LAGENDA
PROPERTIES

ON THE WIND TO GROW

Annual Report 2022

ABOUT LAGENDA PROPERTIES BERHAD

We are listed on the Main Market of Bursa Malaysia Securities Berhad and started our journey in affordable housing development in early 2018. We are focused on our core expertise of developing self-sustainable townships, prioritising community-based facilities & public amenities that meet the needs of most Malaysian home buyers under the B40 and the M40 income groups. Although affordably priced, all our homes are landed properties and Lagenda's townships provides facilities and amenities that would benefit and enhance the residents' lifestyle.

Our current two (2) major affordable housing township projects are Bandar Baru Setia Awan Perdana in Sitiawan, Perak and Lagenda Teluk Intan in Teluk Intan, Perak which have combined development area over 2,000 acres and 20,000 affordable homes. We believe our business model is highly scalable and will continue to expand our business blueprint in other states of Malaysia to achieve our vision of being a nationwide affordable township developer. Our next imminent targets are Kedah, Pahang and Johor. Our deliberate landbanking strategies will ensure that we are able to launch at least one new township per year to deliver long term sustainable growth.

VISION

To be the Malaysia's preferred affordable home developer

MISSION

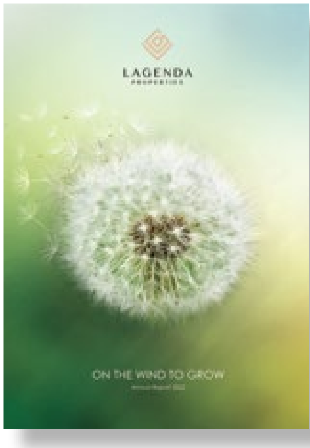
I. To provide affordable housing solutions for the underserved market.

II. To create a self-sustaining township with comprehensive community and public amenities.

III. To enhance stakeholders' value by being a long-term, sustainable, reputable and affordable housing developer in the Malaysia.

IV. To embrace quality and innovation while committing to uphold ESG principles.

CONTENTS



ON THE WIND TO GROW

Dandelion flowers are taken by the wind, seeds follow the path and seek for opportunity to grow on new lands. Lagenda as the dandelion flower seeks for opportunities to expand greater and develop affordable quality homes to Malaysians. Wind will always be blowing as opportunities are everywhere, we with our sustainability will grow stronger than ever.

CORPORATE STRUCTURE

PROPERTY DEVELOPMENT DIVISION

BLOSSOM EASTLAND SDN BHD **100%**

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

LPB DEVELOPMENT SDN BHD **100%**

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

LAGENDA
PROPERTIES

CONSTRUCTION DIVISION

RANTAU URUSAN (M) SDN BHD **100%**

LPB CONSTRUCTION SDN BHD **100%**

LAGENDA INTA SDN BHD **50%**

BUILDING MATERIALS SUPPLY DIVISION

YIK WANG TRADING SDN BHD **100%**

- SITIAWAN BOLTS AND NUTS HARDWARE SDN BHD 100%

CORPORATE INFORMATION

BOARD OF DIRECTORS

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

Dato' Doh Jee Ming
Managing Director

Dr. Lim Pang Kiam
Independent Non-Executive Director

Looi Sze Shing
Independent Non-Executive Director

Myrzela Binti Sabtu
Independent Non-Executive Director

Dato' Mohamed Sharil Bin Mohamed Tarmizi
Independent Non-Executive Director

AUDIT AND RISK MANAGEMENT COMMITTEE

Dr. Lim Pang Kiam *(Chairman)*
Looi Sze Shing
Myrzela Binti Sabtu
Dato' Mohamed Sharil Bin Mohamed Tarmizi

NOMINATION & REMUNERATION COMMITTEE

Dato' Mohamed Sharil Bin Mohamed Tarmizi *(Chairman)*
Looi Sze Shing
Myrzela Binti Sabtu

COMPANY SECRETARIES

Siew Suet Wei (MAICSA 7011254)
Lim Yen Teng (LS0010182)
Liew See See (MAICSA 7062468)

AUDITORS

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

REGISTERED OFFICE

5-9A, The Boulevard Offices
Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur
Wilayah Persekutuan
Tel: 03-2282 6331

SHARE REGISTRAR

Insurban Corporate Services Sdn Bhd
No. 149, Jalan Aminuddin Baki
Taman Tun Dr. Ismail
60000 Kuala Lumpur
Tel: 603-7729 5529
Fax: 603-7728 5948

PRINCIPAL BANKERS

CIMB Bank Berhad
AmBank (M) Berhad

STOCK EXCHANGE LISTING

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

WEBSITE

https://lagendaproperties.com/

CHAIRMAN'S STATEMENT

Dear Valued Stakeholders,

On behalf of the Board of Directors (the "Board") of Lagenda Properties Berhad (the "Company" or "Lagenda"), I am pleased to present the annual report of the Company for the year ended 31 December 2022 ("FYE 2022" or the "financial" year ended under review").

"2022 was another unprecedented year, characterised by persisting effects of the pandemic and macroeconomic headwinds caused by the Russian-Ukraine war, rising interest rates, continuous disruption of trades and commodity prices, and accelerated inflation.

Against this backdrop, Lagenda navigated through these challenges and at the same time put in motion various strategies to fortify our future growth journey.

We forged ahead with our vision of establishing the Company as a preferred affordable housing developer in Malaysia, while maintaining a healthy financial position and delivering ample returns to our shareholders via dividends."

THE SHORTAGE OF AFFORDABLE HOUSING IN MALAYSIA

The shortage of affordable housing remains a complex, recurring and persistent issue in many parts of the world. Housing affordability is a global concern plaguing residents in major cities worldwide in both developing and advanced economies. According to a report from United Nations, being defined to mean a lack of secure tenure and, amongst others, access to appropriate services and employment opportunities[1].

Closer to home, Bank Negara Malaysia, has since 2004 stressed time and again that house prices in Malaysia continue to be "severely and seriously unaffordable" for most households, and this situation has undoubtedly worsened since for those whose incomes were affected by the pandemic and economic downturn[2].

Affordable housing is a crucial part of our nation's economic development. Without access to affordable housing, many families, individuals, and communities are unable to thrive and progress. Although having a home is a basic need, there is a shortage of housing within the B40 group's reach across most states in Malaysia, leading to a large addressable market for Lagenda. We believe that everyone deserves access to this basic need, and we are committed to making landed homes affordable to a broader spectrum of Malaysians.

[1] https://www.ohchr.org/en/special-procedures/sr-housing/human-right-adequate-housing
[2] Bank Negara Malaysa (2021) Financial Stability Review, Second Half 2021 (accessible through https://www.bnm.gov.my/documents/20124/6459002/fsr21h2_en_book.pdf)

RESILIENT PERFORMANCE AND COMMITMENT TO REWARD SHAREHOLDERS

Like most businesses, we were not spared from the challenges in 2022, ranging from labour shortages to volatile commodity prices. Overall, we were able to navigate these and deliver satisfactory revenue and net profit figures of RM866.9 million and RM178.2 million respectively, for the FYE 2022. Our revenue was 3.8% higher than the preceding year while net profit was 11.5% lower due to the provision for prosperity tax and upfront costs incurred in preparation for multi-state launches in the coming months. Nevertheless, we maintained a healthy net profit margin of 20.6% in FYE 2022.

After careful consideration of the financial performance and the needs of the Company, we have decided to adopt a formal dividend policy paying out at least 25.0% of our yearly consolidated net profit as dividends. This policy is effective from FYE 2022, and will be reviewed once every two years.

We believe the dividend policy will allow the Company to balance our financial needs while ensuring our shareholders are rewarded over the coming years. For FYE 2022, the Board has declared total dividends amounting to 6.5 cent per share, which aggregates to an absolute amount of RM54.4 million, representing a pay-out ratio of 30.5%, above our dividend policy of 25.0%.

Further details of the Group's financial performance for FYE 2022 is provided in the Management Discussion and Analysis section of this Annual Report.

OUR SUSTAINABILITY JOURNEY

As we have progressed on our sustainability journey, it has become increasingly evident that embracing a balanced Environment, Social and Governance ("ESG") approach is a key factor in realising our vision of being the Malaysia's preferred affordable housing developer. Since the establishment of our ESG Key Performance Indicators ("KPIs") in 2021, we are committed as an organisation to holding ourselves accountable to the established KPIs as we aim to continuously improve. These KPIs will continue to be measured and refined going forward, as we work towards institutionalising our sustainability goals and objectives.

For FYE 2022, we have made significant progress in reducing our environmental footprint by implementing various initiatives. These include planting more than 5,000 trees, being involved in mangrove reforestation projects and installing energy-efficient LED lighting in our buildings. We have also pledged to promote diversity and inclusion by increasing the female board composition to 30% and balancing gender representation in our talent force.

We additionally recognise that the social pillar of sustainability continues to require hands on support, and as such, we have carried out close engagement with local communities in our townships by focusing on waste reduction activities, providing a community garden space and with it, continuous upskilling programmes. Over and above that, Lagenda ensures that all of its suppliers are locally based to support local businesses and do its part in ensuring economic spillover.

The year under review also marked a significant milestone in our sustainability journey with the expansion of our reporting of greenhouse gas ("GHG") emissions in Scope 1 and Scope 2 disclosures in line with the Task Force on Climate-Related Financial Disclosures ("TCFD") recommendations. Significantly, this move provides further insight into Lagenda's strategy and actions with regard to climate change considerations and demonstrates the Group's commitment to achieve better alignment with global goals and standards, and with that working our way towards fulfilling our sustainability aspirations.

Lagenda believes that sustainability is essential for a better tomorrow, and the Group will continue to prioritise ESG as a business enabler that supports its growth throughout our journey.

The Company's Sustainability Statement is set out from pages 19 to 67, with a comprehensive coverage on our sustainability performance, aspirations and achievements for the year under review.

NAVIGATING AHEAD

The property market as a whole, moved into 2023 facing headwinds. Key considerations from a macroeconomic perspective such as rising cost of living and increased interest rates, are generally dampeners to consumer sentiments which will impact property sales.That said, as far as Lagenda is concerned, we remain confident in our ability to deliver medium to long-term growth. Our niche focus on affordable landed housing allows us to remain somewhat insulated during challenging times. We see an opportunity to increase our presence in more areas as most Malaysian's continue to prioritise affordable living spaces with community-based facilities and amenities.

Despite the challenges we have faced over the past year, we remained steadfast in executing our vision to be the preferred nationwide affordable housing developer. During the year, we launched approximately 4,800 units of homes with a total gross development value ("GDV") of RM1.1 billion, including 1,400 units in Darulaman Lagenda, Sungai Petani. This new township received an overwhelming response with 98% of the units booked within two months, demonstrating that we are adopting the right strategies to replicate our success outside of Perak.

We have grown our landbank steadily, announcing the acquisition of 422 acres of land adjacent to our current project in Teluk Intan and a further 1,070 acres in Kulai, Johor. Upon completing these acquisitions, we will have a sizable landbank of close to 4,800 acres throughout Peninsular Malaysia. With this, Lagenda has a clear growth map and will ramp up momentum over the next few years to further cater to the large demand for affordable housing, while ensuring our shareholders are rewarded fairly.

ACKNOWLEDGEMENTS & CONCLUSION

First and foremost, I would like to thank our homebuyers for putting their trust in us. We understand that buying a property is a significant decision, and we are honoured to have helped so many Malaysians achieve their dream of homeownership. To our suppliers and contractors, thank you for your professionalism, dedication, and commitment to quality. Your role has been invaluable in ensuring that our projects are completed on time at the required standards.

Furthermore, I would like to acknowledge the hard work and dedication of our Board of directors, management and employees. Your passion, creativity, and tireless efforts have been the driving force behind our success. Lagenda's efforts and progress did not go unnoticed. We received several accolades from The Edge Property Excellence Awards 2022, The Star Property Awards 2022 and Property Guru Asia Awards 2022, which were the results of your unwavering commitment to excellence. It is an honor to work with such an exceptional team, and I am confident that we will continue to achieve even more together in the future.

On behalf of the Board, I would like to mention our appreciation to Encik Mohamad Ali Bin Ariffin and Dato' Doh Jee Chai, who retired from the Board and convey a warm welcome to Puan Myrzela Binti Sabtu and Dato' Mohamed Sharil Bin Mohamed Tarmizi who joined us as Independent Non-Executive Directors.

Last but not least, I would like to thank our shareholders for their continued support and confidence in our company. We will continue to pursue sustainable value and are grateful for your belief in our vision and mission.

We take great pride in our work, and we are committed to creating townships that are inclusive, safe, and built to last. Together, we will continue to build a better future, one home at a time.

Thank you for your continued support.

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

Independent Non-Executive Chairman

BOARD OF DIRECTORS

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

Date Joined:
14 January 2022
| Male | Malaysian | 64
Independent Non-Executive Chairman

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

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

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

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

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

He does not hold any shares in the Company.

Dato' Doh Jee Ming

Date Joined:
20 December 2017
| Male | Malaysian | 43
Managing Director

He has vast experience in the property development and construction industry during the early years of his career and is very hands-on in the businesses of the Group. The success of the Group owes much to his extensive involvement in its operations and management. He is also the business owner of several private limited companies in Malaysia.

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

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

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

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

Dr. Lim Pang Kiam

Date Joined:
1 March 2021
| Male | Malaysian | 60
Independent Non-Executive Director,
Chairman of Audit & Risk Management Committee

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

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

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

He currently sits on the Board of Inta Bina Group Berhad, Engtex Group Berhad and SDS Group Berhad and as an Independent Non-Executive Chairman. He was appointed as Chief Executive Officer in K. Seng Seng Corporation Berhad on 3 January 2022.

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

He does not hold any shares in the Company.

Looi Sze Shing

Date Joined:
28 June 2019
| Female | Malaysian | 46
Independent Non-Executive Director,
Member of Audit & Risk Management Committee,
Member of Nomination and Remuneration Committee

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

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

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

She does not hold any shares in the Company.

Myrzela Binti Sabtu

Date Joined:
27 February 2023
| Female | Malaysian | 61
Independent Non-Executive Director,
Member of Audit & Risk Management Committee,
Member of Nomination and Remuneration Committee

She has 36 years of experience in the real estate development and construction industry, asset management and fund administration company with two (2) major developers as well as one (1) board member representation of a development company in Malaysia, Australia and the United Kingdom from March 2019 to January 2022.

She has extensive experience in leading, planning, strategizing, monitoring and the management of real estate investments, development, procurement, land administration, public networking, sales and marketing, facilities management and project management.

She obtained a Diploma in Building from Universiti Teknologi MARA in 1984 and Bachelor in Science (Hons) in Building from Leeds Beckett University, United Kingdom in 1988.

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

She does not hold any shares in the Company.

Dato' Mohamed Sharil Bin Mohamed Tarmizi

Date Joined:
3 April 2023
| Male | Malaysian | 54
Independent Non-Executive Director,
Member of Audit & Risk Management Committee,
Chairman of Nomination and Remuneration Committee

He has a broad range of experience in legal and financial advisory practise and has deep experience in both corporate and regulatory areas. A law graduate, he started his career in Malaysia as an advocate and solicitor of the High Court of Malaya, practising with Azman Davidson & Co and later, Zaid Ibrahim & Co. He also possesses uniquely diverse experience in both the public and private sectors. In 2009, he joined Malaysian Communication and Multimedia Commission (MCMC) as its Chief Operating Officer. Subsequently, he was appointed to the position of Chairman and Chief Executive Officer of MCMC from 2011 to 2014.

He also has very board international experience in the technology, media and communications (TMT) space and is active in the technology startup scene. He is a Senior Advisor to Quantephi Sdn Bhd, a boutique investment advisory firm in Malaysia licensed by the Securities Commission, Malaysia and a Senior Advisor to Asean Advisory Pte Ltd, a specialist advisory and consulting firm based in Singapore. He is also on the Board of Pos Malaysia Berhad, the Board of Lotus Cars UK and a Member of the Advisory Board of the United Nations University Institute based in Macau, a Special Administrative Region of China.

He qualified as a Barrister-at-Law of Gray's Inn, London, United Kingdom and graduated with a LLB (Hons) from the University College of Wales, Aberystwyth.

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

He does not hold any shares in the Company.

KEY SENIOR MANAGEMENT

Lee Wei Jin

Chief Financial Officer

Date Joined:
19 August 2019

Male | Malaysian | 40

Qualification:

Degree in Accounting, Multimedia University (Malacca)

Member, Malaysian Institute of Accountants

Working Experience:

He started his career in 2006 as an Auditor in a medium-sized audit firm. During his tenure with the firm, he was given the opportunity to lead the audit for medium to large private companies as well as public listed companies from various industries which includes trading companies, food & beverages chain, and property development. He was also assigned for special assignments and corporate exercises of the clients during his tenure with the auditing firm.

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

He is currently responsible for the management of financial affairs of the Group and sits on the board of several subsidiaries of the Group.

Mohd Izuan Bin Yahya

Head, Investments & Investor Relations

Date Joined:
7 February 2022

Male | Malaysian | 37

Qualification:

Bachelor of Accounting (Honours), International Islamic University Malaysia

Chartered Financial Analyst (CFA)

Working Experience:

He has more than 13 years of experience in investments, corporate finance and executing high profile transactions. He was most recently a Vice President of Investments in Khazanah Nasional Berhad, where he managed the sovereign wealth fund's strategic investments in Iskandar Malaysia and PLUS highways. Prior to that, he had also served in various roles within MMC Corporation Berhad, QuantePhi Sdn Bhd, and Malaysia Airlines System Berhad.

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

Cheah Lye Aik

Head, Project Planning & Development

Date Joined:
16 January 2020

Male | Malaysian | 53

Qualification:

Bachelor of Science (Honours) HBP (Planning), Universiti Sains Malaysia

Master of Science Town Planning, Universiti Sains Malaysia

Corporate member of Malaysian Institute of Planners and Board of Town Planners, Malaysia

Working Experience:

He has more than 24 years of experience as a town planner include site appraisals, landscape design, budgeting, project management, knowledge of local demography, market research, data analysis, teamwork, leadership, communication and time management.

He joined Lagenda Group in 2020 as our General Manager and has worked his way up to the present position as Head of Project Planning and Development. He currently oversees all the project planning and development of all the Group projects.

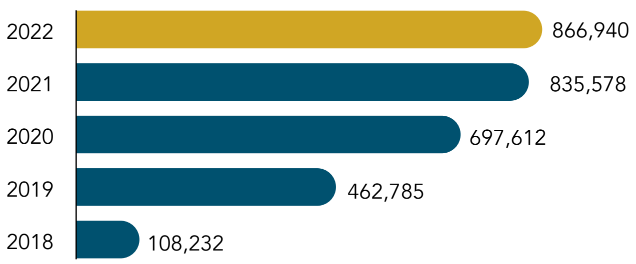
Save as disclosed below, none of the senior management personnel has:

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

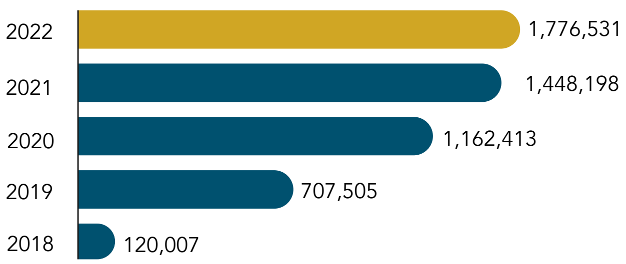
5 YEARS GROUP FINANCIAL HIGHLIGHTS

Financial Year Ended	Audited 31-Dec 2022	Audited 31-Dec 2021	Audited 31-Dec 2020	Audited 31-Dec 2019	Audited 31-Dec 2018 Restated
Financial Results					
Revenue (RM'000)	**866,940**	835,578	697,612	462,785	108,232
Profit/(Loss) Before Taxation (RM'000)	**251,502**	279,079	215,943	140,191	(26,903)
Profit Attributable To Owners of The Parent (RM'000)	**178,257**	201,506	142,487	96,060	(27,626)
Dividend Per Share (sen)	**6.50**	6.50	2.50	Nil	Nil
Financial Position					
Total Cash And Cash Equivalents (RM '000)	**441,796**	229,363	214,280	69,201	8,503
Total Assets (RM'000)	**1,776,531**	1,448,198	1,162,413	707,505	120,007
Total Borrowings (RM'000)	**386,203**	204,799	226,180	95,418	11,340
Share Capital (RM'000)	**333,171**	314,551	220,520	50,500	56,842
Reserve (RM'000)	**(8,630)**	(1,700)	(5.864)	-	586
Equity Attributable to Owners Of The Parents (RM'000)	**1,016,149**	880,628	618,538	311,895	57,428
Financial Position					
Basic Earnings/(Loss) Per Share (sen)	**0.21**	0.25	0.57	0.40	(0.01)
Net Assets Per Share (RM)	**1.21**	1.10	2.53	1.35	0.02
Return On Equity (%)	**17.54**	22.88	22.04	30.80	(48.11)
Gearing Ratio (times)	**0.38**	0.23	0.36	0.30	0.20

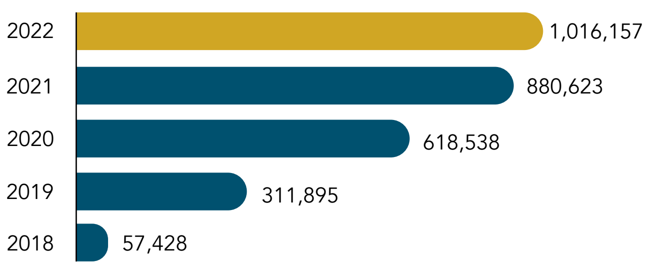
REVENUE
RM'mil **866,940**



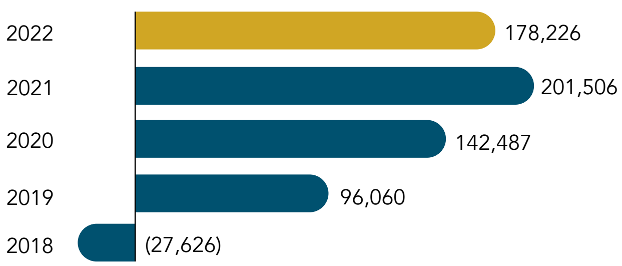
TOTAL ASSETS
RM'mil **1,776,531**



TOTAL EQUITY
RM'mil **1,016,157**



PROFIT/(LOSS) AFTER TAX
RM'mil **178,226**



MANAGEMENT DISCUSSION & ANALYSIS

Dear Valued Stakeholders,

It is my pleasure to present to you the developments of Lagenda for FYE 2022 as we continue on our journey to become the preferred nationwide affordable housing developer.

