Perak Darul Ridzuan not less than 48 hours before the time of holding the 21st AGM or any adjournment thereof. Alternatively, the Form of Proxy may also be lodged electronically via the Vote2U Online at https://web.vote2u.my not less than 48 hours before the time appointed for holding the 21st AGM or any adjournment thereof, resolutions set out above are to be voted by poll. Kindly refer to the Administrative Guide for the 21st AGM for further information on the electronic lodgement of proxy form.

Explanatory Notes

Note A - Audited Financial Statements for the financial year ended 31 December 2021

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 RM440,000 to the Non-Executive Directors ("NEDs") for the financial year ending 31 December 2022. The Directors' fees approved for the financial year ended 31 December 2021 was up to an amount of RM250,000. The increase in Directors' fees proposed for the financial year ending 31 December 2022 are calculated based on additional NEDs to be appointed for the financial year ending 31 December 2022. 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 if passed, is primarily to give flexibility to the Board of Directors to issue and allot shares at any time in their absolute discretion without convening a general meeting. This is a renewal of a general mandate. The Company did not utilise the mandate granted in the preceding year's Annual General Meeting.

This authority, unless revoked or varied by the Company in general meeting, will expire at the next Annual General Meeting. The authority will provide flexibility to the Company for allotment of shares for any possible fund raising activities, including but not limiting to further placing of shares, for the purpose of funding future investment(s), project(s), acquisition(s) and/or working capital.

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 individuals who are standing for election as Directors

No individual is seeking election as a Director (excluding Directors standing for re-election) at the Twenty-First Annual General Meeting ("21st AGM") of the Company.

The profiles of the Directors who are standing for re-election as per Ordinary Resolutions 3 to 5 of the Notice of 21st AGM are stated in the section on the Profile of Directors in this Annual Report.

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

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 stated in the Explanatory Notes of the Notice of 21st AGM as set out in this Annual Report.

LAGENDA PROPERTIES BERHAD
Registration No: 200101000008 (535763-A)
(Incorporated in Malaysia)

ADMINISTRATIVE GUIDE FOR SHAREHOLDERS

TWENTY-FIRST ANNUAL GENERAL MEETING

Date	:	Monday, 27 June 2022
Time	:	11.00 a.m. or at any adjournment thereof
Meeting Venue	:	https://web.vote2u.my
Domain Registration Number with MYNIC	:	D6A471702

In light of the coronavirus (COVID-19) outbreak, governmental decrees, and the encouragement of the Securities Commission Malaysia, as well as in the best interest of public health and the health and safety of our Board of Directors, employees and shareholders, the Annual General Meeting ("**AGM**") will be held virtually and online remote voting using the Remote Participation and Voting Facilities ("**RPV**").

We strongly encourage our shareholders whose names appear on the Record of Depositors as at 20 June 2022 and holders of proxy for those shareholders to participate in the virtual AGM and vote remotely at this AGM. In line with Practice 13.3 of the Malaysian Code on Corporate Governance 2021, this virtual AGM will facilitate greater shareholder's participation (including posting questions to the Board of Directors and/or Management of the Company) and vote at the AGM without being physically present at the venue. For shareholders who are unable to participate in this virtual AGM, you may appoint a proxy(ies) or the Chairman of the Meeting as your proxy to attend and vote on your behalf at the AGM.

Kindly note that the quality of the live streaming is highly dependent on the bandwidth and stability of the internet connection of the participants (shareholders and proxies). Hence, you are to ensure that internet connectivity throughout the duration of the meeting is maintained while using RPV provided by Agmo Digital Solutions Sdn Bhd ("**AGMO**") via its **Vote2U Online** website at https://web.vote2u.my

PROCEDURES TO PARTICIPATE IN RPV

Please follow the Procedure to Participate in RPV as summarized below:

BEFORE AGM DAY

A: REGISTRATION

Individual Shareholders

	Description	Procedure
i.	Shareholders to register with Vote2U online	The registration will open from the day of notice a. Access website at https://web.vote2u.my. b. Click "***Sign Up***" to sign up as a user. c. Read the 'Privacy Policy' and 'Terms & Conditions' and indicate your acceptance of the 'Privacy Policy' and 'Terms & Conditions' on a small box☐. Then click "***Next***". d. *Fill-in your details (note: create your own password). Then click "***Continue***". e. Upload softcopy of your identification card (MYKAD) (front only) (for Malaysian) or Passport (for non-Malaysian). f. Click "***Submit***" to complete the registration. g. Your registration will be verified and an email notification will be sent to you. Please check your email. <u>Note:</u> If you have registered as a user with Vote2U Online previously, you are not required to register again. *Check your email address is keyed in correctly. *Remember the password you have keyed-in.

