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.

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

	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 (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

	Note	<------------------ 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

	Note	Group 2021 RM	Group 2020 RM	Company 2021 RM	Company 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

<u>Consolidation</u>

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

<u>Current tax</u>

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.

<u>Deferred tax</u>

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.

Amortised cost

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

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

Financial liabilities

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

Amortised cost

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

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

(iii) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount presented in the 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 2021 RM	Group 2020 RM	Company 2021 RM	Company 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	Group 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)

	Note	Group 2021 RM	Group 2020 RM	Company 2021 RM	Company 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 2021 RM	Group 2020 RM	Company 2021 RM	Company 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	Company 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%
<u>Held through BESB</u>				
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	Effective Equity Interest 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) **<u>2020</u> (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.

<u>Warrants</u>

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

		Group		Company	
	Note	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

		Group	
	Note	2021 RM	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	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

	Note	Group 2021 RM	Group 2020 RM	Company 2021 RM	Company 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	Group/Company 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.