Lagenda recognises the limitations that many homebuyers face in accessing affordable landed homes, and we are committed to making homeownership a reality for more Malaysians. We aim to focus on our unique selling point of developing townships which are accompanied by lifestyle facilities, encouraging our residents to embrace healthy, communal activities.

At Lagenda, we are always working with a key overarching principle in mind, aiming to redefine affordable living, creating more sustainable communities, while positively impacting the lives of individuals and families.

Over the past year, we have made significant strides towards our goal, launching our first township beyond Perak while fortifying our landbank throughout Peninsular Malaysia.

Despite the after-effects of the pandemic which prolonged and delayed certain activities, we successfully achieved notable milestones in our journey in FYE 2022. In this Management Discussion & Analysis ("MD&A"), we will provide you with a review of our financial and operational performance over the past year and highlight our key achievements, challenges, opportunities, and strategic initiatives for the future.

OVERVIEW OF LAGENDA PROPERTIES BERHAD

Lagenda Properties Berhad is an affordable homes and integrated township developer listed on the Main Market of Bursa Malaysia Securities Berhad. We focus on developing self-sustainable townships which prioritise community-based facilities & public amenities that meet the needs of Malaysian homebuyers within the B40 and the M40 household income group classification.

A home is a necessity and most of our buyers are first-time home buyers. Demand for affordable landed housing is resilient at the right prices. To ensure affordability, the prices of our homes are reverse engineered based on the B40 and M40 household income groups in the different districts where our townships are located. Our major townships provide facilities and amenities such as club house, pool, gymnasium, multipurpose hall, football fields and badminton courts to enhance socialisation and community building for our residents. With our focus on lifestyle and a competitive pricing strategy, we continue to record healthy take-up rates.

Aside from property development, we also have an internal construction arm and a building materials supply division, enabling us to optimise cost and maintain price competitiveness. A key component of our business model is our Group's in-house construction arm, which undertakes a portion of our construction works to ensure that we are not wholly reliant on external subcontractors. Our building materials supply division purchases construction materials in bulk directly from manufacturers or wholesalers, which eliminates the need for intermediaries and allows for better cost management. This can help us manage the pricing of our homes, keeping them affordable, while sustaining healthy profit margins.

REVIEW OF OPERATING ACTIVITIES

PROPERTY LAUNCHES

During the year, we launched close to 4,800 units of homes with a total gross development value ("GDV") of RM1.1 billion. This includes Phase 4A of Bandar Baru Setia Awan Perdana, Phase 3A in Lagenda Teluk Intan, Lagenda Tropika located in Tapah, Phases 1 & 2 of Darulaman Lagenda, Sungai Petani and Phase 3 of Taman Mulia.

2022 was a milestone year for us as we embarked on a journey of expansion beyond Perak, venturing into the state of Kedah. Our groundbreaking ceremony for the Darulaman Lagenda township, a joint venture with Bina Darulaman Bhd, marked the beginning of our quest to build the largest affordable housing development in Kedah, with over 2,500 homes across three phases. We successfully launched 1,400 units in this new township during the fourth quarter of 2022 and received an overwhelming response, with 98% of the units booked within two months. This demonstrates the appeal and the fact that of our townships and that we are adopting the right strategies to replicate our success outside of Perak.

For FYE 2022, we clocked total confirmed sales of RM788 million, surpassing our performance in FYE 2021 of RM757 million despite temporary delays in planned launches caused by external factors. Bookings and sales momentum continued to be healthy and we expect this to carry into 2023 as the demand for affordable housing still outstrips supply. As at 31 December 2022, the Group's unbilled sales and bookings stood at RM680 million and RM439 million, respectively, providing visibility for 2023.

TOWNSHIP UPDATES

We remain confident in our ability to deliver mid to long term growth. We see opportunities to expand our presence in our existing township and new areas as the majority of Malaysians continue to prioritise affordable living spaces with accompanying facilities. With our competitive pricing strategy, we continue to register high take-up rates in our major townships. Demand for housing by the B40 group is resilient, as long as the price remains affordable.

Details of our key townships are set out below:

Bandar Baru Setia Awan Perdana ("BBSAP")

BBSAP is a well-planned township and thought-out development that has transformed the Manjung district in Perak. Its strategic location adjacent to the West Coast Expressway (WCE) allows easy access to the city centre of Kuala Lumpur, which is a 155 km drive away, and Pangkor Island, which is only 25 km away.

Equipped with comprehensive infrastructure and community facilities, such as schools, government offices, commercial malls, and other amenities, BBSAP is a self-sustaining township. This township offers an upscale lifestyle with premium facilities, including a clubhouse, a gymnasium, and an Olympic-sized pool that were officially opened in FYE 2022. We have also established community garden facilities that cater to the needs of the local community within the BBSAP residents, promote recreational activities, and provide better access to food resources.

BBSAP will be developed over four major phases to deliver over 14,000 units of houses. As at the end of FYE 2022, we have launched over 10,000 units in this township.

As at FYE 2022, this development recorded an overall take-up rate of 96%.

Lagenda Teluk Intan ("LTI")

LTI is the first and largest affordable township, planned to become a new landmark of Teluk Intan. It is strategically accessible within 5 km of West Coast Expressway (WCE) to its west and 6 km from Teluk Intan town centre.

This affordable township development comprises a variety of facilities and amenities that are slated to change the landscape of Teluk Intan. It is equipped with complete community facilities such as exclusive clubhouse and 24-hour security to ensure the community's safety is not compromised.

This township is planned to be developed over 6 major phases, delivering over 13,000 units of houses upon completion. As at the end of FYE 2022 we have launched over 5,500 units in this township.

As at FYE 2022, this development has a take-up rate of 87%.

Lagenda Tropika

Lagenda Tropika is an affordable township located in Tapah and surrounded by nature. The township is strategically located within 10 km of distance from the nearby township, offering ample amenities such as a hospital, health clinic, schools and supermarket. Lagenda Tropika features a range of facilities, including a football field, playground, kindergarten, cycling track and jogging tracks.

It consists of 1,481 units of homes that was launched in FYE 2022. As of FYE 2022, this development has a take-up rate of 50%.

DARULAMAN LAGENDA
SUNGAI PETANI

Darulaman Lagenda

Darulaman Lagenda, a joint venture with Bina Darulaman Bhd to build the largest affordable housing township in Sungai Petani, Kedah, with over 2,500 homes to be built over 3 phases. It is strategically located in a matured neighbourhood in Sungai Petani. The main access is via the North-South Expressway PLUS through the Sungai Petani exit. This township is surrounded by various community facilities such as a hospital, school and commercial areas.

We successfully launched 1,400 units in this new township during the fourth quarter of 2022 and received an overwhelming response, with 98% of the units booked within two months.

ACQUISITIONS AND LANDBANKING

A robust and quick-churning landbanking focus is essential for us to maintain a steady pipeline of new launches and ensure long-term, sustainable growth. Lagenda has undertaken deliberate landbanking strategies, targeting strategic locations nationwide to expand our footprint and market presence.

During the year, we announced the acquisition of 422 acres of land in Teluk Intan, adjacent to our on-going affordable township development LTI. This land is suitable for near-term development as future phases of this township will capitalise on the infrastructure built for Phases 1 & 2. By acquiring this land now, we will be able to avoid the risk of higher purchase consideration as LTI becomes more developed with a higher population.

We have witnessed a strong take-up for LTI Phases 1 and 2, which are at 99.7% and 97.6%, respectively, as of February 2023. This has spilled over to robust demand for the recently launched Phase 3A and is expected to carry to future phases. These 422 acres of land will add approximately RM920 million to our future GDV.

We have entered into a joint venture with the Selangor government via Kumpulan Hartanah Selangor Bhd ("KHSB") to develop a 191-acre plot of land in Bernam Jaya, Selangor into an affordable township with 2,000 units of affordable homes and GDV of approximately RM500 million. This will be our first foray into Selangor and we are conscious of the urgent need for more affordable homes here, given its large population. Lagenda and KHSB intend to dismantle the perception that landed homes within Selangor are out of reach for the public by providing landed homes that are not only affordable, but also a part of a sustainable and well-planned township.

In February 2023, our 70% owned indirect subsidiary, Lagenda Mersing Sdn. Bhd., entered into a conditional Sale and Purchase Agreement with an indirect subsidiary of Permodalan Nasional Berhad ("PNB") to acquire 1,070 acres of land in Kulai, Johor. This land is strategically located within the proximity of multiple industrial parks and the region's economic hub of Johor Bahru, being just 18 kilometres ("km") away from Senai International Airport with its associated logistics and industrial hubs, and 39km away from Johor Bahru city centre. Lagenda plans to develop a large-scale affordable and self-sustaining township which will span over 12,000 residential units accompanied by commercial portions with an estimated GDV of RM4 billion, subject to final planning and approval at a later stage. This large-scale township is anticipated to benefit not only future homeowners but also Johor-based industries and by extension the state as a whole.

Upon the completion of the above-mentioned acquisitions, our landbank will increase significantly to approximately 4,800 acres. With a sizable landbank now in hand throughout five states in the Peninsular, we will be ramping up momentum over the next few years to further strengthen our reputation as one of the most formidable affordable housing developers in Malaysia. Lagenda has a scalable business model and aims to achieve higher efficiency in each of our township developments. We will continue to evolve our township development model based on previous development frameworks, market insight and knowledge gained.

OTHER PARTNERSHIPS & JOINT VENTURES

We actively pursue various forms of partnerships and joint ventures to achieve our business goals and are constantly looking for additional ways to enhance the value of our affordable townships. In FYE 2022, we entered a 10-year partnership with Sim Leisure Group Ltd, an internationally renowned theme park designer, operator, and owner of ESCAPE brand creators with the principle of optimising green spaces in our existing and future townships. This partnership aligns with the Group's core objective of building affordable housing townships which provides homeowners with maximum value, well-planned and distinctive homes – combined with a strong focus on sustainable, unique, and family-orientated facilities to improve their quality of life. By partnering with Sim Leisure Group, we will be able to incorporate our townships with theme park-styled communal areas with sustainability at the heart of the development. We are also committed to using environmentally friendly materials and construction methods as part of our ESG efforts.

To further enhance our Group's construction capabilities, we entered into a joint venture arrangement with Inta Bina Group Berhad ("IBG") to construct some of our projects. 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 while leveraging on its construction expertise. Over the years, Inta Bina Group has completed more than 130 construction projects with experience in the usage of industrialised building system ("IBS"), and we believe this strategic partnership can contribute positively to enhancing the quality of our developments while providing a positive financial boost to the Group through our 50% equity ownership in the joint venture company.

AWARDS & RECOGNITION

FYE 2022 saw Lagenda achieved several notable property industry recognitions and awards:

Star Property Awards 2022

1. The Neighbourhood Award (500-2,000 acres)
   - Bandar Baru Setia Awan Perdana
   - Lagenda Teluk Intan
2. Most Preferred Developer
3. The Northern Star Award
4. All-stars Award

The Edge Property Excellence Awards 2022

1. Affordable Urban Housing Excellence Awards 2022
   - Bandar Baru Setia Awan Perdana (Phase 1A)

These accolades attest to the quality of Lagenda towards its pursuit for excellence and recognising the hard work and dedication of our employees and leadership team. These awards inspire us to continue setting new and higher benchmarks for the future.

REVIEW OF FINANCIAL PERFORMANCE

In FYE 2022, our revenue rose by 3.8% year-on-year to RM866.9 million (FY2021: RM835.6 million). Gross profit was relatively stable at RM319.8 million (FYE 2021: RM324.1 million). From a cost perspective, we incurred some upfront costs in preparation for multi-state project launches in the coming quarters. This, together with the provision of prosperity tax impacted our margins and we closed the year with profit after tax and minority interest of RM178.2 million as compared to RM201.5 million in the preceding year. Nevertheless, we maintained a healthy net profit margin of 20.6% and registered a return on equity ("ROE") of 17.5% for FYE 2022. As we grow, we want to do so efficiently, using ROE as a benchmark to ensure we generate a healthy level of profits for every dollar of shareholder equity invested in the business.

Our balance sheet remains strong. As at 31 December 2022, we were in a net cash position with a low gross gearing ratio of 0.38 times. Total assets increased from RM1.4 billion in FYE 2021 to RM1.8 billion in FYE 2022, while net cash generated from operations for FYE 2022 increased to RM117.8 million from RM56.8 million in the previous year.

Lagenda is committed to generating consistent returns for our shareholders and building a sustainable business model that benefits all stakeholders. The total dividend pay-out in FYE 2022 was 6.5 sen per share which aggregates to RM54.4 million, representing a payout ratio of 30.5%. We are committed to rewarding shareholders for their continuous support subject to our profitability, capital expenditure requirements and overall liquidity position. During the year, we adopted a dividend policy of at least 25.0% which we believe will provide more certainty and stability for our shareholders, while also enabling us to continue investing in the growth of our business.

BUSINESS RISKS AND RISK MANAGEMENT

LABOUR SHORTAGES

Global events such as the pandemic and Russia-Ukraine tensions have resulted in supply chain disruptions leading to volatile raw material prices[1] and the shortage of labour which posed certain challenges to our operations.

To a certain extent, we rely on foreign workers in our property development activities and are exposed to the risk of labour supply shortages. As at to date, our projects have not experienced any material interruption arising from a shortage of labour. We mitigate such risk by, amongst others, employing reliable contractors and subcontractors through stringent screening criteria based on a Quality Management System that was established internally whilst being committed to localising our supply chain.

[1] https://www.oecd.org/ukraine-hub/policy-responses/the-supply-of-critical-raw-materials-endangered-by-russia-s-war-on-ukraine-e01ac7be/

In FYE 2022, we have also extensively expanded the usage of IBS, which will significantly reduce the reliance on labour by an estimate of 60%-70% in the future. IBS is also suitable for our large-scale townships as it improves consistency and speed and reduces construction time, making it an ideal solution for mass developments with standardised designs.

RAW MATERIAL COSTS

Thus far, we have not faced significant impact from rising commodity prices as we are building single storey landed terraced houses which use much less raw materials such as steel bars as compared to high-rise structures. During the peak of the commodity price wave, we adjusted the prices of our future launches to cushion this impact and preserve our profit margins. As our homes are very competitively priced, the marginally higher selling prices will not impact its affordability to the B40 group when spread over the loan instalment period hence we are confident that demand will not be affected.

RISING INTEREST RATE

Although interest rates have risen considerably during the year, they are still below the pre-pandemic level. Bank Negara Malaysia ("BNM") has capped the overnight policy rates ("OPR") rate at 2.75% with confidence in the dynamics of the local economy[2]. This interest rate level still encourages homebuying activities as evidenced by our excellent take-up rate. Besides this, our main homebuyers are civil servants, who mainly finance their home through the Public Sector Home Financing Board ("LPPSA"), which enjoys a fixed interest rate.

On the other hand, there are tailwinds for our affordable business segment as announced by the revised budget for 2023. The full stamp duty exemption is applicable to homes priced RM500,000 and below for the first-time homebuyers. This is a positive catalyst for our business activity moving forward as our competitive pricing strategy allows our homebuyers to be the beneficiaries of the stamp duty exemption.

[2] https://www.bnm.gov.my/monetary-stability/opr-decisions

OTHER MARKET FACTORS

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

We will continue to monitor the key risks and have measures to manage them adequately. The details of the risk management are set out in the Statement of Risk Management and Internal Control on pages 80 to 87 in this Annual Report.

SUSTAINABILITY & RESPONSIBLE BUSINESS

Lagenda is committed to upholding ESG principles in our business operations.

In FYE 2022, Lagenda adopted several sustainability-related policies namely the Environmental Policy, Human Rights Policy, Biodiversity Policy, and Climate Change Policy, which are governed through a three-tier Sustainable Governance Structure. On its arm of implementation, the Sustainability Steering Committee ("SSC") regularly convenes to discuss initiatives and develop strategies for reducing our environmental impact. For instance, we explore ways to minimise waste through 5R Waste Management Strategy, which incorporates the use of IBS as an efficient construction method, provision of recycling facilities, and installing rainwater harvesting across our existing townships. We are also expanding our biodiversity enhancement programme through tree planting initiatives, with over 23,000 trees planted across our townships.

Furthermore, Lagenda is committed to creating positive social impacts among its employees, supply chain, and downstream business relations by maintaining high occupational safety and health standards, avoiding human rights infringements, and contributing to local communities through local business spending and engagement with our homebuyers.

The Group's continuous efforts on sustainability, including numerous Corporate Social Responsibility (CSR) initiatives, have been recognised with several awards, including the Most Heart-warming CSR initiative by Star Property Award, Special Recognition in ESG, and Special Recognition in CSR by Property GURU ASIA Awards. The Company contributed approximately RM400,000 to various charities serving social and educational causes within FYE 2022.

We are also committed to upholding high standards of corporate governance and ethical behaviour with established policies and procedures to ensure that we comply with the regulations and best practices.

Further details about how we are progressively embedding our ESG focus within our business strategies are provided in the Sustainability Statement of this Annual Report.

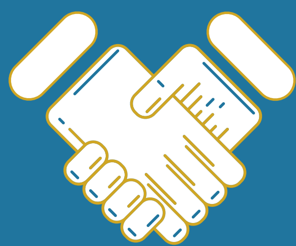
FUTURE PROSPECTS

As we enter 2023, we recognise the concerns on the softening economy, elevated inflation and higher interest rates. However, we remain optimistic as there is still healthy demand for affordable housing tailored towards the B40 segment's financing repayment capability. Moreover, the COVID-19 pandemic has increased the need for affordable housing. The pandemic has highlighted the disparities in housing accessibility and its impact on the health and well-being of vulnerable populations.

The successes of our key townships being Bandar Baru Setia Awan Perdana and Lagenda Teluk Intan are the testament of our execution capability. We have laid a strong foundation and aim to achieve better efficiency on every new township, replicating and improving on previous frameworks. The brisk sales of homes in Darulaman Lagenda, Kedah, shows viability of our business model and capabilities of executing on a bigger scale beyond Perak. On top of our current township projects, Lagenda envisions to launch at least one township annually. We are targeting to launch more than 7,300 units of homes across three states in 2023 (2022: 4,800 units), including a new township in Mersing, Johor. Lagenda's value proposition is distinctive and with our recent land acquisitions, remaining GDV is now circa RM13 billion, providing visibility of long-term sustainable growth.

ACKNOWLEDGEMENTS & APPRECIATION

On behalf of the Board, I wish to express our sincere appreciation to our home buyers, business associates, partners, and shareholders for your steadfast support. To Lagenda Team, thank you for your dedication, perseverance, and effort in contributing to our financial results and operational expansion. As I look back on the past year, I am filled with pride and gratitude for all that we have achieved together. Despite the challenges faced, we have remained steadfast in our commitment to redefine affordable living, working tirelessly to meet and exceed the expectations of our home buyers, and creating value for our shareholders. We are proud of what we have accomplished so far, but we are even more excited about what the future holds.
The best is yet to come for Lagenda.



Dato' Doh Jee Ming
Managing Director

ABOUT THIS STATEMENT

Lagenda is delighted to present our Sustainability Statement ("Statement") that provides a detailed narrative on key achievements throughout our sustainability journey, performance, and our strategic efforts in managing the Economic, Environmental and Social ("EES") matters.

As a socially conscious developer, our business model is built on recognising the importance of the sustainability spectrum. As demonstrated in our Vision and Mission, we provide affordable housing for the B40 and M40 market segments, while embracing the quality and innovation based on ESG principles.

Through this Statement, we convey our commitment to all our stakeholders in ensuring the creation of financial values is balanced with the realisation of non-financial values amidst a fast-changing and dynamic business environment.

REPORTING PERIOD

This Statement covers activities during the reporting period of 1 January 2022 to 31 December 2022 or FYE 2022. Unless stated otherwise, where relevant, the comparative data from previous years to track year-on-year progress.

REPORTING SCOPE AND BOUNDARY

The reporting scope and boundary cover major business operations and activities of Lagenda, all major subsidiaries in Malaysia, that Lagenda has direct managerial control.

Lagenda is cognisant that there may be significant ESG impacts from its value chain. The Group is committed to cascading its sustainability commitment, practices and culture to its extended business partners, suppliers, and contractors.

REPORTING FRAMEWORK

This Statement is developed in accordance with best practice sustainability reporting frameworks. Primarily, the Group has opted to use the Global Reporting Initiative ("GRI") Core Option. Other frameworks as listed below (in full or partial adoption):

- Bursa Malaysia Sustainability Reporting Guide Third Edition
- FTSE4Good Bursa Malaysia Index ("FTSE4Good")
- SASB Sector Specific Disclosures ("SASB")
- Taskforce on Climate Change Financial Disclosures ("TCFD") Recommendations
- United Nations Sustainable Development Goal ("UNSDGs")

REPORT AND DATA QUALITY

The content of this report is guided closely by the GRI reporting principles, covering four key areas:

Stakeholder inclusiveness	Sustainability context	Materiality	Completeness
This Statement identifies the needs and expectations of key internal and external stakeholders on Economic, Environmental and Social ("EES") matters that are important to our business. This ensures that the report is relevant and responsive to the needs of stakeholders.	Where relevant, this Statement places the sustainability matters within a wider context when managing our sustainability performance, with reference to UNSDGs, Climate-related risk and opportunities as emphasised by the TCFD Recommendations.	This Statement empirically identify, prioritise and defines the most key sustainability topics of the Group through survey and validated by Board (presented in Materiality Assessment section of this Statement).	This Statement includes the complete reporting boundary and sustainability material topics that are relevant to the Group and its stakeholders. This enables the Stakeholder to assess the performance and EES impacts during the reporting period.

REPORT AND DATA QUALITY (Cont'd)

All data contained in this Statement has been internally sourced, verified and validated by the respective business division based on the GRI principles of accuracy, balance, clarity, comparability, reliability, and timeliness. The Group is cognisant that data-gathering still exists for certain indicators. We are in the process of implementing better database management and gathering mechanism for improved reporting going forward.

STATEMENT OF USE

Lagenda's Board of Directors, as the Group's highest decision-making body, acknowledges responsibility for the following statement of use. The information reported for FYE 2022 has been prepared in accordance with the GRI Standards.

The Statement was approved by the Board on 10 April 2023.

MEMBERSHIP OF ASSOCIATIONS

Lagenda is a member of the following professional bodies and industry associations.