B: REGISTER PROXY

Individual Shareholder / Corporate Shareholder / Nominees Company

	Description	Procedure
i.	Submit Form of Proxy (hardcopy)	a. *Fill-in details on the hardcopy Form of Proxy and ensure to provide the following information: • MYKAD (for Malaysian) / Passport (for non-Malaysian) number of the Proxy • *Email address of the Proxy b. Submit/Deposit the hardcopy Form of Proxy to **Level 4, No. 131, Persiaran PM2/1, Pusat Bandar Seri Manjung Seksyen 2, 32040 Seri Manjung, Perak Darul Ridzuan.** <u>Note:</u> After verification, an email notification will be sent to the Proxy and will be given a temporary password. The Proxy could use the temporary password to log in to Vote2U. *Check the email address of Proxy is written down correctly.

	Description	Procedure
ii.	Electronic Lodgement of Proxy Form (e-Proxy Form) For individual shareholders only	a. Individual shareholders to log in to Vote2U with your email address and password that you have registered with Vote2U. b. Click "***Register Proxy Now***" for e-Proxy registration. c. Select the general meeting event that you wish to attend. d. Select/add your Central Depository System ("CDS") account number and number of shares. e. Select "***Appoint Proxy***". f. Fill-in the details of your proxy(ies) – ensure proxy(ies) email address(es) is/are valid. g. Indicate your voting instruction should you prefer to do so. h. Thereafter, select "***Submit***". i. Your submission will be verified. j. After verification, proxy(ies) will receive email notification with temporary credentials, i.e. email address & password, to log in to Vote2U. Note: You need to register as a shareholder before you can register a proxy and submit the e-Proxy form. Please refer above 'A: Registration' to register as shareholder.

Shareholders who appoint Proxy(ies) to participate in the virtual AGM must ensure that the hardcopy Form of Proxy or e-Proxy Form is submitted not less than 48 hours before the time for holding the meeting or any adjourned meeting at which the person named in the instrument proposes to vote and in default, the instrument of proxy shall not be treated as valid.

ON AGM DAY

A: WATCH LIVE STREAMING

Individual Shareholders & Proxies

	Description	Procedures
i.	Login to virtual meeting portal - Vote2U Online & watch Live Streaming.	The Vote2U online portal will open for log in starting from **10.00 a.m., Monday, 27 June 2022**, one (1) hour before the commencement of the AGM. a. Login with your email and password b. Select the General Meeting event (for example, "LAGENDA 21st AGM"). c. Check your details. d. Click "***Watch Live***" button to view the live streaming.

B: ASK QUESTION

Individual Shareholders & Proxies

	Description	Procedures
i.	Ask Question during AGM (real-time)	Questions submitted online using typed text will be moderated before being forwarded to the Chairman to avoid repetition. Every question and message will be presented with the full name of the shareholder or proxy raising the question. a. Click "***Ask Question***" button to post question(s). b. Type in your question and click "***Submit***". The Chairman / Board of Directors will endeavor to respond to questions submitted by remote shareholders and proxies during the AGM.

C: VOTING REMOTELY

Individual Shareholders & Proxies

	Description	Procedures
i.	Online Remote Voting	Once the Chairman announces the opening of remote voting: a. Click "***Confirm Details & Start Voting***". b. To vote, select your voting choice from the options provided. A confirmation screen will appear to show your selected vote. Click "***Next***" to continue voting for all resolutions. c. To change your vote, click "***Back***" and select another voting choice. d. After you have completed voting, a Voting Summary page appears to show all the resolutions with your voting choices. Click "***Confirm***" to submit your vote. [Please note that you are not able to change your voting choices after you have confirmed and submitted your votes.]

ADDITIONAL INFORMATION

Voting Procedure

Pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, voting at the AGM will be conducted by poll. Poll administrator and Independent Scrutineers will be appointed to conduct the polling process and verify the results of the poll respectively.

No Door Gift or e-Voucher or Food Voucher

There will be no door gift or e-Voucher or food voucher given at this AGM.