- Corporate Member of FIABCI International Real Estate Federation Malaysia (Malaysian Chapter)

ASSURANCE

Lagenda has undertaken independent auditing and assurance for financial data presented in this report, where the figures can be cross-referenced with the Financial Statement. Lagenda has not acquired third-party assurance for non-financial, sustainability-related data. However, to increase its credibility and for the purpose of future Green or Sustainability-linked financing and/or capital, the Group shall, when necessary, explore external assurance for the whole or part of the Sustainability Statement or any portions of disclosed data therein. We will continue to enhance the data and its documentation to strengthen disclosures going forward, including the involvement of third parties for assurance.

FORWARD-LOOKING STATEMENTS

This Statement contains forward-looking statements that discuss Lagenda's targets, future plans, operations and performance based on reasonable and current assumptions and factors. The Group advises readers to refrain from solely relying on such statements as our business is subject to risks and uncertainties beyond our control. Actual results may differ.

ACCESSIBILITY

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

FEEDBACK AND ENQUIRIES

As the Group seeks to continuously improve our sustainability reporting to deliver a meaningful disclosure of our ESG performance, we appreciate questions, comments and suggestions from our stakeholders.

Please direct your inquiries to:
Ms. Liew See See
Company Secretary
liewseesee@lagendaprops.com
+605 688 7179

LAGENDA'S SUSTAINABILITY FRAMEWORK

Lagenda's sustainability approach is driven by the Group's Sustainability Pillars, to support Lagenda's Vision and Mission. It collectively addresses our material matters and support overall sustainability strategic decision making: -

Our TAGLINE

Redefining Affordable Living

To be the Malaysia's preferred affordable home developer

1	2	3	4
To provide affordable housing solutions for the underserved market	To create a self-sustaining township with comprehensive community and public amenities	To enhance stakeholders' value by being a long-term, sustainable, reputable and affordable housing developer in Malaysia	To embrace quality and innovation while committing to uphold ESG principles

Sustainability Pillars

GOVERNANCE

- Pillar 1: Driving Continuous Improvement towards Sustainability
- Pillar 2: Advocating Positive Social Impact
- Pillar 3: Advancing Environmental Stewardship

Material Matters

Economic & Governance

- Affordable Housing
- Product Quality and Responsibility
- Stakeholder Economic Values
- Efficient Supply Chains
- Landbank
- Anti-Corruption and Ethical Conduct
- Risk Management and Mitigation
- Regulatory Compliance

Social

- Human and Labour Rights
- Occupational Safety and Health ("OSH")
- Succession Planning
- Diversity and Equal Opportunity
- Local Community Development
- Talent Retention and Development
- Data Privacy

Environmental

- Waste Management and Recycling
- Pollution and Environmental Compliance
- Energy Consumption
- Water Consumption
- Climate Change and Emissions
- Biodiversity

Our Alignment with the Global and National Sustainability Agenda

BURSA MALAYSIA | GRI | SUSTAINABLE DEVELOPMENT GOALS | SASB | TCFD TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

SUSTAINABILITY ROADMAP AND KEY PERFORMANCE INDICATORS

Lagenda has developed a three-year Sustainability Roadmap that aligns with FTSE Russell's ESG Ratings as we aspire to showcase our sustainability performance vis-à-vis our market peers. By tracking and measuring progress against the KPIs, Lagenda aims to continuously improve its sustainability performance, reduce negative impacts, and create positive impacts for its stakeholders.

Lagenda's initiatives in furthering sustainability and creating a wide range of positive impacts for stakeholders are closely aligned with larger, global initiatives and measured against specific KPIs. In its approach to creating stakeholder values and shared prosperity, the Group has closely aligned with 10 of the 17 UNSDGs.

MANAGING SUSTAINABILITY MATTERS AND ALIGNMENT WITH UNSDGS

The group's highlights are indicated below:

PILLARS	Material Matters	KPI	Progress	UNSDGs
Economic & Governance	Anti-corruption and Ethical Conduct	• Zero incidents of Corruption case	• No corruption case recorded in 2022 • All suppliers went through anti-corruption evaluation upon appointment via MACC website and signed anti-bribe and declaration form. • New appointed board members went through Anti-Corruption training.	16 PEACE, JUSTICE AND STRONG INSTITUTIONS
	Risk Management and Mitigation	• Maintain 100% risk management functions and process	• Established the Enterprise Risk Management Framework	11 SUSTAINABLE CITIES AND COMMUNITIES
	Product Quality and Responsibility	• 100% of customer complaints were responded to within 15 days with the incorporation of a communication monitoring system to improve the • Increase in customer satisfaction	• 100% of customers complaints received and responded within 15 days. • Customer satisfaction scores 92% in 2022	11 SUSTAINABLE CITIES AND COMMUNITIES
	Efficient Supply Chains	• 100% procurement spending on local suppliers	• About RM250 million of local procurement spending • 100% local suppliers • Suppliers' evaluation criteria of material quality, pollution factors and requirements set in ISO, Environmental Policy along with Human Rights Policy	12 RESPONSIBLE CONSUMPTION AND PRODUCTION 8 DECENT WORK AND ECONOMIC GROWTH

MANAGING SUSTAINABILITY MATTERS AND ALIGNMENT WITH UNSDGS (Cont'd)

The group's highlights are indicated below (Cont'd):

PILLARS	Material Matters	KPI	Progress	UNSDGs
Economic & Governance	Affordable Housing	• Provide over 35,000 affordable homes by end of FYE 2030	• About 20,000 homes that have been provided	11 SUSTAINABLE CITIES AND COMMUNITIES
	Landbank	• Minimum of 2,800 acres balance at end of each financial year	• Close to 4,800 acres of total remaining land remaining throughout 5 states (Johor, Selangor, Kedah, Pahang and Perak) of Peninsular Malaysia	12 RESPONSIBLE CONSUMPTION AND PRODUCTION
Environmental	Waste Management and Recycling	• Minimum of 20% construction waste diverted from landfill • To promote recycling centre/points throughout our township • To engage with organisations/authorities to promote a community garden programme	• Introduced 5R initiative (Reduce, Reuse, Recycle, Recover, Refuse) • Reduced 26% of construction waste through utilisation of Industralised Building System ("IBS") technique • Recycling points introduced at BBSAP clubhouse, collecting recyclable waste monthly	12 RESPONSIBLE CONSUMPTION AND PRODUCTION 13 CLIMATE ACTION
	Pollution and Environmental Compliance	• To achieve 80% environmental compliance stipulated by authorities.	• 100% Compliance of EIA reports	12 RESPONSIBLE CONSUMPTION AND PRODUCTION 13 CLIMATE ACTION
	Energy Consumption	• To record lower energy intensity by employing 100% LED lighting at operating buildings	• 18% of increment in electricity consumption for Headquarter building • 97% increment of data traceability for electricity consumption • Disclosure of fuel consumption from operations (company owned vehicles)	12 RESPONSIBLE CONSUMPTION AND PRODUCTION 13 CLIMATE ACTION

MANAGING SUSTAINABILITY MATTERS AND ALIGNMENT WITH UNSDGS (Cont'd)

The group's highlights are indicated below (Cont'd):

PILLARS	Material Matters	KPI	Progress	UNSDGs
Environmental	Water Consumption	• To install more than 3,000 units of rainwater harvesting systems in our townships by the year 2025	• Installed a total of 3,663 units of rainwater harvesting system at Bandar Barut Setiawan Perdana Phase 3B and Phase 2D, resulting in 5% volume of water reduction • 6,999 m^3 of water consumption	6 CLEAN WATER AND SANITATION
	Climate Change and Emissions	• 1000 units of residential solar PV systems installed in 5 years. • Reduction of 10% of greenhouse gas ("GHG") emissions by 2025 and 45% by 2030 • Embark to net zero emissions target	• Adopted Climate Change Policy • The Company collaborated with Solarvest Holdings Bhd as its solar photovoltaic ("PV") systems partner to install 1,000 residential solar PV systems across three township projects in Perak • Increment of 418 metric tons of carbon dioxide equivalent ("tCO_2e") due to data expansion • Adopted TCFD Framework & Recommendations	13 CLIMATE ACTION 7 AFFORDABLE AND CLEAN ENERGY
	Biodiversity	• Plant more than 20,000 plants across all developments by the year 2025 • To plant and increase 5% of tree species that have conservation significant value	• Adopted Biodiversity Policy • Planted a total 23,000 of trees within Lagenda townships • Planted a total of 677 trees of vulnerable and endangered tree species (Hopea Odorata and Agathis Borneensis)	13 CLIMATE ACTION
Social	Occupational Health and Safety	• Workplace safety • 20 annual average number of hours of safety training for site employees	• Zero fatality & Injury • Zero Lost-time Incident ("LTI") rate	8 DECENT WORK AND ECONOMIC GROWTH
	Human and Labour Rights	• Adhere to Human Rights and Employment Policy, that is in line with Employment Act 1955	• Adopted Human Rights and Employment Policy • Disclosed nature of non-compliance and corrective actions taken	4 QUALITY EDUCATION 8 DECENT WORK AND ECONOMIC GROWTH

MANAGING SUSTAINABILITY MATTERS AND ALIGNMENT WITH UNSDGS (Cont'd)

The group's highlights are indicated below (Cont'd):

PILLARS	Material Matters	KPI	Progress	UNSDGs
Social	Diversity and Equal Opportunity	• Maintaining 30% of female board representation that is in line with Malaysian Code of Corporate Governance 2021 ("MCCG") • Ensuring diversity, equality, and inclusivity (DEI) is applied as per Human Rights Policy and Employment Policy	• 33% of female board representation • Improvement in diversity in employee category. • Disclosed % of staff with disabilities	10 REDUCED INEQUALITIES 5 GENDER EQUALITY
	Local Community Development	• Minimum 10 community engagement activities to be organised yearly	• Organised more than 10 educational and upskilling programmes focused to the empower local community. • Conducted community garden training sessions every month from Dec to February.	11 SUSTAINABLE CITIES AND COMMUNITIES
	Talent Retention and Development	• Deployed a total of 4,000 training hours annually • Integration of succession planning	• Deployed a total of 4,067 training hours for employees' skills and personal development, with an average of 6.27 training hours per employee	8 DECENT WORK AND ECONOMIC GROWTH

SUSTAINABILITY JOURNEY AND MILESTONES

Our sustainability journey of 'a thousand miles' started with the Group developing our own Sustainability Strategy. We have anchored our ESG and sustainability dimensions not only on the United Nations Sustainable Development Goals and Paris Agreements, but also TCFD recommendations and Net Zero target settings.

2018

- Inaugural sustainability statements as per MMLR - reporting boundary limited to the poultry business
- Establishment of Sustainability Committee ("SC")
- Alignments with GRI
- Align with three (3) UNSDGs

2019

- Transition from poultry-based operations to property development
- Reassessment of material matters based on business transition
- Redefined our alignments with three (3) UNSDGs

2020

- Additional alignment with six (6) UNSDGs
- Formalisation of:
  - ✓ Anti Briberry Anti Corruption Policies & Guidelines
  - ✓ Whistleblowing Policy & Guidelines
  - ✓ Code of Conduct and Ethnics
  - ✓ Sustainability Steering Committee
  - ✓ Sustainability Working Committee ("SWC")

2021

- 2 Years Sustainability Roadmap and Action Plan prior to the inclusion of FTSE4Good Rating.
- Additional alignment with four (4) UNSDGs
- ESG Key Performance Indicators (KPIs) setting
- Formalisation of Quality Policy

2022

- Formalisation of Sustainability-related Policies (e.g Environmental Policy, Climate Change Policy, Biodiversity Policy, Human Rights Policy, Employment Policy)
- Addition of new KPI
- Maintaining commitment with ten (10) UNSDGs.
- Adoption of SASB Disclosure Standards & TCFD Framework Recommendations
- Net Zero Target Setting

STAKEHOLDER ENGAGEMENT

Lagenda recognises the importance of stakeholder engagement in achieving its sustainability goals. We define stakeholders as individuals, groups and entities that are impacted by the Group's business operations and/or individuals, groups or entities that are capable of impacting Lagenda's business and operations.

By engaging with stakeholders via various platforms and communication channels, the Board and Management gain a more inclusive and accurate understanding of sustainability as well as valuable insight into how stakeholders can affect the Group's operations.

STAKEHOLDER ENGAGEMENT (Cont'd)

Stakeholder	Needs and Expectations	Engagement Channels	Sustainability Material Matter
Regulatory Bodies Priority: Critical Management Approach: Manage Closely	• Standards and certification • Government policies • Gather audit findings and reports • Economic issues • Compliance with laws and regulations	• Inspections by local authority when required. • Periodic meetings for policy discussion • Periodic reporting for regulatory requirements and compliance	• Regulatory Compliance • Occupational Safety and Health ("OSH") • Stakeholder Economic Values • Risk management
Employees Priority: Critical Management Approach: Manage Closely	• Career development • Competency training • Safety at the workplace • Compensation and employee benefits • Results-driven rewards • Continuous engagement • Work-life balance	• Monthly online training programmes • Annual corporate activities and teambuilding exercises • Monthly emails • Memos via intranet communication • Induction programme for new hires	• OSH • Human and Labour Rights Talent Retention and development • Diversity and equal Opportunity • Succession Planning
Customers Priority: Very High Management Approach: Keep Satisfied	• Compliance with laws and regulations • Standards and certification • Government policies • Gather audit findings and reports • Economic issues	• Advertisements, Billboards and Marketing Campaigns • Project Launches • Social Media Networks • Sales Brochures • Enquiry E-Forms on Websites • Defect Feedback Form • Sales Previews • Sales Launches	• Product Quality and Responsibility • Stakeholder Economic Values • Data Privacy
Suppliers Priority: High Management Approach: Keep Informed	• Transparent procurement practices • Transparent and fair pricing • Timely pay-outs • Payment terms • Contract terms and conditions	• Quarterly suppliers' registration update • Periodic contact through telephone and email • Quarterly meeting and briefings • Project updates when required	• Local procurement • Labour standards • Resource consumption • Efficient supply chains
Local Communities Priority: Medium Management Approach: Monitor	• Social issues • Environmental impacts • Safety and health • Employment opportunities • Social and charity events • Sponsorships	• Annual community engagement activities and CSR programmes • Quarterly financial announcements • Media announcements and project launches when required • Annual report • Company website updates throughout the year • Annual festive season celebrations	• Local community development • Climate change and emissions • Indirect economic value • Local procurement
Fund Providers Priority: High Management Approach: Keep Informed	• Periodic reporting • Loan covenant compliance reporting • Timely repayment • Periodic communication	• Annual General Meeting and Annual Report • Corporate announcements • Media announcements and project launches when required • Monthly marketing and promotional events • Company website updates throughout the year	• Stakeholder economic values • Regulatory compliance • Product quality and responsibility
Media Priority: High Management Approach: Keep informed	• Impact of operations on the surrounding environment and communities • Corporate governance • Strong relationships • Accuracy of information	• Corporate announcements • Periodic media announcements • Annual Report • Company website updates throughout the year • Project launches when required	• Stakeholder economic values • Anti-corruption and ethical conduct • Local community development
Business Partners Priority: Very High Management Approach: Keep Satisfied	• Group's performance • Growth/ Business opportunities • Governance practice • Current and future project development • Share price performance • Company's prospects	• Corporate announcement • Media announcements and Annual Report • Company website updates throughout the years • Monthly marketing and promotional events • Project launches, meetings and briefings as and when required	• Regulatory compliance • Stakeholder economic values • Corporate branding and reputation

MATERIALITY ASSESSMENT

In the journey to be more responsible and sustainable Group, we recognise the need to focus and channel our resources for the most materials topics or sustainability material matters. FYE 2022, Lagenda conducted a comprehensive assessment that saw the solicitation of views from both internal and external stakeholders to identify these material topics/material matters.

The following steps provide a detailed overview of the materiality assessment process:

1. **Identification**
   We identify the ESG topics for assessment by referring to the common and industry-specific topics provided in the Bursa Malaysia Sustainability Reporting Guide (3rd Edition). In addition, we consider additional topics relevant to Lagenda's business model as a property developer, such as landbanking

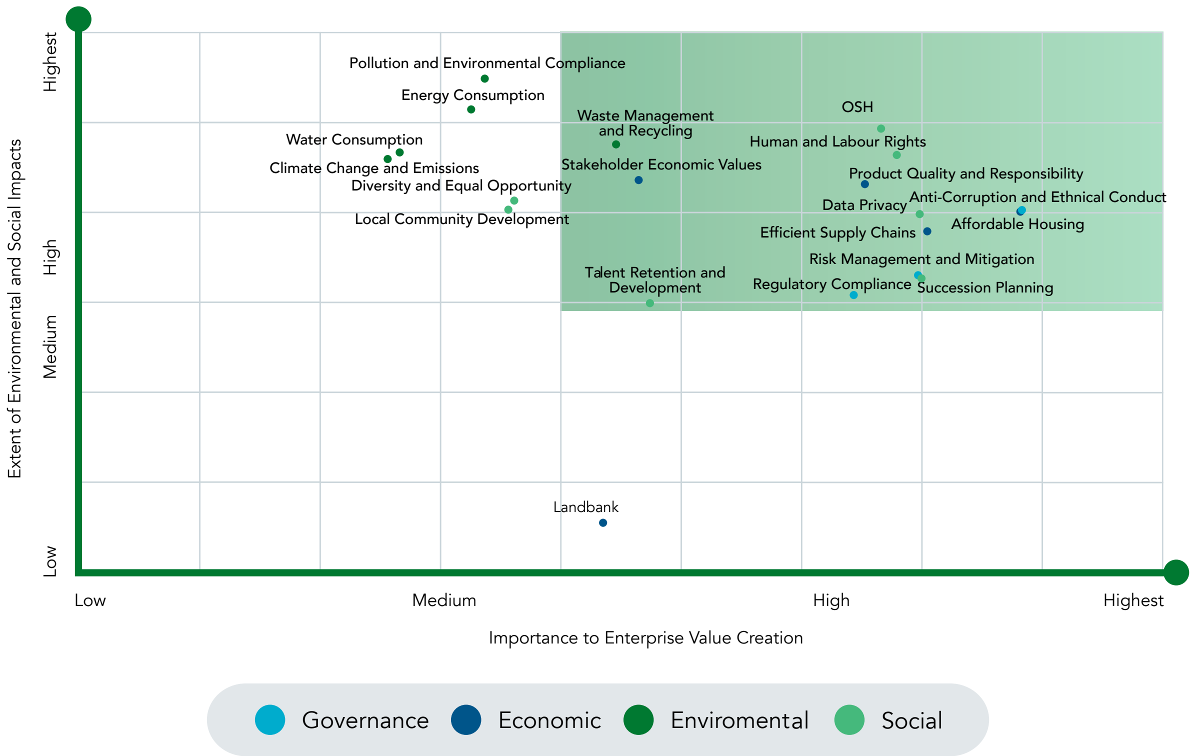
2. **Stakeholder Engagement**
   We conducted an online survey to assess the materiality of the final list of approved material topics. The survey sought the opinions of the Board, management, employees, and external stakeholders who were asked to rank and rate the identified topics' impact on the business and importance to stakeholders. We collected a total of 71 responses from various stakeholders, including internal stakeholders (Board of Directors, Senior Management, Middle Management, Executive/Non-Executive) and external stakeholders.

3. **Prioritisation**
   Results from the survey were then processed by an external sustainability consultant and the topics were plotted on a materiality matrix to determine their priority to the sustainability of Lagenda. It is important to note that weightage was applied to stakeholder views using a stakeholder prioritisation scale (e.g., hierarchy of importance of EES impact), developed based on respondents' feedback collected during the survey exercise. This was done to ensure stronger validity of the results.

4. **Validation**
   The materiality matrix and findings were presented to the Board for validation.

The matrix was developed based on a hybrid approach where two materiality perspectives were used. The first perspective focused on the significance of topics in terms of potential / actual impacts to the environment and society. The second being an International Financial Reporting Standard ("IFRS") based approach where topics are assessed based on their extent of impacts to enterprise value creation.

The views from stakeholders were analysed and the following matrix was developed for FYE 2022:



MATERIALITY ASSESSMENT (Cont'd)

In the highest quadrant of the chart, the Top Material Topics or Matters for the Group are:

- Anti-corruption and Ethical Conduct
- Affordable housing
- Occupational Health and Safety
- Human and Labour Rights
- Data Privacy
- Product Quality and Responsibility
- Efficient Supply Chains
- Risk Management
- Succession Planning
- Regulatory Compliance
- Waste Management and Recycling
- Stakeholder Economic Value
- Talent Retention and Development

We acknowledge that some topics were not ranked as 'highly material' in the current evaluation. However, we remain committed to disclose our management approach, as well as the required disclosures of other topics in accordance with the GRI Standards and non-GRI, and we consider them as secondary material to the Group.

SUSTAINABILITY GOVERNANCE

At Lagenda, the Group's value-creation aspirations are supported by a robust sustainability governance structure and framework which is integrated into the Group's overall corporate governance structure.

Through this framework, there are distinct roles and responsibilities that have been established which enables necessary controls and oversight when it comes to driving the Group's sustainability agenda.

Lagenda's sustainability agenda and performance is managed through a three-tier governance structure whereby sustainability strategies are driven by the Board. The roles and responsibilities of each tier can be seen below:

Board of Directors

Key role and function:

- Develops sustainability strategy and provides oversight on the Group's ESG plans, programmes and initiatives
- Advices on the Group's sustainability roadmap and strategy
- Reviews the effectiveness and approves sustainability strategy

Sustainability Steering Committee

Key role and function:

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

Sustainability Working Committee

Key role and function:

- Develops the sustainability initiatives across the Group
- Collects and monitors data on the Group's ESG performance
- Assists the SSC in preparing the disclosures for the sustainability statement

SUSTAINABILITY GOVERNANCE (Cont'd)

The current composition of the SSC and SWC can be seen in the table below:

Sustainability Steering Committee	Sustainability Working Committee
• Managing Director/ SSC Chairman • Head of Director's Office • Chief Financial Officer • Head of Project Planning and Development • Contract and QS Manager • Head of Investments and Investor Relations • Company Secretary	Representative from the following departments: • Investments & Investor Relations (Sustainability) • Maintenance and Customer Service • Contract and Procurement • Project Planning • Health and Safety • Human Resource • Director's Office

ESG topics such as biodiversity, climate change, human rights, Occupational Safety and Health ("OSH") and other material topics to the Group's business are periodically escalated to the Board for their review, deliberation, and decision-making.

By doing this, the Board will have a stronger understanding of on-ground realities and are better positioned to provide oversight of the Group's ESG plans and advise the Group's sustainability roadmap.

Recommendations to the Board surrounding material sustainability issues are provided by the SSC. The SSC also regularly convenes to set the direction of the sustainability strategy before conveying this information to the SWC who assesses if the strategy can be executed at a working level.

BOARD COMPOSITION

Lagenda's Board consists of professionals and entrepreneurs who possess a wide range of backgrounds, technical skills and experience. Having this diversity allows for different opinions, insights, and approaches, which is critical for effective corporate governance and strategic decision-making.

The Group does not practice gender biases and supports the Malaysian government's aspiration and the Malaysian Code of Corporate Governance 2021 ("MCCG") to increase the number of independent directors and achieve at least 30% women directors on the Board of public listed companies.

Appointments to the Board are based on merit, capability, experience, skill sets and integrity. As of this report being published, the board composition of more than 80% of the board members are independent, and more than 30% are women.

BOARD REMUNERATION AND SUSTAINABILITY TARGETS

Going forward, Lagenda wishes to further investigate potentially linking the remuneration of its Board and Senior Management to the realisation of ESG goals and targets. It is important to mention that this is in line with the aspirations of Bursa Malaysia and other sustainability reporting frameworks.

Providing remuneration is currently being considered by the Group along the Sustainability KPIs. The aim of this is to provide a form of incentive for annual ESG performance targets to be reached through the prospect of gaining either monetary or non-monetary rewards.

COMMITMENT TO GOOD CORPORATE GOVERNANCE

In striving to create the greatest value for our stakeholders, we want to maintain our foundation of governance and integrity. We believe that in the long run, having good business ethic and good governance reduces overall risks throughout Lagenda, and increases our credibility and brand value.

Lagenda remains committed to establishing policies that will further reinforce corporate governance within its organisation. The Group does this by pursuing the 3 main principles stated in the MCCG 2021 which include:

1. Board Leadership and Effectiveness
2. Effective Audit and Risk Management
3. Integrity in Corporate Reporting and Meaningful Relationships with Stakeholders

In addition, the Group has taken steps to further align to MCCG2021 practices 4.1-4.5 which outlines further Board involvement within sustainability processes.

The specific details of how the Group has applied specific sustainability related practices of the MCCG2021 can be found in the Corporate Governance Overview Statement of the Lagenda's FYE 2022 Annual Report as well as the standalone Corporate Governance Report FYE 2022 which is available at [68].

REGULATORY COMPLIANCE

Lagenda stringently adheres to its established policies, protocols, guidelines and industry standards. In FYE 2022 there have been no reports of fines by the authorities for environmental and social non-compliance. The Group has also yet to encounter any regulatory action related to corporate ethics and integrity, corporate governance and anti-corruption matters.

Some of the regulations that we enforce across our business operations are listed below:

- Bursa Malaysia Main Market Listing Requirements
- Malaysian Code on Corporate Governance 2021 (3rd Edition)
- Employment Social Security Act 1969
- Minimum Retirement Age Act 2012
- Town and Country Planning Act 1976
- Environment Quality Act 1974
- Housing Development Act 1966
- National Affordable Housing Policy 2019
- Malaysian Anti-Corruption Commission ("MACC")

RISK MANAGEMENT

Lagenda is aware of the potential risks involved with ESG matters and how issues such as climate change, labour rights, OSH, and other issues can significantly impact business operations and disrupt value creation capabilities. The Group's risks comprise strategic, financial, business, and operational risks.

The linkage between ESG issues and the financial performance of the Group means that risks posed by ESG issues must be integrated into its Enterprise Risk Management ("ERM") which is guided by the COSO's Enterprise Risk Management framework. We committed to maintain 100% risk management functions and process in accordance with the ERM.

The Board and senior management are cognisant of this linkage and are aware of their responsibility when it comes to risk management of the Group. Considerations of ESG topics are increasingly being made in relation to business plans and company objectives by the Board and Senior Management. The Group has established its Audit & Risk Management Committee ("ARMC") who have oversight on overall risk management within the Group and will continue to develop risk management initiatives that will help mitigate risks posed to the Group.

Specific information on Lagenda's Risk Management and Internal Controls can be found in the Statement of Risk Management and Internal Control of this Annual Report.

GROUP CODE OF CONDUCT

Lagenda's Board, Senior Management and employees are bound by the established Code of Conduct and Ethics ("Code"). The Code sets out expected norms, values and behaviours for which representatives of Lagenda should conduct their professional engagements with stakeholders, especially vendors, suppliers, contractors, business partners and others.

The Code provides clarity on conflicts of interest, rules of engagement between employees and superiors on corrupt or unethical practices and more. In essence, the Code stipulates what constitutes unacceptable behaviour or practices within the workplace environment.

The Board will periodically review the Code of Conduct and Ethics to ensure it remains relevant and appropriate. The Code is made available for employees through the Group's website and intranet. A copy of it also will be shared with new joiner during their orientation.

The link to the code can be found at https://lagendaproperties.com/wp-content/uploads/2020/12/Code-of-Conduct-Ethics.pdf

DRIVING ANTI-CORRUPTION ACROSS THE GROUP AND VALUE CHAIN

Lagenda adopts a zero-tolerance stance on corruption and unethical business practices. In line with Section 17 of the Malaysian Anti-Corruption Commission ("MACC") Act, the Group has adopted the Anti-Bribery and Anti-Corruption Policy and guidelines that have been approved by the Board and cascaded throughout the Group's operations.

A copy of the policy is provided to new employees, suppliers, vendors and business partners. A copy of the Anti-Bribery and Anti-Corruption Policy and guideline is also available on the Company's website which will be reviewed from time to time to ensure its relevance. The Group stances on anti-bribery and anti-corruption is made aware to potential new business partners and all members of the Group's supply chain. Contractors are required to perform anti-corruption evaluations upon their employment via the MACC website and must agree to Lagenda's anti-bribe declaration form.

Currently, anti-corruption training is provided to all employees during their orientation process and are informed of their responsibility in the Employee Handbook. The Group aims to increase the level of training and to eventually cascade anti-corruption training to all employees and subsequently to all suppliers going forward.

In FYE 2022, Lagenda recorded zero cases of corruption or bribery.

GIFT GIVING AND RECEIVING

Lagenda does not allow for the giving, receiving and soliciting of gifts which follows the guidelines set by ISO 37001:2016. Such gifts may take the form of cash or cash equivalents, favours, entertainment, incentives, travel or other forms of gratification.

However, on rare occasions, exceptions can be made for corporate gifts that are provided in a transparent manner. Such gifts should not have a significant monetary value and must be declared by the receiving individual to his/ her higher authority.

All gifts received or provided must be approved by the Director's office with details such as the value of said gifts and the identity of the giver and receiver being recorded. Any Gifts that are sent or received should bear no impact on any decisions being made or have any expectations of favours to be returned.

WHISTLEBLOWING POLICY

Lagenda has in place its designated whistle-blowing mechanism, which is governed by a Whistleblowing Policy & Guidelines.

Employees and relevant third parties are encouraged to utilise the Whistleblowing mechanism to report any misconduct, fraud, or any other workplace malpractice. The whistle-blowing mechanism serves as a method to prevent corruption within business operations and serves as a grievance mechanism for all employees to raise any concerns or other forms of grievance they may have.

Whistleblowers shall report their concerns using the reporting channels as stated in the Whistleblowing Policies & Guidelines Document, which is available at https://lagendaproperties.com/wp-content/uploads/2021/05/Whistleblowing-Policy-Guidelines.pdf. Upon making a report, the whistleblower's identity shall remain confidential and shall be provided immunity from any form of punitive action, intimidation or reprisal, irrespective if the allegation is substantiated or proven to be unfounded, provided that the report was made in good faith.

In cases where the whistleblower's identity is required for the proceedings to continue, the Chairman of the ARMC will discuss with the whistleblower to determine the best available option taking into consideration the request of the whistleblower and to safeguard the interest of the Group.

The protocol for investigating reported incidents can be found below:

Raising a concern
Letter or email to Chairperson of ARMC

▼

Screening
Telephone conversation, letter or email, evidence and Interview

▼

Preliminary Action
ARMC's decision

▼

Investigation
Final decision by Board of Directors

▼

Reporting outcome
Notification Letter

In FYE 2022, there were zero cases involving staff, suppliers or other stakeholders for corruption, either reported through the whistleblowing mechanism or any other communication channel.

POLITICAL POSITION AND POLITICAL CONTRIBUTIONS

Lagenda is an apolitical organisation and hence, has not made any contributions to any political parties in FYE 2022. The Group does not participate in any political activities, advocates or subscribes to any political position.

As provided for in the laws of the country and Lagenda's commitment to freedom of association, staff, value chain partners and other stakeholders have the right to join or support political parties of their choosing or any civil society or non-governmental organisations, so long that these entities are recognised by law to be legal entities. The Group supports the rights of citizens to vote in accordance with their conscience.

However, the Group from time to time may participate in charitable or nation-building events organised by the government of the day or its ministries and agencies. The Group may also support corporate social responsibility ("CSR") events or programmes that could see the involvement of political parties or politicians.

PILLAR 1: DRIVING CONTINOUS IMPROVEMENT TOWARDS SUSTAINABILITY

Lagenda creates both direct and indirect economic values through its business model for both the organisation and its stakeholders. The financial success of the Group is shared amongst the community in Lagenda's attempt to aid socio-economic development and empower the local community by making home ownership affordable for all Malaysians and through community development programs. With the increase in affordable housing priced appropriately to match the demographics, this should spur the property market and motivates economic growth of the property sector and at national scale.

However, the ability to create and sustain economic or financial values is also fundamental for ESG development. Strategic plans to drive sustainability agenda through the development of environmental and social-related improvement initiatives require a strong fiscal position.

DIRECT ECONOMIC PERFORMANCE

Strategic plans to drive the sustainability agenda often goes in tandem with strong fiscal positions and the overall financial health of the organisation. In essence, prioritisation of ESG and its continued progress and development hinges on robust and improving direct economic performance.

The following is a snapshot of Lagenda's economic performance in FYE 2022:

INDICATOR	FYE 2022	FYE 2021	FYE 2020
Group revenue (RM'000)	866,940	835,578	697,612
Group profit before tax (RM'000)	251,502	279,079	215,943
Group profit after tax and minority interests (RM'000)	178,257	201,506	142,487
Total assets	1,776,531	1,448,198	1,162,413
Earnings per share (sen)	0.21	0.25	0.57
Dividends (sen)	6.5	6.25	2.5
Dividends (RM million)	54.43	53.86	20.46
Dividend pay-out ratio to profits (%)	31%	27%	14%
Net Gearing Ratio (times)	Net Cash	Net Cash	0.02

* Unless stated, otherwise is (RM'000)

INDIRECT ECONOMIC VALUES CREATED

Besides direct financial values, the Group's business operations also generate a wide range of indirect economic values. These include dividends to shareholders, total of local spending, community investment and pay-outs to employees through salaries and benefits.

These aspects are just as important as direct economic values since ESG assessments on the Group will likely examine the indirect values Lagenda creates.

INDIRECT ECONOMIC VALUES CREATED	FYE 2022 RM	FYE 2021 RM	FYE 2020 RM
Economic Value Generated (PAT) (RM'000)	178,226	201,506	151,687
Economic Value Distributed (Dividend Total in RM million)	54.43	53.86	20.46
Total Local Procurement Budget (RM'000)	250,108	427,323	-
Total pay-out to employees in salaries and benefits (RM'000)	23,500	18,149	11,858
Community investments (RM'000)	400	1,480	643

We also address the value created from our business model, which described in the following section.

INDIRECT ECONOMIC VALUES CREATED (Cont'd)

Affordable Housing

Sustainability is ingrained in our business DNA, particularly on promoting the social equity & mobility and it is demonstrated in our vision "to be the Malaysia's preferred affordable home developer" along with the mission to provide affordable housing solution for the underserved markets. We understand that our responsibility goes beyond simply providing homes, but also to create self-sustaining townships that feature comprehensive community, public amenities, all while upholding the highest standards of quality and innovation.

Scenario of Affordable Housing

Quoted from UN-Habitat (2011) that affordable housing is defined as housing, which is sufficient in quality and location, and is not so expensive that it prevents its occupants from satisfying other basic living needs. In other words, the location, quality and build-up of a house is equally as important as the financial affordability of a house. It is also refined statistically by World Bank and United Nations (UN), that affordable housing is estimated using the median multiple approach. Under this approach, a house is deemed affordable if the house price is not more than 3 times the annual income.

According to the Bank Negara Malaysia (Financial Stability Review, Second Half 2021), house prices in Malaysia are categorised under seriously unaffordable and severely unaffordable for all states (except for Melaka), which the price is 4.7 times higher than annual median incomes. Supported also by the data by National Property Information Centre (NAPIC), Valuation and Property Services Department, only 44.3% of homes were priced below RM300,000 in 2022, indicating that the existing market supply of homes is not catering to the masses. On top of it, most of these affordable homes are high-rise buildings, which create additional financial burdens such as maintenance fees.

Affordability Rating using House Price-to-Income Ratio

RATING (HOUSE PRICE-TO-INCOME RATIO)	RATING BY STATE
Severely unaffordable (5.1 & above)	Johor, Perak, Sarawak, Sabah, Kelantan
Seriously unaffordable (4.1 to 5.0)	Selangor, Kuala Lumpur, Pulau Pinang, Pahang, Terengganu, Kedah, Negeri Sembilan Perlis
Moderately unaffordable (3.1 to 4.0)	-
Affordable (3.0 & below)	Melaka

Source: Bank Negara Malaysia (2021) Financial Stability Review, Second Half 2021

We understand that affordable housing is a critical issue in Malaysia, and we are dedicated to being part of the solution to drive the home ownership. We adopt a reverse engineering pricing method to match the capabilities of B40 groups within the state and proven to be successful. Our housing price is determined based on the affordability of the target buyers, which is determined by the monthly loan repayment over 35 years at 30% of the buyer's median income and 3.5% of interest rate.

Through our sustained market presence across Peninsular Malaysia, particularly in states with serious and severe affordable housing issues. Our Group is committed to developing over 35,000 affordable homes in the next 5-10 years, in addition to the 20,000 homes that have already been provided. We aspire to make a telling contribution by bringing the social impacts to the community and contributes towards nation-building in line with Twelfth Malaysian Plan, 2021-2025 ("MP12th"), which aims to provide 500,000 unit of affordable housing within 2021 to 2025.

Scenario of Affordable Housing (Cont'd)

KEDAH
Sungai Petani
- Launched: Oct 2022
- Total units – 2,600 (est.)
- Size- 230.0 acres (50% JV)

PAHANG
Penor
- Targeted launching: 2023
- Total units – 6,000 (est.)
- Size – 500 acres

PERAK
BBSAP, Setiawan
- Total Units – 13,000
- Size – 1,012 acres

LTI, Teluk Intan
- Total Units – 13,000
- Size – 1,700 acres

Lagenda Tapah
- Targeted launching: 2023
- Total units – 9,400 (est.)
- Size – 857 acres
  - Land 2: 229.7 acres (100% owned)

Lagenda Tropika (Tapah)
- Launched: 2022
- Total units – 1,400
- Size – 144 acres

SELANGOR
Bernam Jaya
- Targeted launching: 2024
- Total units – 2,000 (est.)
- Size – 191 acre

JOHOR
Mersing
- Targeted launching: 2023
- Total units – 5,200 (est.)
- Size – 432 acres (70% JV)

Kulai
- Targeted launching: 2025
- Total units – 12,000 (est.)
- Size – 1,070 acres

Affordability Rating

5.1 & above	Severely unaffordable: Johor, Perak, Sarawak, Sabah, Kelantan
4.1 to 5.0	Seriously unaffordable: Selangor, Kuala Lumpur, Pulau Pinang, Pahang, Terengganu, Kedah, Negeri Sembilan Perlis
3.1 to 4.0	Moderately unaffordable: none
3.0 & below	Affordable: Melaka

Source: *Financial Stability Review, Second Half 2021, Central Bank Malaysia*

Our Presense

No. of Homes Provided:
>20,000
Since inception [1]

More than
10 Projects
Launched

3 Townships[2]
Launched

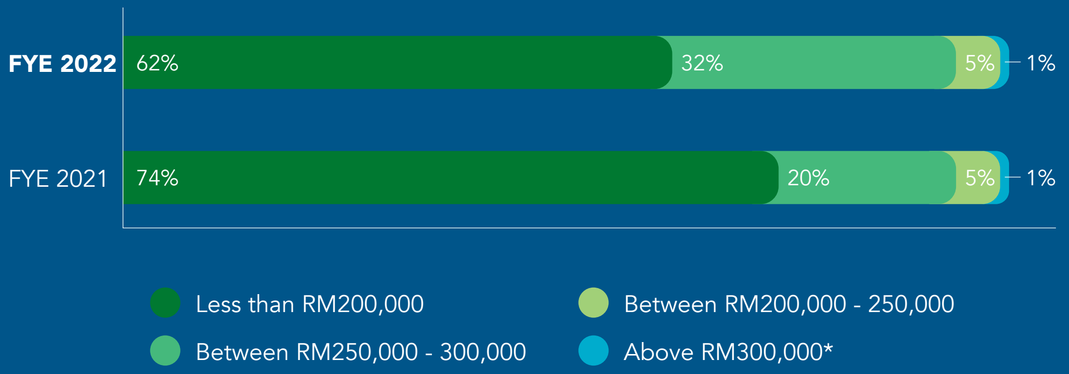
[1] Based on unit launched as of Dec 2022
[2] Define as a township with >2,000 homes which are BBSAP, LTI, and Darulaman Lagenda Sg. Petani

INDIRECT ECONOMIC VALUES CREATED (Cont'd)

Affordable Housing (Cont'd)

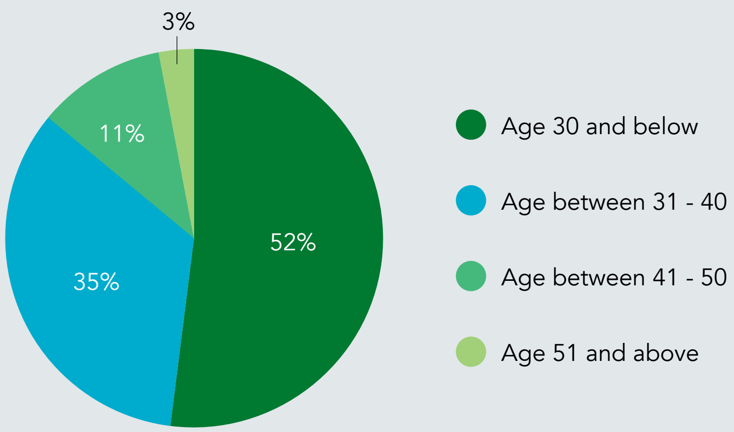
Lagenda plays a significant role through the development of homes that are priced within the purchasing power of lower and middle income of Malaysian and mostly dominated by the young people below the age of 30 (52%) as illustrated in shown in the data below:

Percentage of Confirmed Sales by Price Range (Nett)



* The prices for homes may vary due to differences in land size and house type (e.g., semi- detached house), which may result in slightly higher costs and consequently, a higher price point.

Age group of our buyers for affordable housing (below RM300,000) in FYE 2022 (%)



Landbanking

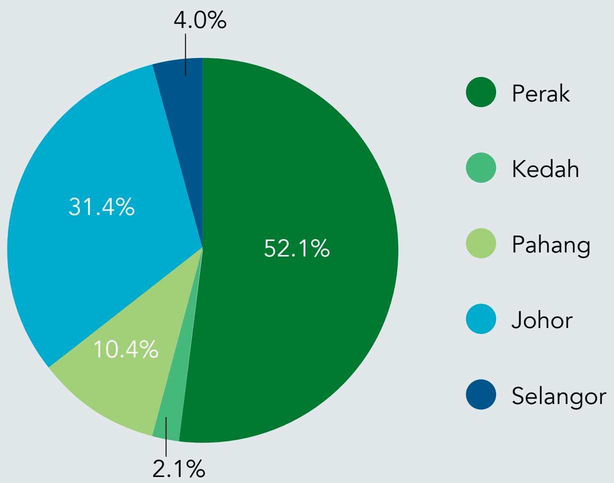
The role of land in facilitating or constraining access to affordable housing has been acknowledged for many years. As such, Lagenda invariably requires land to execute its scalable business model and its commitment to affordability. The Group has developed a robust land acquisition strategy based on previous development frameworks, market insights and knowledge in order to ensure the continuous market presence within the existing states and serving the local buyers.

At the end of FYE 2022, we pleased to announce that we have increased our landbank to nearly 4,800 acres across five states in Peninsular Malaysia. Land that purchased outright or through joint venture ("JV") agreements with landowners is acquired in accordance with all laws, including environmental and social regulations. The Group carefully assesses the suitability of land by considering a range of factors, such as existing and future infrastructure, zoning regulations, community needs, land terrains.

INDIRECT ECONOMIC VALUES CREATED (Cont'd)

Landbanking (Cont'd)

Remaining Land Composition in FYE 2022 across five states

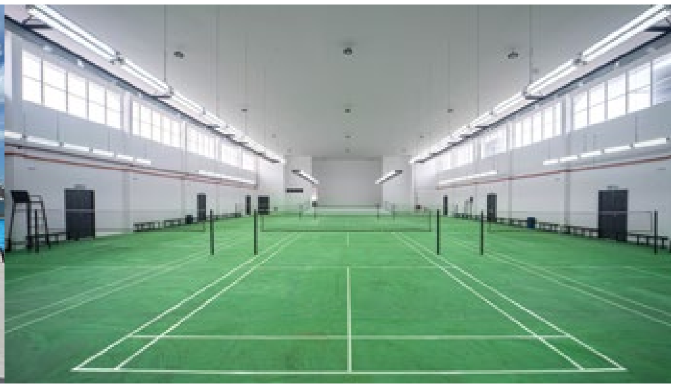


Local Community Infrastructure Investments and Services

Lagenda does do its best to support local communities through community service and the development of certain infrastructure for the public.

Lagenda's self-sustaining townships involve facilities such as clubhouses, gymnasium, Olympic swimming pool, and recreational areas. By doing so, facilities are provided to the local community and economic opportunities are also created through these developments.