Enquiry

a. For enquiries relating to the AGM Administrative Guide for Shareholders, please email your enquiries or contact our Investor Relation during office hours (9.00 a.m. to 5.00 p.m.) on Mondays to Fridays (except public holidays) as follows:

   Email: ir@lagendaprops.com
   Tel No: +605 6887179

b. For enquiries relating to RPV facilities or issues encountered during registration, log in, connecting to the live streaming and online voting facilities, please contact Vote2U helpdesk during office hours (9.00 a.m. to 5.00 p.m.) on Mondays to Fridays (except public holidays) as follows:

   Tel No: +603 76648520 / +603 76648521
   Email: vote2u@agmostudio.com

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LAGENDA PROPERTIES BERHAD
Registration No: 200101000008 (535763-A)
(Incorporated in Malaysia)

PROXY FORM

No of Ordinary Share(s) Held		
CDS Account No.		
If more than one proxy is appointed, please specify the proportion of your vote in percentage represented by each proxy:	Proxy 1 %	Proxy 2 %

I/We* ____
(Full Name In Block Letters)

NRIC / Passport No.* ______________________ of ______________________________

____
(Address)

being a member of Lagenda Properties Berhad hereby appoint:

Proxy 1

Full name (Block Letters)	NRIC / Passport No.*	Email Address	Contact No.
Full Address			

and/or* failing him/her*

Proxy 2

Full name (Block Letters)	NRIC / Passport No.*	Email Address	Contact No.
Full 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 Twenty-First Annual General Meeting ("21st AGM") of the Company to be held on a fully virtual basis through live streaming and online remote voting via the online meeting platform at https://web.vote2u.my (Domain Registration No with MYNIC: D6A471702) on Monday, 27 June 2022 at 11.00 a.m. or any adjournment thereof.

** delete as appropriate*

(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 2022.		
2.	To approve the payment of Directors' benefits (excluding Directors' fees) for the financial year ending 31 December 2022.		
3.	To re-elect Dato' Doh Jee Chai who is retiring in accordance with Clause 95 of the Company's Constitution.		
4.	To re-elect Looi Sze Shing who is retiring in accordance with Clause 95 of the Company's Constitution.		
5.	To re-elect Admiral Tan Sri Dato' Seri Panglima Dr. Ahmad Kamarulzaman Bin Hj Ahmad Badaruddin (R) 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.	Authority to Issue Shares pursuant to Sections 75 and 76 of the Companies Act 2016.		

Dated this ....day of ...., 2022.

....
Signature(s) / Common Seal of Member

Notes:

1. The 21st AGM of the Company will be conducted entirely on a virtual basis through live streaming and online remote voting using the Remote Participation and Voting Facilities ("RPV Facilities") provided by Agmo Digital Solutions Sdn Bhd on its website at https://web.vote2u.my. Please follow the procedures provided in the Administrative Guide for the 21st AGM in order to register, participate and vote remotely via the RPV Facilities.
2. According to the Revised Guidance Note and FAQs, an online meeting platform can be recognised as the meeting venue or place under Section 327(2) of the Act provided that the online platform is located in Malaysia and all meeting participants of a fully virtual general meeting are to participate in the meeting online.
3. Only members whose names appear on the Record of Depositors on 20 June 2022 ("General Meeting Record of Depositors") shall be entitled to attend, speak and vote at the 21st AGM.
4. 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.
5. A member shall be entitled to appoint not more than two proxies to attend and vote at the 21st 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.
6. 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.
7. 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.
8. Pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions at the 21st AGM shall be put by way of poll.
9. The Form of Proxy duly completed must be deposited at the business address of the Company at Level 4, No. 131, Persiaran PM 2/1, Pusat Bandar Seri Manjung Seksyen 2, 32040 Seri Manjung, Perak Darul Ridzuan not less than 48 hours before the time of holding the 21st AGM or any adjournment thereof. Alternatively, the Form of Proxy may also be lodged electronically via the Vote2U Online at https://web.vote2u.my not less than 48 hours before the time appointed for holding the 21st AGM or any adjournment thereof, resolutions set out above are to be voted by poll. Kindly refer to the Administrative Guide for the 21st AGM for further information on the electronic lodgement of proxy form.

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 21st AGM dated 29 April 2022.

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Stamp

THE COMPANY SECRETARY
LAGENDA PROPERTIES BERHAD
Level 4, No.131, Persiaran PM 2/1
Pusat Bandar Seri Manjung Seksyen 2
32040 Seri Manjung
Perak Darul Ridzuan

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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

www.lagendaproperties.com