INDIRECT ECONOMIC VALUES CREATED (Cont'd)

Local Community Infrastructure Investments and Services (Cont'd)

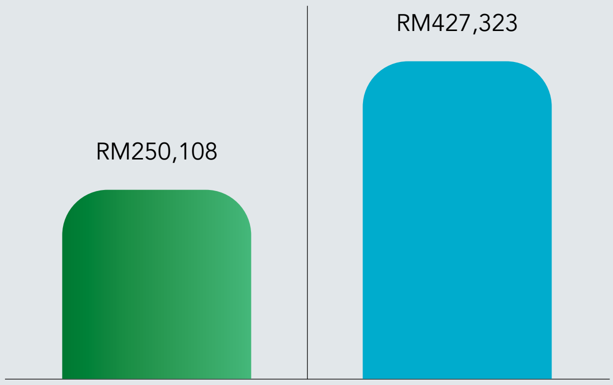
In FYE 2022, Lagenda installed a total of 3,663 nos of rainwater harvesting system at individual units to promote water efficiency, contributing to significant reduction in water resources and water bills. In promoting community development, we have established community garden facilities at our township not only to feed the interest and needs of our local community, but also to promote recreational activity and bring better accessibility in food resources.

Moving forward, the Group plans to install 1,000 residential solar photovoltaic ("PV") systems across three of the Groups townships to reduce the overall carbon footprint produced by Lagenda's townships.

Efficient Supply Chains

To optimise supply chain efficiency in terms of cost, time, and quality, we are committed to using local procurement and exercising 'local-where-we-operate' across the supply chain. This includes creating job opportunities, promoting technological mobility, sourcing for goods, resources, and services. We believe that a local supply chain promotes more local wealth generation, retains the uniqueness of our communities, reduces environmental impact due to typically shorter transportation cycle and lower energy consumption. In FYE 2022, Lagenda continued to maintain 100% local procurement with total spending of RM250.1 mil for its business requirements.

Additionally, Lagenda requires suppliers to meet strict quality and other standards to bid for contracts, which improves local goods and service quality. The Group uses an ISO-certified evaluation form to annually assess contractor performance and ensure compliance with its standards, financial stability, performance history, quality control, delivery times, including anti-corruption and anti-bribery measures. Beyond ensuring ethical business conduct across its value chain, Lagenda is looking to expand its due diligence to suppliers' social and environmental compliance through its various stipulated policies, such as Environmental Policy, Human Rights Policy and in accordance with ISO implementation.



PRODUCT QUALITY AND SAFETY

In its pursuit of continuous improvement from an economic perspective, Lagenda prioritises product and service quality since it is essential in ensuring customer satisfaction. Lagenda strives to fulfil a balance between maintaining the affordability of housing units without compromising the quality of the products and customer services provided.

Thus, Lagenda has established a standardised procedure to evaluate purchasers' satisfaction in accordance with the requirements of the ISO 9001:2015 Quality Management System. In detail, the procedure references as below:

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

Since 2015, Lagenda has been using the Industrialised Building System ("IBS") technique, specifically aluminium formwork, to support its commitment to quality. Compared to conventional timber formwork, this method is easier to use and doesn't require an expert, resulting reduction in labour reliance. It also delivers a higher standard of quality with better finishes and leading to increased customer satisfaction with Lagenda's products.

The Group's Quality Management System ("QMS") has been developed to ensure the design and build quality is attained and maintained throughout all stages of the design and build process. In FYE 2022, Lagenda had zero incidents of non-compliance regarding serious issues of product/service quality and safety that have resulted in a regulatory warning, fine or penalty. This includes fines or censures for misleading advertising, promotions or marketing information.

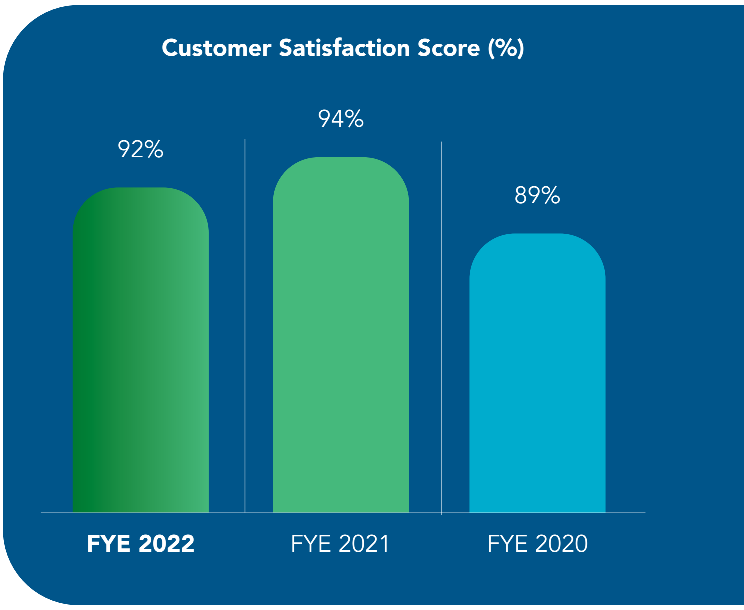
PRODUCT QUALITY AND SAFETY (Cont'd)

Customer Satisfaction

Customer satisfaction remains a significant aspect to consider for Lagenda, through Quality Policy and is closely monitored through the Group's annual customer satisfaction survey and other feedback mechanisms. Lagenda's management team recognises its importance and has included customer satisfaction in the Quality Objective Achievement Plan.

Feedback from customers is crucial for improvement as necessary adjustments can be made based on the information and feedback received. Lagenda continues to achieve excellent customer satisfaction scores for the quality of our products. The Group will continue to engage with customers and other relevant stakeholders to gather their valuable feedback.

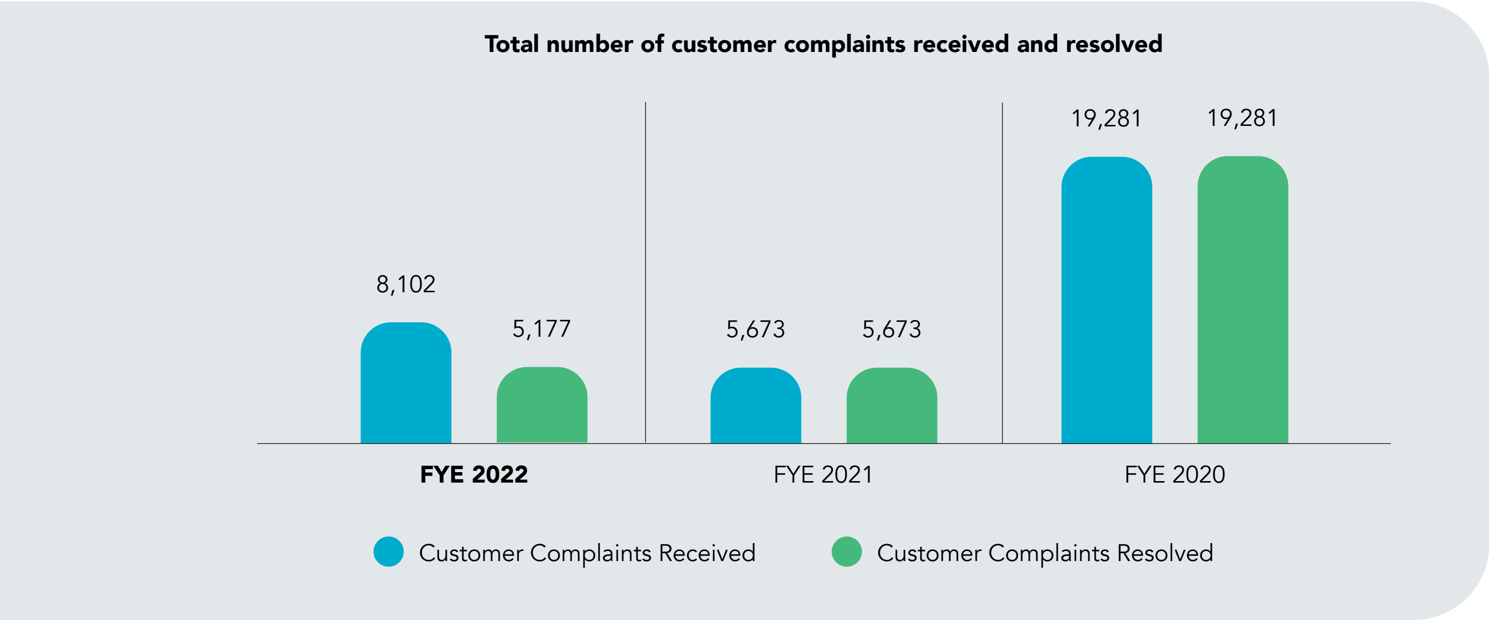
Lagenda is proactive in addressing customers' inquiries through its yearly satisfaction survey. In FYE 2022, a commendable score of 92% satisfaction rate.



Defects Management

In FYE 2022, all 8,102 complaints related to property defects within 24 months of occupancy were responded within 15 days and 50% of the complaints were resolved within 30 days.

Lagenda provides a Defect Complaint Form for all our customers where any defects in finished products will be rectified by the Group at no cost to customers. Customer feedback as well as lessons learnt from previous projects continue to serve as opportunities to improve design and build processes. Through this system, the involvement of the vendor ensures the inquiries are orderly tracked and updated in a quarterly basis.



Number of customer complaints received and resolved dropped after FYE 2020 due to the reduced number of launches for both years.

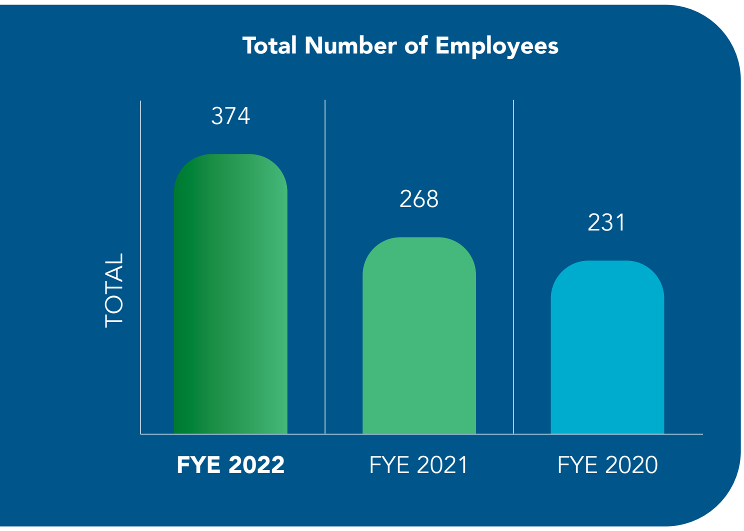
PILLAR 2: ADVOCTING POSITIVE SOCIAL IMPACTS

We aim to create positive impact with the communities where the company operates, by protecting human rights and adding value to the well-being of employees, partners, and communities, investors, and all other stakeholders. We also champion the social responsibility and believe in giving back to society by creating lasting positive impacts to communities.

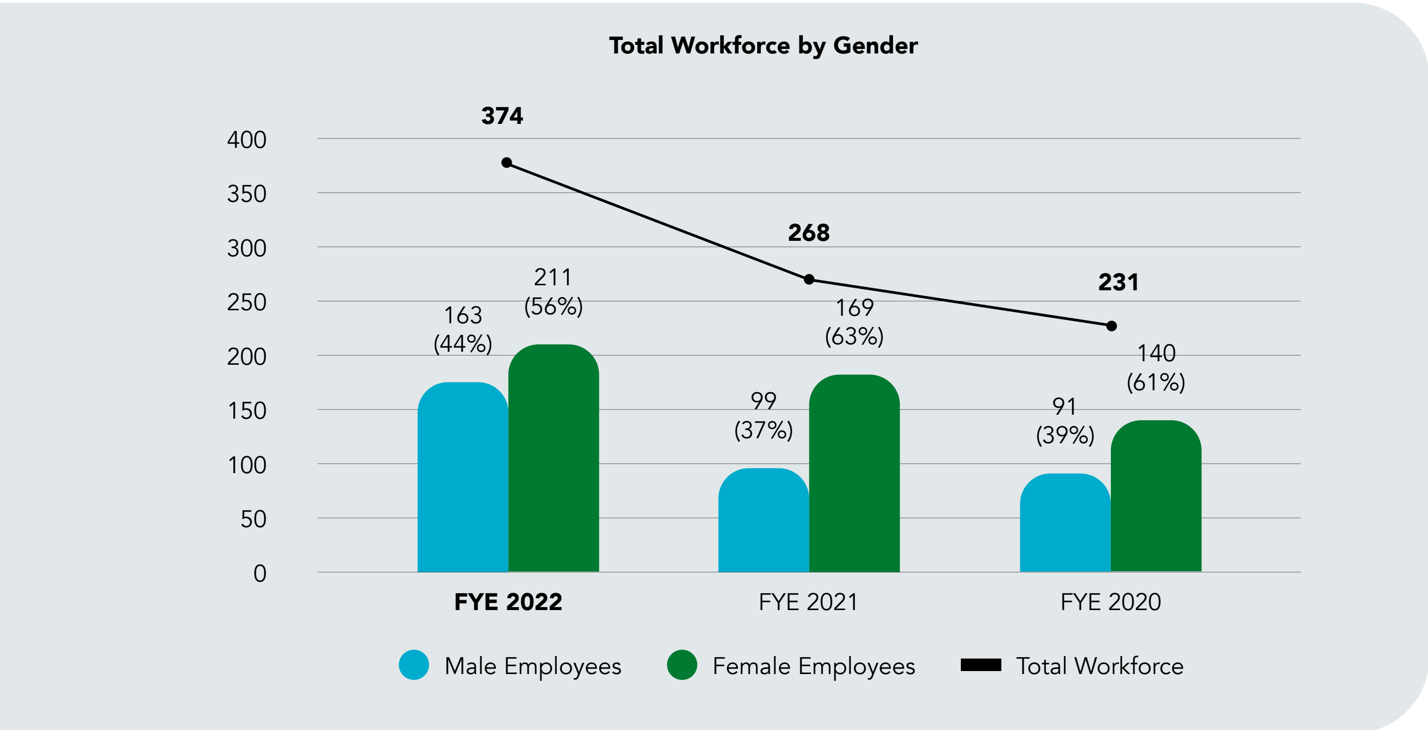
DIVERSITY AND EQUAL OPPORTUNITY

Lagenda contributes to providing job opportunities for Malaysians, especially in the surrounding communities in which the Group operates in. By maintaining a consistent approach to talent management and upholding our human rights commitment, the Group's workforce represents a microcosm of Malaysia's multicultural and multi-ethnic society, including employees from diverse racial backgrounds.

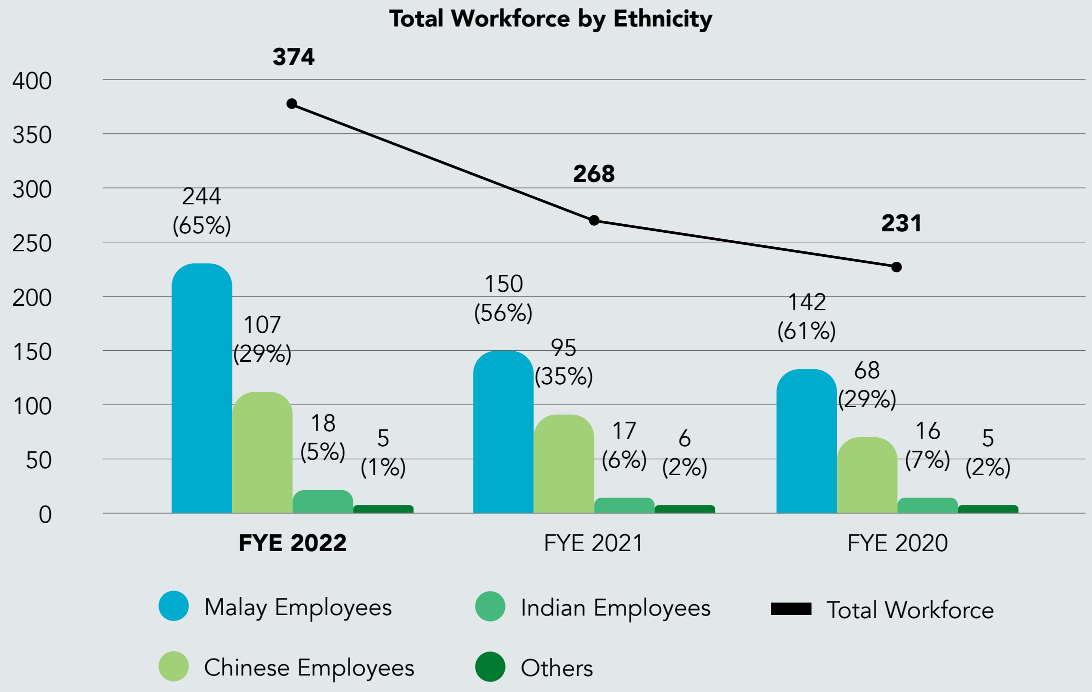
The Group's full-time workforce currently totals 374 employees with an increment of 40% increment as compared from the previous year's headcount. Lagenda continues to exclusively employ local talent to align with the government's long-term plan to reduce dependence on foreign workers to 15%. In FYE 2022, there were no disabled staff employed at Lagenda.

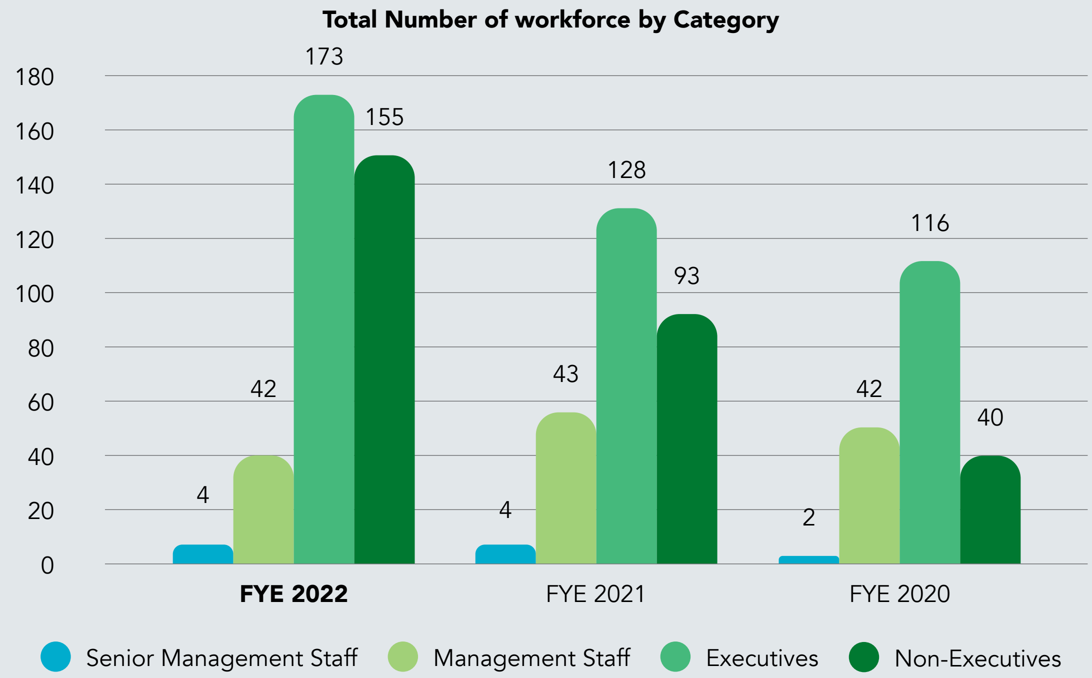


The total workforce is increasing within the three years of data (from 2020-2022) regardless of gender, ethnicity and employment category. The percentage of these three different categories shows the same trend despite there being additional talent recruitment. The percentage of permanent/contract staffs was found to be 50%, which is equivalent to half of the total workforce. We will continue to monitor these metrics over time and promote diversity and inclusivity in the workplace as well as in our hiring.

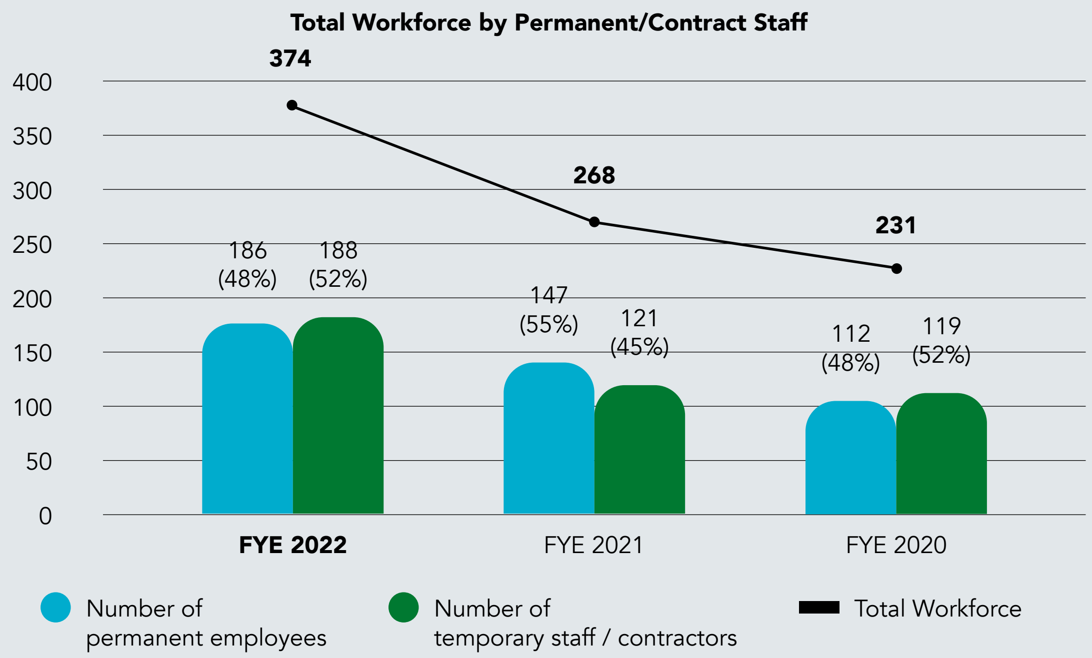


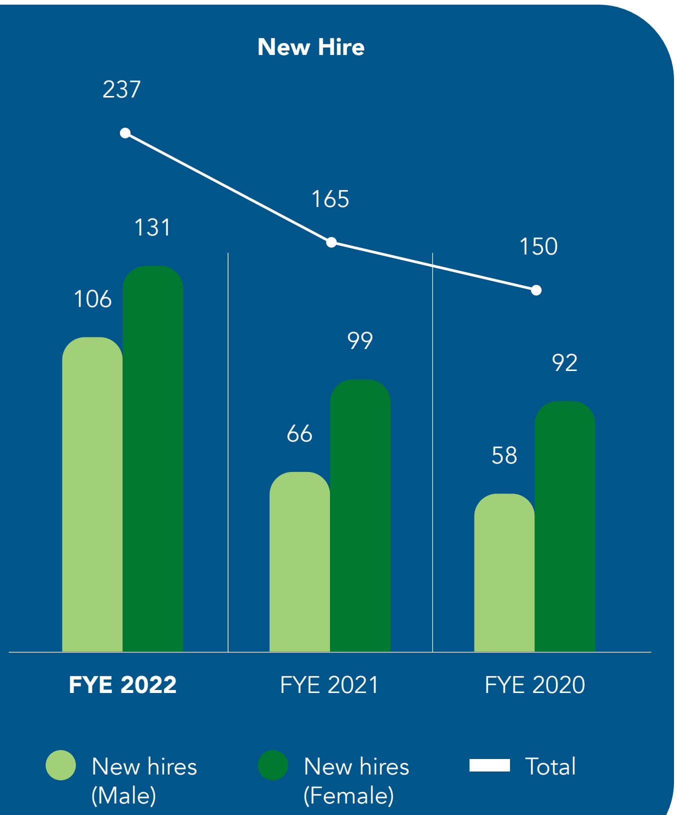
DIVERSITY AND EQUAL OPPORTUNITY (Cont'd)

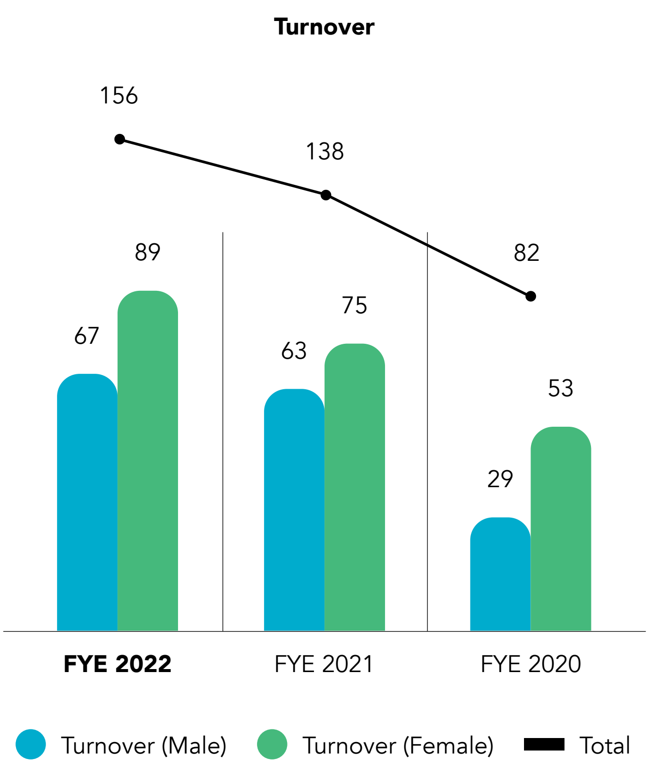




DIVERSITY AND EQUAL OPPORTUNITY (Cont'd)







DIVERSITY AND EQUAL OPPORTUNITY (Cont'd)

Lagenda's equal opportunity employment practices to all current and future employees are outlined in the Employment Policy, our Human Rights Policy and OSH Policy and Procedures.

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

ADVOCATING HUMAN AND LABOUR RIGHTS

Lagenda upholds human rights and its related commitments in every area of employment, and any involved the third-party stakeholders (including our suppliers) as expressed in The United Nations Universal Declaration of Human Rights, the International Labour Organisation's Declaration on Fundamental Principles and Rights of Work, The United Nations Global Compact Principles on Business and Human Rights, Industrial Relation Act 1967 and Employment Act 1955.

The responsibility to respect human rights as published in our Human Rights Policy, the Group commit with the following principles:

1. Protect the Rights of Children
2. Precenting Forced Labour
3. Respecting Freedom of Association and the Right to Collective Bargaining
4. Eliminating Violence and Harassment

Additionally, Lagenda makes sure all workers have a legal permit to work. In the event any third-party stakeholders are found to infringe on these prerequisites, termination will be automatic and further action may be taken upon reporting to the relevant authorities. This also applies to Lagenda's own employees.

Where the Group identifies that it has caused or contributed to adverse impacts, we strive to provide or cooperate in any remediation actions. With the whistleblowing mechanism in place, any third-party stakeholders will be able to report such social rights issues to the attention of the Board and designated committee. In FYE 2022, there were no incidents reported and we will remain committed to provide relevant training and human rights issue and advocating the culture of respecting the human rights.

Employee Benefits and Remuneration

Lagenda provides competitive compensation packages to all staffs directly employed by the Group, benchmarked against industry standards. These packages include salaries, bonuses, various types of leave (e.g., parental leave, calamity leave), monetary and non-monetary rewards and healthcare are provided to our workforce and is essential if the Group is to retain and attract talent within this competitive market.

Benefits provided are in compliance with the Employment Act 1955 and match current market standards.

	FYE 2022 (RM)	FYE 2021 (RM)	FYE 2020 (RM)
Total payments made to employees in terms of salaries, bonuses, and benefits (RM'000)	23,500	18,149	11,858
Total statutory payments made for employees' retirement benefits (EPF) (RM'000)	6,698	5,059	3,517
Total payments in medical insurance (SOCSO) for employees (RM'000)	276	203	135

Compliance with Social Regulations

As Lagenda continues to ensure the social wellbeing of its workers, there have been zero incidents reported associated with human and labour rights issues in FYE 2022. There has also not been any violation of human rights involving indigenous communities throughout Lagenda's operating history. On the social front, Lagenda constantly identifies potential impacts that the Group's operations and activities might have on human rights. Supported by internal and independent human rights experts, the Group assesses the impacts from the perspective of risk to people rather than risk to the business on a regular basis, particularly before entering a new activity.

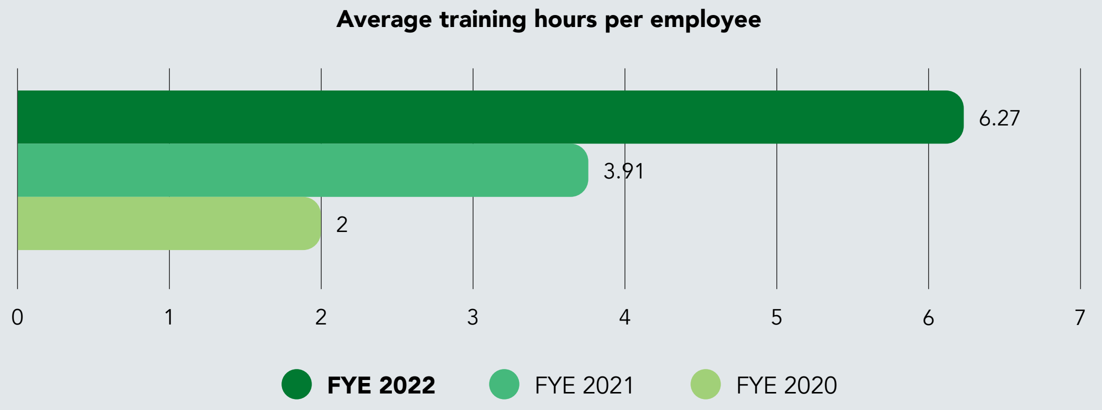
TALENT RETENTION AND DEVELOPMENT

Developing our human capital remains our priority as we strive to maintain our talent, workforce productivity, individual skill sets, and knowledge while ensuring our competencies remain relevant in a rapidly evolving industry. As such, the Group aims to deploy a total of 4,000 training hours every year, providing all employees with constant learning opportunities at all levels of employment. Our commitment to training and professional development serves several purposes, including:

- Address any competency gaps in employees' skillsets identified through the regular appraisal processes and reflects.
- Supporting the career advancement of its workforce.
- Support succession planning within the organisation.
- Effectively developing the competencies of our employees by involving expert consultation to determine areas for improvement, such as digitalisation skills and capabilities in technology management

Lagenda's support in training development is reflected through its annual contributions to the Human Resource Development Fund ("HRDF"), which allows all work-related training to be provided free of charge to its employees unless under exceptional circumstances. As the HRDF fund is only claimable for training purposes, Lagenda also allocates additional funding for other upskilling programmes such as seminars, lectures, workshops, and courses. In FYE 2022, a total budget of RM107,288.62 has been allocated for training development, with a deployment of 4,067 hours of training. We are pleased to announce a 60% increase in the average training hours per employee, which is now 6.27 hours per employee.

Training Data	FYE 2022
Total training hours	4,067 hours
Total training spend	RM107, 288.62
Total training hours Per Business Unit	581 hours / Division
Total training spend per Business Unit	RM15,688.00
Average Training Hours Per Employee	6.27 hours
Average Training Days Per Employee	1.36 days
Average Training Spend Per Employee	RM707.15



To ensure the quality and effectiveness of our training programs, we require all employees who attend trainings to provide feedback through a designated platform. Despite the challenges posed by the COVID-19 pandemic, most trainings have resumed in FYE 2022 as we transition into the endemic phase.

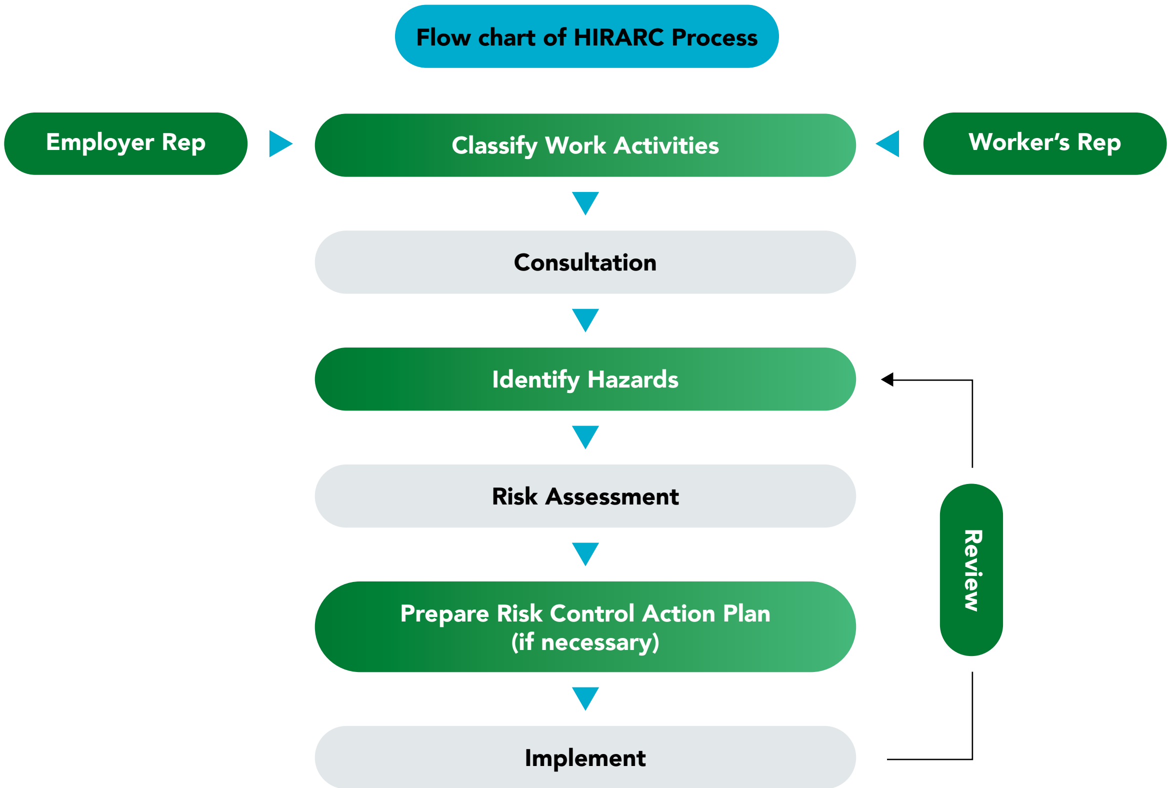
To maintain high standards of training quality, our Internal Control and Compliance department regularly performs audits to ensure that our training and development activities align with ISO standards. We are proud to report that no non-conformance reports were recorded in FYE 2022 regarding our training and development activities based on the annual review and audit process.

OCCUPATIONAL SAFETY AND HEALTH

OSH are top priorities for Lagenda, driven by the Board and Management's commitment to the wellbeing of employees, third-party workers, local communities, and other stakeholders. The Group aims to provide a safe and secure environment in which everyone can work confidently and produce their best quality work while being productive and able to go home to their families and loved ones. Injuries or fatalities are tragedies that must be avoided at all costs.

Operationally, the lead of Health and Safety Department is responsible for oversight of all OSH-related matters in the Group, especially on-site. Some organisational resources such as financial and human resources have been set aside to drive the OSH agenda/ performance to give sufficient support. Any OSH incident is likely to prove disruptive to the progress of works at operational sites. Damages and delays will hamper project completion and also lead to increased costs for rectification. Furthermore, any OSH incident may also affect the Group's reputation and branding as a safe and reliable operator.

Hazard Identification, Risk Assessment and Risk Control ("HIRARC") forms the basis of occupational safety and health at Lagenda. It involves the identification and assessment of various hazards that may cause injury or harm to a person when exposed to these risks.



A strong OSH management system drives down compliance costs and minimise risks. A good OSH track record leads to improved productivity and higher worker morale, enhanced brand reputation, increased competitiveness in bidding for contracts, faster project completion and lower costs due to reduced need for property and equipment replacement.

OSH Committees at Site

All worksites have a comprehensive OSH Committee, comprising a Safety Officer, Site Safety Supervisor and Project Manager. Collectively, all parties strive to achieve and maintain an incident-free work site. Key tasks include organising monthly Safety Committee meetings as well as weekly toolbox meetings, undertaking HIRARC for all jobs activities on site, conducting weekly and monthly inspections, investigating any incidents to identify root causes, conducting lessons learned initiatives to ensure that insights are shared among all worksites and ensuring sufficient employee representation on OSH committees.

In compliance with the Occupational Safety and Health Act ("OSHA") of 1994, Lagenda has established an OSH policy and procedures that is made easily available to all relevant parties. OSH Policy is cascaded to workers by discussing/ explaining during induction or during Toolbox Meetings. The policy is also posted on the Information Board at sites.

OCCUPATIONAL SAFETY AND HEALTH (Cont'd)

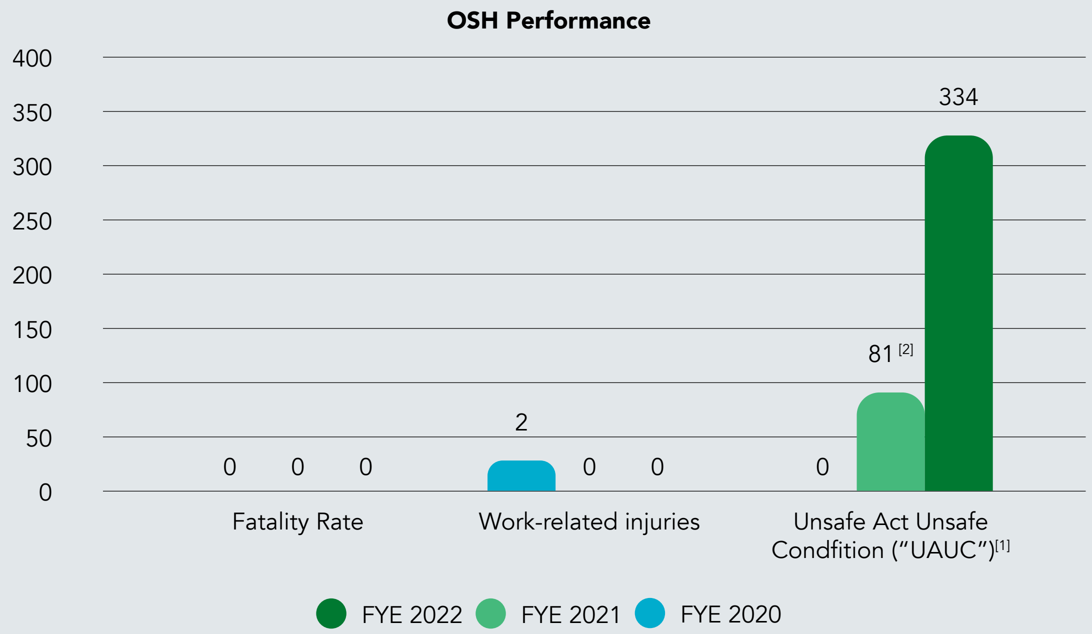
OSH Incident Investigation

Any incidents are reported to Management immediately. The incident is thoroughly investigated, and any staff involved in non-compliance incidents will be warned by safety personnel through the issuing of a verbal warning/ memo/ penalty or Safety Improvement Notice (SIN), following the Notification of Accident, Dangerous Occurrence, Poisoning and Occupational Disease ("NADOPOD") procedure, which is a protocol for investigating and taking action on reported incidents and accidents.

The findings of the investigation will enable the identification of the root cause for the incident and provide recommendations on how to prevent or reduce the possibility of re-occurrence.

OSH Performance

In FYE 2022, Lagenda recorded a total of 4,716,189 total of manhours. The Group monitors its OSH performance through monthly report and the results are measured and verified by an internal audit committee. Due to the strict implementation of OSH policy and procedures, Lagenda is proud to report that no incidents or lost time injuries were recorded in FYE 2022.



Note:
[1] UIAC are related to the way people handle their tasks and unsafe conditionals are majorly attributed to owners of the workplaces.
[2] The site operated in October 2021, thus, the data recording on UIAC started from that point onwards.

Year	Total man-hours
2022	4,716,189
2021	3,253,397
2020	-

OCCUPATIONAL SAFETY AND HEALTH (Cont'd)

OSH Training and Education

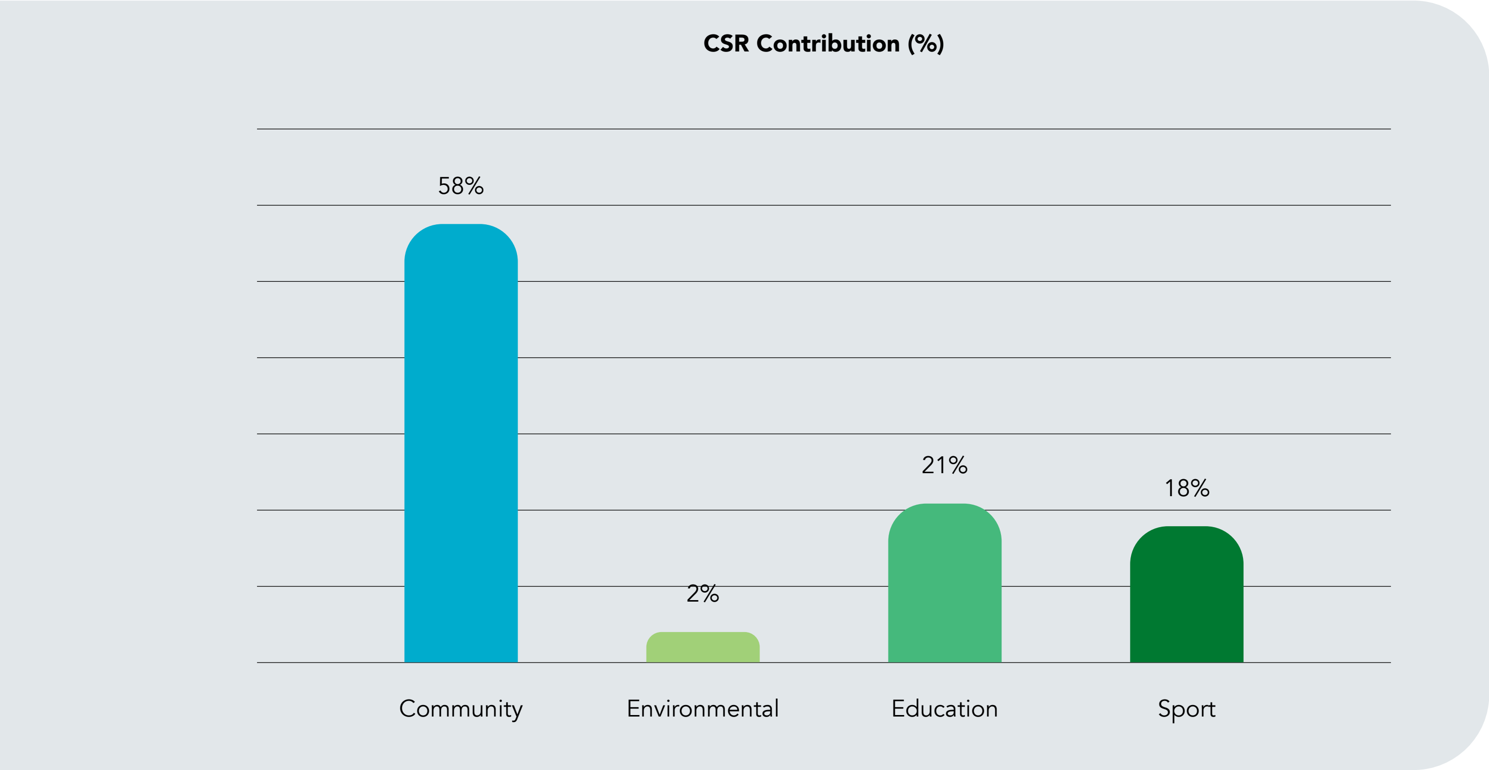
OSH training is required to ensure a high level of competence and vigilance. Staff are sent for OSH-related training which also equips them with basic knowledge of first aid.

DATA PRIVACY

We respect the confidentiality of personal information and treat all personal data with integrity. Given the nature of Lagenda's business, large amounts of data and information are received involving employees, officers, and customers. Data collected is safeguarded by strict data controls and an extensive security system to ensure that the data is used for its intended purpose and only seen by relevant parties.

Data that is not required by the Group is purged from its collection. In FYE 2022, zero incidents were recorded involving cases of data breach within the Group's operations.

Lagenda is committed to enhancing the well-being of local communities through Corporate Social Responsibility ("CSR") initiatives and volunteerism activities among its employees. Lagenda has provided support financially and in kind to its local communities for various charitable causes, which range from short to long-term programmes. In FYE 2022, approximately RM400,000 has been contributed for all CSR programme covering a range of activities such as Environmental, Education, Community, and Sport.
Below are some of the salient CSR activities and community engagement conducted in FYE 2022:



ENRICHING COMMUNITY AND STAKEHOLDER ENGAGEMENT (Cont'd)

Below are some of the salient CSR activities and community engagement conducted in FYE 2022 :

Community

Sponsorship to Build Cabin for BBSAP Residents – Residents 2

Contribution was made to the Residents Association of Residen 2, Bandar Baru Setiawan Perdana for the purpose of purchasing a CABIN to be used as the Residents Association office, a storage space, and a temporary surau for the use of residents in Residen 2.

Raya Celebration Donation to Angkatan Tentera Malaysia

This program is organised annually, in which Angkatan Tentera Malaysia (ATM) provides a donation to purchase festive necessities such as sarongs, batik fabrics, festive cookies, and instant food items for military personnel who are required to work at defense camps during the festive season.

Food donation

- Food box initiative – Sg Manik, Teluk Intan
- Food Donation to residents in Bota in conjunction with the celebration of Hari Raya Aidilfitri

ENRICHING COMMUNITY AND STAKEHOLDER ENGAGEMENT (Cont'd)

Below are some of the salient CSR activities and community engagement conducted in FYE 2022 : (Cont'd)

Environmental

Mangrove Reforestation with Persatuan Aktivis Sahabat Alam (KUASA) at Sungai Changkat Keruing, Perak.

Lagenda has made an investment in preserving the local ecosystem by planting Rhizophora apiculata and Bruguiera cylindrica in the Sg. Keruing mangrove forest. These two species are native to the area and are a good source of natural antioxidants with medicinal uses, helping to promote a healthy and thriving environment.

Community Garden Project in collaboration with Jabatan Pertanian Perak dan Majlis Perbandaran Manjung

As part of the 5R campaign, Lagenda has launched the Community Garden Project in collaboration with the Majlis Perbandaran Manjung and Jabatan Pertanian Perak. The project aims to promote food security and environmental awareness.

The event was attended by 40 participants who witnessed the official handover of the community garden to the local community, providing them with gardening facilities and resources to support their gardening journey.

ENRICHING COMMUNITY AND STAKEHOLDER ENGAGEMENT (Cont'd)

Below are some of the salient CSR activities and community engagement conducted in FYE 2022 : (Cont'd)

Sport

- Sponsorship of BBSAP Futsal Competition
- Sponsorship for Bowling Tournament Programme of Department of Occupational Safety and Health, Ministry of Human Resources
- Donation for the Futsal Tournament Ketua Polis Perak, 2022
- Sponsorship from Kejohanan Gold 4 Penjuru KGK 2022

Education

- Student Travel's Sponsorship to Global English Competition

  Lagenda sponsored three students from two schools in Perak to compete in the final round of Global Teen Eagle 2022 competition held in London, United Kingdom.
- All three students brought home gold and silver medals for Malaysia in this competition.
- Educational Talk with University of Reading
- Upskilling Training for BBSAP Residents

EMPLOYEE RELATIONS AND ENGAGEMENT

Lagenda acknowledges that job satisfaction is a significant factor that impacts employee retention. To proactively engage our employees, we ensure that they are always kept informed of relevant information. Staff notifications are disseminated via Yammer, and new hires are also briefed on Group policies through the Welcome Aboard email. In FYE 2022, we organised several employee engagement activities, including departmental domestic travel, annual dinner, Chinese New Year celebration, and sports events.

PILLAR 3: ADVANCING ENVIRONMENTAL STEWARDSHIP

Lagenda continues to embrace sustainable development as a core value of its business philosophy. The Group aims to progressively embed within its business model the key concepts of resource stewardship, environmental preservation, and reduction in environmental footprint (impacts such as carbon emissions, waste production and others).

These shall be progressively realised through new strategies and action plans as well as changes to business processes that promote reduced consumption of resources. This includes energy and water management, building materials, reduced waste production and increases in waste recycling (to reduce quantities sent to landfills).

PILLAR 3: ADVANCING ENVIRONMENTAL STEWARDSHIP (Cont'd)

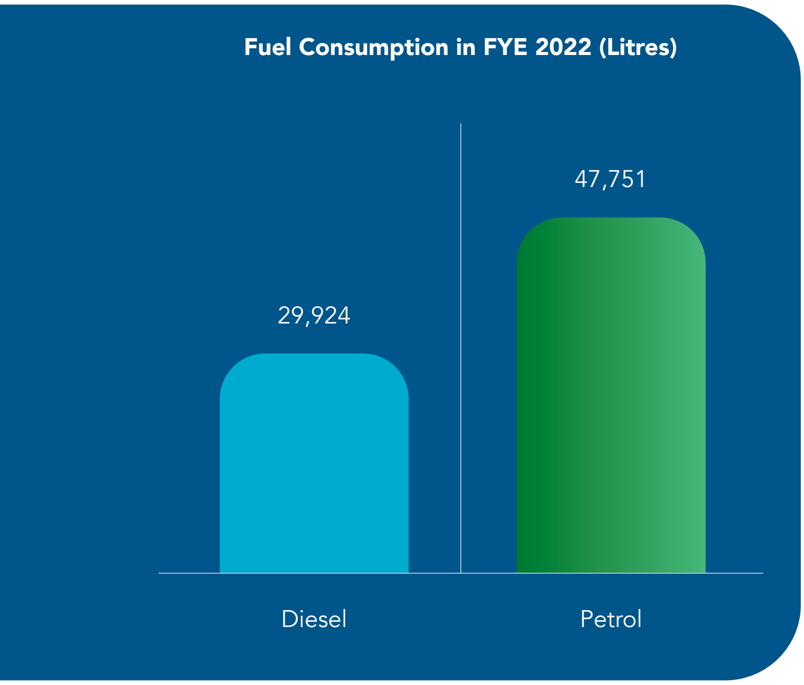
The Group's commitment is reflected through its effort in all environmental aspects which identifies its focus areas with supporting goals, KPIs and targets. The targets are set to ensure the Group's sustainability efforts continue to progress well on track.

ENERGY CONSUMPTION

The Group is cognisant that energy management is the key to conserving energy and bringing about cost savings by implementing energy efficiency initiatives. Lagenda remains committed to monitoring its fuel and electricity consumption to determine the efficiency of its operation usage.

Fuel Consumption

To pursue energy efficiency across the Group, Lagenda has extended the scope of energy resources to consider fuel usage throughout the business operations. In FYE 2022, the Group initiated a new accounting method to keep track of fuel consumed by the company-owned vehicles using the distance travelled metrics.

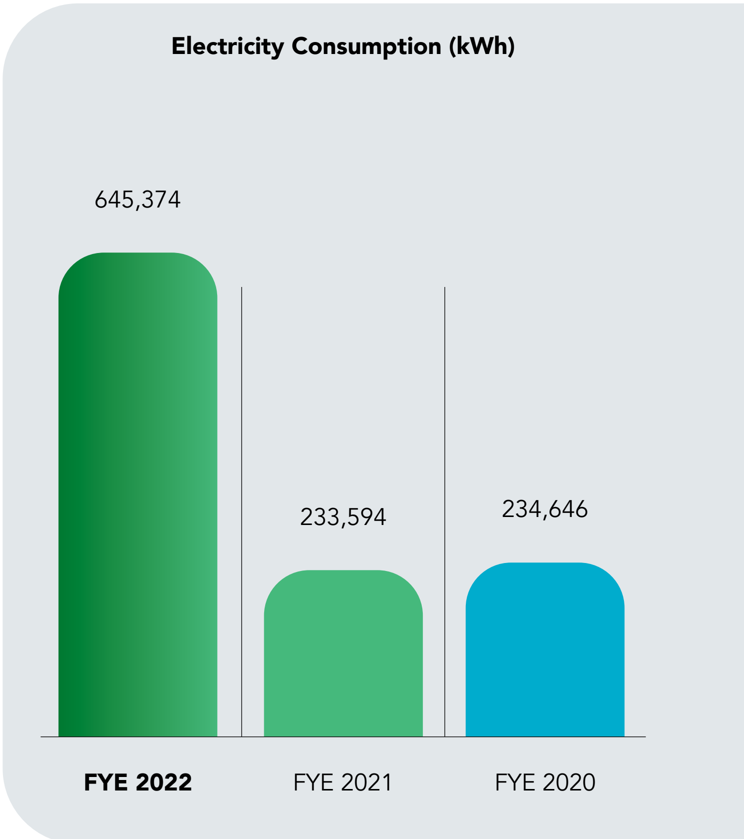


Note: *Fuel consumption is calculated based on the fuel efficiency of the company-owned vehicles and the distance travelled for FYE 2022.*

Electricity Consumption

Through the Group's Climate Change Policy, we continuously encourage efficient energy consumption in our operations. Starting from FYE 2021, the Group has implemented various measures to reduce energy consumption, such as installing 100% LED lighting in operating buildings and raising awareness among employees to promote behavioural changes, such as turning off lights when not in use and limiting the use of air conditioning.

We believe in the adage that "we can best manage what we can measure," and this is why we have made ongoing efforts to manage our consumption. As part of our commitment to sustainability, we have expanded our scope of electricity monitoring for other facilities and buildings across Lagenda's business operations. In FYE 2022, our electricity consumption recorded an increment trend due to this expanded scope, with an additional 33 of the units/buildings being monitored and disclosed compared to FYE 2021.



ENERGY CONSUMPTION (Cont'd)

Electricity Consumption (Cont'd)

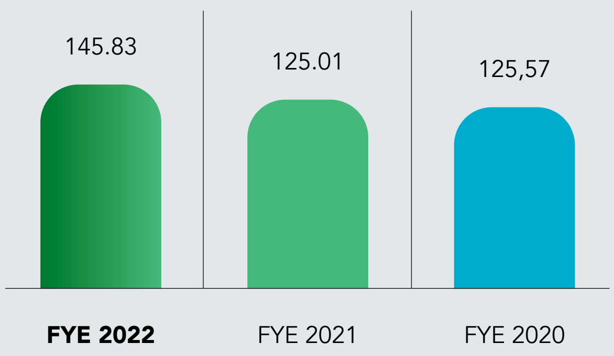
Facilities/Buildings	Electricity Consumption (kWh)		
	FYE 2022	FYE 2021	FYE 2020
Headquarters	274,371	233,594	234,646
Hostels	11,613	-	-
Office Buildings	179,133	-	-
Sales Gallery	123,070	-	-
Customer Service Centres	35,869	-	-
Facilities, e.g., Gym	21,319	-	-

Energy Intensity

In monitoring the energy efficiency performance prior to year-to-year target and KPI settings, the Group utilised the energy intensity formula by indicating the energy used per meter square area (m^2) of the building. In FYE 2022, the energy intensity has increased to 145.01 MJ, compared to FYE 2021 (125.01 MJ), which may be attributed by increased capacity and occupancy within the floor space area.

Moving forward, Lagenda plans to extend the energy intensity quantification covers other facilities and buildings within the Group's business operations.

Headquarters' Energy Intensity (MJ PER m^2)



Note: *Conversion of 1 kWh equivalent to 3.6MJ. Energy Intensity is calculated based on Headquarter (HQ) sizing of 6,725 m^2.*

We are also committed to increase the energy efficiency within our project. Apart from the energy efficiency performance at headquarters, 187 units of LED lighting are installed at the BBSAP project. Lagenda recognises the need to reduce emissions and promote renewable energy by committing to install 1,000 residential solar PV systems across three projects will be installed that were developed by Lagenda in the state of Perak.

RESOURCE AND WASTE MANAGEMENT

With regard to waste management, Lagenda's focus is on minimising construction waste and introducing recycling facilities in compliance with the requirement from authorities such as the Department of Environment ("DOE") and all sites are practicing the guideline of ISO 14001.

In FYE 2022, approximately 6,000 homes planned for launch will require bulk commodity purchases and hence, could possibly increase the construction waste. To mitigate this, Lagenda has improved the efficiency and productivity of its construction segment by harnessing technologies such as the previously mentioned IBS system comprising the use of aluminum formwork since year 2015.

As to date, Lagenda has purchased approximately RM33 million worth of aluminium formwork which are designed and manufactured locally in Malaysia. The aluminium formwork can be re-used up to 150 times. This reduces its reliance on manual labour and construction waste production, subsequently reduced resource consumption throughout the manufacturing process. This effort has aligned with UNSDG's Sustainable Cities (Goal 11) and Responsible Consumption and Production (Goal 12).

As Group-wide sustainability initiative, we have implemented a Waste Management Project and Strategy based on the 5R approach to minimise waste and maximise resource efficiency. Specifically, our initiative at Lagenda has involved reducing resource consumption, reusing the waste, recycling waste, and recovering waste materials, and refuse.

RESOURCE AND WASTE MANAGEMENT (Cont'd)

As such, Lagenda has set its KPI and targets on waste management as below:

1. Minimum of 20% of construction waste diverted from landfill
2. To promote recycling centers / points across all developments
3. To engage with organisations/ authorities to promote a community garden programme

Reduction of Construction Waste Diverted from Landfill

Within the 5R approach of waste management strategy, Lagenda continues to use prefabricated materials (cast in situ wall) on its current and future development which will greatly reduce the volume of waste that will be sent to landfills.

75,724 m² of prefabricated materials has been used for the project Bidoria Tapah 144a in FYE 2022, which also contributed to a total of 371,034 m² of prefabricated material used within the development year.

Roof truss, window frames, door frames and door leaves are all prefabricated materials that have increased the efficiency of the construction work and avoids unnecessary on-site wastes. Some projects using IBS to reduce waste generation with the materials used at site such as timber formworks are being recycled and reused to minimise waste generation.

Reduction of Waste in Our Township

The Group has strategised its action plans to promote waste reduction and efficiency by introducing recycling facilities at BBSAP clubhouse and implementing more intensive practice of prefabricated materials in construction work.

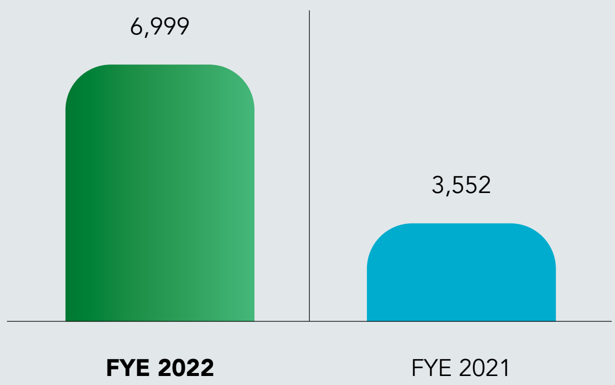
In the future, the Group plans to engage with contractors to obtain the necessary data to report on volumes and types of waste generated at the development sites. Lagenda has also engaged with an external recycling consultant to collect data on recycled waste at BBSAP, which will contribute to the waste management programme of the Manjung district.

WATER MANAGEMENT

Water is a finite resource and therefore, must be carefully used and preserved. As such, Lagenda recognised the shared responsibility on efficient water consumption between the Group and its stakeholder by adopting sustainable practices across the operation and value chain in line with the UNSDG Goal 6 (Clean Water and Sanitation).

Internally, Lagenda has implemented a sustainability awareness campaign aimed at encouraging behavioral changes among employees and site personnel to reduce water consumption. For operational usage, Lagenda primarily relies on municipal potable water, which is monitored and recorded based on monthly water bills. In FYE 2022, the Group recorded a total water usage of 6,999 m3, representing a significant increase of about 35% compared to FYE 2021. However, this increment was primarily due to the expansion of data collected from buildings/facilities covered in Lagenda's reporting boundary. As we consistently collected data for the Headquarters Building since FYE 2021, Lagenda has demonstrated its commitment by decreasing its water consumption by 2.34% compared to FYE 2021, reflecting the company's effort against its baseline year.

Water Consumption (m³)



WATER MANAGEMENT (Cont'd)

Facilities/Buildings	Water Consumption (m^3)	
	FYE 2022	FYE 2021
Headquarters	3,318	3,552
Hostels	1,303	-
Office Buildings	1,466	-
Sales Gallery	719	-
Customer Service Centres	193	-
Facilities, e.g., Gym	-	-

For our township, Lagenda has set a target of reducing water consumption by 5% by 2025 through the installation of 3,000 unit of rainwater harvesting systems. In FYE 2022, Lagenda has made significant progress towards this goal by installing a total of 3,663 units of rainwater harvesting systems. This represents an increase of 1,170 units as compared to the previous year and is a testament to our ongoing efforts from 2020 to promote water efficiency and sustainability. As we move forward, we remain committed to monitoring and evaluating the effectiveness of our initiative.

Year	FYE 2022	FYE 2021	FYE 2020
Rainwater Harvesting Installed within township	3,663 units	2,493 units	1,476 units

Effluent Discharge

Lagenda is cognisant that the activities at project sites within the project area are expected to contribute some water pollutants to the waterways. At all project sites, the Group actively monitors effluents at the outlet from the silt trap on a quarterly basis at minimum four locations of the project area, especially on water quality.

Field observations and measurements are to be conducted once every three months with ad hoc measurements being carried out on an as-needed basis. An environmental programme is designed to ensure minimum impact of the project on the environment with a mitigation plan in place for when there is a serious and chronic environmental problem.

Thus far, all operating sites have achieved compliance with guidelines stipulated in Environmental Impact Assessment ("EIA") under the Environmental Quality Act.

BIODIVERSITY

Lagenda's landbank and its existing townships or standalone developments are being considered for biodiversity enhancement whenever possible. The continued effort to encourage biodiversity is intertwined with social responsibility as it is believed that every Malaysian family should own a home with a good environment to live in. The Group commits to ensuring the liveability of the community and hence, they find that it is critical to facilitate a quality environment with features to encourage social productivity.

As outlined in Lagenda's Biodiversity Policy, Lagenda carefully selects land that requires minimal intervention in its environmental profile. This involves the assessment of long-term land productivity where Lagenda only permits land conversion from the non-primary forest and unproductive land.

It is known that most of Lagenda's landbank is former monoculture farmland. As such, BBSAP was built in a monoculture farming, an unproductive land with low biodiversity quality. The development of BBSAP on a monoculture plantation brings minimal impact on the degradation of biodiversity. In fact, with more species planted within the township, it brings the probability to attract fauna and hence, enhances the ecosystem.

In FYE 2022, a total of 5,240 trees have been planted across different project areas with various types of species. Two species considered by Identification of International Union for Conservation of Nature's ("IUCN") Red List of Threatened Species were selected to be planted in these projects. In total, 292 Hopea Odorata, a vulnerable plant and 30 Agathis Borneensis, an endangered plant species have been planted.

BIODIVERSITY (Cont'd)

Lagenda has set its KPI and target on biodiversity as below:

- To plant and increase 5% of tree species that have conservation importance
- To plant more than 20,000 plants across all developments by the year 2025
- To initiate community garden projects at other townships

As of FYE 2022, Lagenda has successfully executed its target of biodiversity with spending disclosure as shown below:

Number of trees planted	Budget spent on biodiversity
23,000 trees planted at the township	RM2,000 from CSR activities
1,000 trees planted during the mangrove CSR program	RM8,000 from the community garden project

FYE 2021
18,000
PLANTS PLANTED

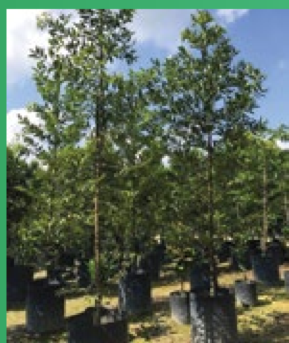
FYE 2022
23,000
PLANTS PLANTED

28%
INCREMENT
(5,000 plants planted)

FYE 2021
355
ENDANGERED SPECIES WITH IUCN STATUS
Hopea, Odorata
Agathis borneensis

FYE 2022
677
ENDANGERED SPECIES WITH IUCN STATUS
91% increment
(322 plants planted)

Hopea odorata (Vulnerable)



Agathis borneensis (Endangered)

Lagenda has its own financial resource that is allocated to managing biodiversity. Currently, it is used for tree procurement from the nursery which is also a part of the phase development budget.

The Group takes the responsibility to keep track of and monitor its performance through data collection, including the number of trees and type of species with conservation importance. These data will be compiled in a data monitoring template and kept by sustainability analysts to measure the progress of trees planted and landscape area developed by year.

BIODIVERSITY (Cont'd)

LANDSCAPE AREA

FYE 2021

145,687m²

LANDSCAPE AREA DEVELOPED

FYE 2022

167,523m²

LANDSCAPE AREA DEVELOPED

ENVIRONMENTAL PERFORMANCE MONITORING

Lagenda monitors its environmental performance to ensure compliance with standards set out by the DOE.

At all sites, the project proponents are required to submit an EIA report to the DOE for approval when this study is being carried out in order to fulfil the requirement. Beyond that, environmental monitoring is conducted on noise levels, quantity, types of effluent discharge and air emissions to control pollution from construction work.

Lagenda complies with the environmental standards, regulations and guidelines that are relevant to the proposed housing scheme such as approval condition for the EIA, National Land Code 1965, Factories and Machineries Act 1967, MASMA guideline and EQA 1974. Apart from that, the Group has published its Environmental Policy to minimise the environmental impacts and commit to follow.

The Group has not been fined or served with notices of site shutdowns due to poor environmental performance in FYE 2022.

CLIMATE CHANGE

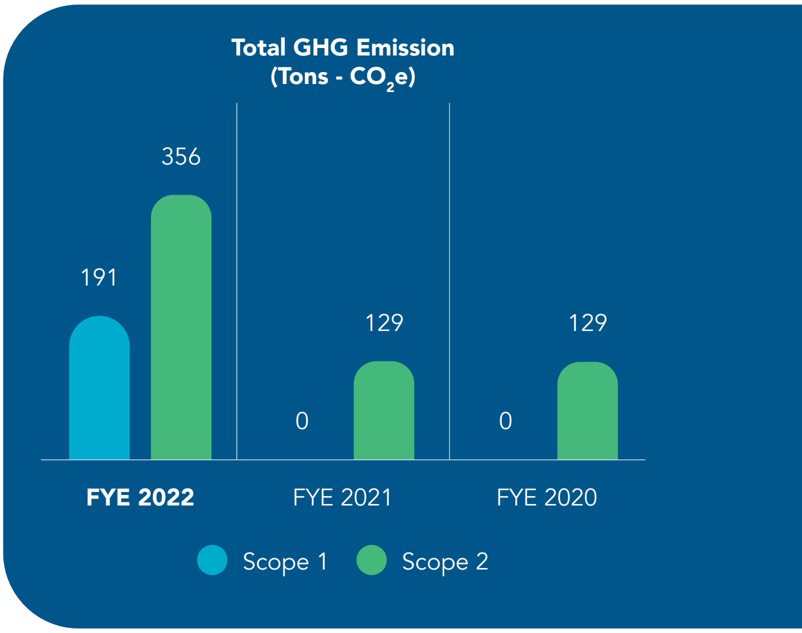
The impact of climate change on Malaysia and the world continues to intensify, making it imperative for businesses to address their carbon emission.

As a responsible developer, we recognize the need to lower emissions and support the target of limiting the rise in global average temperature to 2°C, preferably 1.5°C, as per the Paris Agreement. In this regard, the Group has aligned its responsibilities on climate action by reducing carbon emissions through a strategic and concerted approach. We support the UNSDG 13 (Climate Action) with its statement 'to take urgent action to combat climate change and its impact' through ongoing efforts in regulating emissions, mitigating, and adapting climate change through sustainable elements in our township, and engaging people with the Group's climate strategy.

The Group is committed to its Climate Change Policy to overcome the challenges posed. Lagenda has pledged to take several actions to mitigate its impact, these include:

a. Encourage measures for efficient energy consumption in our operations
b. Set targets to reduce our operational carbon emissions
c. Monitoring of the Group's energy and carbon emissions to track our sustainability performance
d. Collaborating with relevant stakeholders for climate change prevention initiatives
e. Encourage supply chain partners to implement best practices for reducing emissions.

In FYE 2022, we captured our Scope 1 and Scope 2 of GHG emissions. This enables us to set a comprehensive target, monitor the performance and ensure that climate change aspects, especially risks and opportunities, are considered in our business (in line with TCFD). The Group also plans to expand our data traceability of GHG emission throughout the business operations in Malaysia.



Note: *Global Warming Potential (GWP) values, if and when necessary, refer to IPCC Fifth Assessment Report 2014 (AR5), while the emission factor for electricity consumption – 0.551 $kgCO_2e/kWh$, is in accordance with the UNFCC Harmonised Grid Emissions Factor 2021.*

In tandem with our energy performance, our GHG emissions also recorded an increment with a total of 547 tons-CO_2e. This is mainly because of the expanded disclosures for Scope 2 emission in considering the electricity consumption for other buildings operated in Malaysia and the inclusion of fuel consumed by company-owned vehicles as Scope 1 emission.

CLIMATE CHANGE (Cont'd)

The Group has also started planning for its decarbonisation agenda as part of its sustainability pathway in mitigating and adapting the climate change through establishment of strong baseline. Moving forward we are conducting assessment to ensure that we have quality data collection and measurement system in place to manage our carbon emissions and progressively improve our data to also include Scope 3 emissions once our systems and process are well established. Moving forward, Lagenda targets to reduce our carbon emissions intensity by 10% by 2025, and to achieve 45% reduction intensity by 2030 (Baseline year 2022), which is in line with Malaysia's Nationally Determined Contribution (NDC).

Low Carbon Initiatives

Beyond energy conservation, Lagenda is also committed to using renewable energy alternatives to substitute the use of fossil fuels moving forward. By doing so, it reduces the negative impacts on the environment.

Moving forward, Lagenda has looked into various initiatives to substitute fossil fuels with RE alternatives. We hope to do this through installing 1,000 PV systems in the future at development sites in Perak. Designed to promote renewable electricity in the township, it will also provide homeowners with long-term savings on utility bills.

The PV systems potentially produce approximately 2.8 Gigawatt hours (GWh) of clean electricity, which neutralises about 1,950 tonnes of carbon emissions per year.

Besides pursuing RE adoption, tree planting is another simplest and most effective way to remove carbon dioxide from the atmosphere by creating long-term carbon sinks. Lagenda has planted another 5,240 trees across its current township projects in FYE 2022, which has more than 23,000 plants in total over three years of development.

FYE 2022 mark another milestone in our climate change journey as commenced adopting the TCFD recommendations. These recommendations provide guidance to assess risks and opportunities and improve the quality of climate-related disclosures with regards to governance, strategy, risk management, metric, and targets.

TCFD ALIGNMENT

The Group has decided to align its sustainability reporting to the TCFD in FYE 2022. The rationale behind this is to further drive the Group's commitment to continuously monitor its performance and progress in accordance with climate change whilst also strengthening the Group's capabilities in terms of management, governance and ability to address impacts caused by climate change.

The Group's approach to TCFD adoption will be centered around the 4 pillars which are:

1. Governance- To disclose Lagenda's governance surrounding climate-related risks and opportunities which include Board oversight on climate change or management's role in assessing and managing climate-related risks and opportunities.

2. Strategy- For Lagenda to disclose the actual and potential risks and opportunities presented by climate change on the Group's businesses, strategy, and financial planning in the short, medium, and long term.

3. Risk Management- For the Group to disclose the process of how we identify, assess, and manage climate-related risks and how this is integrated into overall risk management.

4. Metrics and Targets- Discuss the metrics and targets used to manage and assess relevant climate-related risks and opportunities which are in line with the Group's strategy and risk management process. This could include disclosure of Scope 1, Scope 2, and eventually Scope 3 GHG emissions.

TCFD ALIGNMENT (Cont'd)

The table below provides a succinct but detailed explanation of how Lagenda has adopted the specific TCFD themes and recommended disclosures.

PILLAR	ADOPTION BY LAGENDA
Governance	The establishment of the SWC and SSC which includes Senior Management members, enables efficient development of strategies that focus on climate-related risks and opportunities. In addition, the Board maintains oversight on sustainability related matters and are involved in the development processes of climate-related strategies. The SSC also helps keep the Board informed about sustainability matters which includes climate change.
Strategy	Risks posed by climate change: 1. Extreme weather conditions may impact the availability of suitable land. 2. Extreme weather may impact developed properties and damage them resulting in financial loss. 3. Delays to projects may occur due to bad weather conditions. 4. Construction costs may increase to mitigate the potential damage climate change may cause. Opportunities posed by climate change: 1. Chance to seek government/regulatory support to provide incentives for sustainable development. 2. Easier to integrate eco-friendly practices as the need to prevent climate-change will increase. 3. Presents opportunity to cascade the potential impacts of climate change throughout Lagenda and increase the Group's overall awareness. 4. Potential of using natural capital as climate change adaptation measures with selling point value. Lagenda aims to substitute the use of fossil fuels with renewable energy. The Group will aim to install 1000 PV systems in development sites in Perak which neutralizes about 1950 tonnes of carbon emissions per year. Beyond RE alternatives, tree planting is another simplest and most effective way to remove carbon dioxide from the atmosphere by creating long-term carbon sinks. Lagenda has planted another 5,240 trees across its current township projects in FYE 2022, which has more than 23,000 plants in total over three years of development, with 677 nos of endangered and vulnerable tree species.
Risk Management	The ESG-related risks including climate change is driven by a comprehensive materiality assessment process. Where applicable, the risk is to be evaluated within "Enterprise Risk Management (ERM)" framework, which is guided by standards set by the COSO framework. The framework is presented to the board for advice.
Metrics and Targets	Lagenda has set the following KPIs to manage climate change: • To record lower energy intensity by employing 100% LED lighting at operating buildings • Plant more than 20,000 plants across all developments by the year 2025 • To have 1000 units of residential solar PV systems installed in 5 years • To have a minimum of 20% construction waste diverted from landfill • To reduce our carbon emissions intensity by 10% by 2025, and to achieve 45% reduction intensity by 2030 (Baseline year 2022). The Group also discloses Scope 1 and Scope 2 emissions and will eventually disclose Scope 3 emissions moving forward

BURSA SUSTAINABILITY DISCLOSURE INDEX

SUSTAINABILITY MATTERS	CODE	INDICATORS	PAGE REFERENCE / EXPLANATION
COMMON INDICATORS			
Anti-corruption	C1 (a)	Percentage of employees who have received training on anticorruption by employee category	31
	C1 (b)	Percentage of operations assessed for corruption-related risks	31
	C1 (c)	Confirmed incidents of corruption and action taken	31
Community/ Society	C2 (a)	Total amount invested in the community where the target beneficiaries are external to the listed issuer	48-50
	C2 (b)	Total number of beneficiaries of the investment in communities	48
Diversity	C3 (a)	Percentage of employees by gender and age group, for each employee category	40-41
	C3 (b)	Percentage of directors by gender and age group	30
Energy management	C4 (a)	Total energy consumption	51
Health and safety	C5 (a)	Number of work-related fatalities	46
	C5 (b)	Lost time incident rate	46
Labour practices and standards	C6(a)	Total hours of training	44
	C6 (b)	Percentage of employees that are contractors or temporary staff	42
	C6 (c)	Total number of employee turnover by employee category	42
	C6 (d)	Number of substantiated complaints concerning human rights violations	43
Supply chain management	C7 (a)	Proportion of spending on local suppliers	38
Data privacy and security	C8 (a)	Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	47
Water	C9 (a)	Total volume of water used	53
Waste management	C10 (a)	Total waste generated, and a breakdown of the following: (i) total waste diverted from disposal (ii) total waste directed to disposal	Information unavailable.
Emissions management	C11 (a)	Scope 1 emissions in tonnes of CO_2e	56
	C11 (b)	Scope 2 emissions in tonnes of CO_2e	56

BURSA SUSTAINABILITY DISCLOSURE INDEX (Cont'd)

SUSTAINABILITY MATTERS	CODE	INDICATORS	PAGE REFERENCE / EXPLANATION
SECTOR-SPECIFIC INDICATOR			
Biodiversity	S1 (a)	Percentage of existing operations or projects accessed for diversity risks	Information unavailable.
	S1 (b)	Size and location of all habitat areas protected or restored	54-55
	S1 (c)	Total number of International Union for Conservation of Nature ("IUCN") Red List of Threatened Species and national conservation list species with habitats in areas affected by the operations of the company	55
Materials	S5 (a)	Total weight or volume of materials that are used to produce and package products and services	53
Supply Chain (Environment)	S6 (a)	Percentage of new suppliers that were screened using environmental criteria	Information unavailable.
	S6 (b)	Number of suppliers accessed for environmental impacts	Information unavailable.
Supply Chain (Social)	S7 (a)	Percentage of new suppliers that were screened using social criteria	Information unavailable.
	S7 (b)	Number of suppliers accessed for social impacts	Information unavailable.
Effluents	S8 (a)	Total volume of water (effluent) discharge over the reporting period	Information unavailable.

GRI CONTENT INDEX

Statement of use	Lagenda Properties has reported in accordance with the GRI Standards for the period of 1 January 2022 to 31 December 2022
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	Not applicable.

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	PAGE REFERENCE / REASON FOR OMISSIONS
General disclosures		
GRI 2: General Disclosures 2021	2-1 Organizational details	1-4
	2-2 Entities included in the organization's sustainability reporting	3,19
	2-3 Reporting period, frequency and contact point	19
	2-4 Restatements of information	-
	2-5 External assurance	20
	2-6 Activities, value chain and other business relationships	19
	2-7 Employees	40-42
	2-8 Workers who are not employees	42
	2-9 Governance structure and composition	4
	2-10 Nomination and selection of the highest governance body	75

GRI CONTENT INDEX (Cont'd)

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	PAGE REFERENCE / REASON FOR OMISSIONS
General disclosures		
GRI 2: General Disclosures 2021	2-11 Chair of the highest governance body	69
	2-12 Role of the highest governance body in overseeing the management of impacts	69
	2-13 Delegation of responsibility for managing impacts	69
	2-14 Role of the highest governance body in sustainability reporting	29
	2-15 Conflicts of interest	30
	2-16 Communication of critical concerns	69
	2-22 Statement on sustainable development strategy	21
	2-23 Policy commitments	26
	2-24 Embedding policy commitments	26,22-25
	2-27 Compliance with laws and regulations	31
	2-28 Membership associations	20
	2-29 Approach to stakeholder engagement	27
	2-30 Collective bargaining agreements	43
Material topics		
GRI 3: Material Topics 2021	3-1 Process to determine material topics	28
	3-2 List of material topics	28
Economic performance		
GRI 3: Material Topics 2021	3-3 Management of material topics	33
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	33
	201-3 Defined benefit plan obligations and other retirement plans	43

GRI CONTENT INDEX (Cont'd)

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	PAGE REFERENCE / REASON FOR OMISSIONS
Indirect economic impacts		
GRI 3: Material Topics 2021	3-3 Management of material topics	33
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	37-38
	203-2 Significant indirect economic impacts	34-38
Procurement practices		
GRI 3: Material Topics 2021	3-3 Management of material topics	38
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	38
Anti-corruption		
GRI 3: Material Topics 2021	3-3 Management of material topics	31
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	85
	205-2 Communication and training about anti-corruption policies and procedures	31
	205-3 Confirmed incidents of corruption and actions taken	31
Materials		
GRI 3: Material Topics 2021	3-3 Management of material topics	52-53
GRI 301: Materials 2016	301-1 Materials used by weight or volume	53
	301-2 Recycled input materials used	53
Energy		
GRI 3: Material Topics 2021	3-3 Management of material topics	51-52
GRI 302: Energy 2016	302-1 Energy consumption within the organization	51-52
	302-3 Energy intensity	52
	302-4 Reduction of energy consumption	Not applicable. No energy reduction reported in FYE 2022.
	302-5 Reductions in energy requirements of products and services	

GRI CONTENT INDEX (Cont'd)

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	PAGE REFERENCE / REASON FOR OMISSIONS
Water and effluents		
GRI 3: Material Topics 2021	3-3 Management of material topics	53
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	53
	303-2 Management of water discharge-related impacts	54
	303-5 Water consumption	53-14
Biodiversity		
GRI 3: Material Topics 2021	3-3 Management of material topics	54-55
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Not applicable. Most of Lagenda's landbank is former monoculture farmland with low biodiversity Quality.
	304-2 Significant impacts of activities, products and services on biodiversity	
	304-3 Habitats protected or restored	56
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	54-55
Emissions		
GRI 3: Material Topics 2021	3-3 Management of material topics	56
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	56
	305-2 Energy indirect (Scope 2) GHG emissions	56
	305-4 GHG emissions intensity	58
	305-5 Reduction of GHG emissions	Not applicable. No reduction in GHG emission for FYE 2022.
	305-6 Emissions of ozone-depleting substances (ODS)	Not applicable.
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Not applicable.

GRI CONTENT INDEX (Cont'd)

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	PAGE REFERENCE / REASON FOR OMISSIONS
Waste		
GRI 3: Material Topics 2021	3-3 Management of material topics	52-53
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	52-53
	306-2 Management of significant waste-related impacts	52-53
Supplier environmental assessment		
GRI 3: Material Topics 2021	3-3 Management of material topics	Information unavailable.
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Information unavailable.
	308-2 Negative environmental impacts in the supply chain and actions taken	Information unavailable.
Employment		
GRI 3: Material Topics 2021	3-3 Management of material topics	40-42
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	42
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	43-44
	401-3 Parental leave	Information unavailable.
Labor/management relations		
GRI 3: Material Topics 2021	3-3 Management of material topics	43
GRI 402: Labor/ Management Relations 2016	GRI 402: Labor/Management Relations 2016	43

GRI CONTENT INDEX (Cont'd)

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	PAGE REFERENCE / REASON FOR OMISSIONS
Occupational health and safety		
GRI 3: Material Topics 2021	3-3 Management of material topics	45-46
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	45
	403-2 Hazard identification, risk assessment, and incident investigation	45
	403-3 Occupational health services	Information unavailable.
	403-4 Worker participation, consultation, and communication on occupational health and safety	45
	403-5 Worker training on occupational health and safety	47
	403-6 Promotion of worker health	43
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	45
	403-8 Workers covered by an occupational health and safety management system	45
	403-9 Work-related injuries	46
	403-10 Work-related ill health	Information unavailable / Not applicable
Training and education		
GRI 3: Material Topics 2021	3-3 Management of material topics	44
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	44
	404-2 Programs for upgrading employee skills and transition assistance programs	44
Diversity and equal opportunity		
GRI 3: Material Topics 2021	3-3 Management of material topics	40-42
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	40-42
Non-discrimination		
GRI 3: Material Topics 2021	3-3 Management of material topics	43
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	43

GRI CONTENT INDEX (Cont'd)

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	PAGE REFERENCE / REASON FOR OMISSIONS
Freedom of association and collective bargaining		
GRI 3: Material Topics 2021	3-3 Management of material topics	43
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Information unavailable.
Child labor		
GRI 3: Material Topics 2021	3-3 Management of material topics	43
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	Information unavailable.
Forced or compulsory labor		
GRI 3: Material Topics 2021	3-3 Management of material topics	Information unavailable.
GRI 409: Forced or Compulsory Labour 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour	Information unavailable.
Security practices		
GRI 3: Material Topics 2021	3-3 Management of material topics	Information unavailable.
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures	Information unavailable.
Rights of indigenous peoples		
GRI 3: Material Topics 2021	3-3 Management of material topics	Information unavailable.
GRI 411: Rights of Indigenous Peoples 2016	411-1 Incidents of violations involving rights of indigenous peoples	Information unavailable.
Local communities		
GRI 3: Material Topics 2021	3-3 Management of material topics	48-50
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	48-50
	413-2 Operations with significant actual and potential negative impacts on local communities	Not applicable.

GRI CONTENT INDEX (Cont'd)

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	PAGE REFERENCE / REASON FOR OMISSIONS
Supplier social assessment		
GRI 3: Material Topics 2021	3-3 Management of material topics	Information unavailable.
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Information unavailable.
Public policy		
GRI 3: Material Topics 2021	3-3 Management of material topics	32
GRI 415: Public Policy 2016	GRI 415-1 Political contributions	Not applicable. Lagenda is an apolitical organisation and hence, has not made any contributions to any political parties in FYE 2022.
Customer health and safety		
GRI 3: Material Topics 2021	3-3 Management of material topics	39
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	39
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	39
Customer privacy		
GRI 3: Material Topics 2021	3-3 Management of material topics	47
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	47

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

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

The Board is pleased to present this Corporate Governance Overview Statement ("CG Statement") and the application of the corporate governance practices of the Group pursuant to the three (3) main principles in the Malaysian Code on Corporate Governance ("MCCG 2021") known as Board Leadership and Effectiveness (Principle A), Effective Audit and Risk Management (Principle B) and Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders (Principle C) throughout the FYE 2022.

This CG Statement is to be read together with the CG Report 2022 ("CG Report") of the Company which is available at https://lagendaproperties.com

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS

I Board Responsibilities

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

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

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

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

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

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

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

On 10 April 2023, the Board renamed the Audit and Risk Committee as ARMC and merged the Nomination Committee and Remuneration Committee as Nomination and Remuneration Committee.

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

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

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

Directors' Responsibilities on Sustainability of the Group

The Board has delegated the SSC to develop sustainability strategies, policies and statements for the Board's approval. The SSC comprises of Executive Director, head of divisions as well as relevant head of departments.
The post-pandemic investment landscape is set to place greater value on ESG disclosures. For the second half of the FYE 2022, the SSC was briefed comprehensively by the sustainability consultant on a gap analysis exercise to identify areas of improvement in the Company's ESG performance using the indicators from the FTSE4Good Bursa Malaysia Index. The insights gathered from the exercise have been transformed into a concrete Sustainability Roadmap that directs the actions to be implemented in the next two (2) years as the Company deploys various initiatives across the ESG pillars.

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

Six (6) new policies have been in place during the FYE 2022 and can be accessed on the sustainability section of the Company's website. Further information on sustainability is set out in the Sustainability Statement of this Annual Report.

Directors' Responsibilities in relation to the Financial Statements

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

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

Separation of Position of Chairman and Managing Director

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

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

The Chairman's responsibilities encompass the following:

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

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

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

Company Secretaries

The Company is supported by Company Secretaries who possess the requisite qualification and are qualified to act as Company Secretaries under Section 235(2) of the Companies Act 2016. The Company Secretaries play a significant role in supporting the Board for ensuring that all governance matters and Board procedures are followed and that applicable laws and regulations are complied with. The Company Secretaries also highlighted all compliance and governance issues that they feel ought to be brought to the Board's attention, monitored corporate governance developments and assisted the Board in applying governance practices to meet the Board's needs and stakeholders' expectations.

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

Access to Information and Advice

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

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

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

Board Charter

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

The Board will review the Board Charter periodically and any amendments/ improvements shall be made thereto as of and when the Board deems appropriate and necessary.

Code of Conduct and Ethics

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

Whistle-Blowing Policy

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

Anti-Bribery and Anti-Corruption Policies and Guidelines

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

The policy will be reviewed from time to time to ensure its relevance.

The Board Charter, Code of Conduct and Ethics, Whistle-Blowing Policy and Anti-Bribery and Anti-Corruption Policies and Guidelines are published on the Company's website at https://lagendaproperties.com for ease of access for reporting by employees of the Group and external parties.

Time Commitment, Board Meetings and Directors' Training Programmes

During the FYE 2022, six (6) Board meetings were held where the Board deliberated upon and considered a variety of matters including the Group's quarterly operations and financial results, major investments and strategic decisions, sustainability initiatives, business plans and any other strategic issues that may affect the Group's businesses. In the intervals between Board meetings, approvals are obtained via circular resolutions for exceptional matters requiring urgent Board decision-making which are then supported with information necessary for informed decision-making.

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

The Board is satisfied with the level of time commitment given by Directors towards fulfilling their roles and responsibilities as Directors which is evidenced by their full attendance at all Board meetings in FYE 2022:

No.	Name of Directors	Position	No. of Meeting Attended
1.	Admiral Tan Sri Dato' Seri Panglima Dr. Ahmad Kamarulzaman Bin Hj Ahmad Badaruddin (R)	Independent Non-Executive Chairman	6/6
2.	Dato' Doh Jee Ming	Managing Director	6/6
3.	Dr. Lim Pang Kiam	Independent Non-Executive Director	6/6
4.	Looi Sze Shing	Independent Non-Executive Director	6/6
5.	Mohamad Ali bin Ariffin (Resigned on 27 February 2023)	Independent Non-Executive Director	6/6
6.	Dato' Doh Jee Chai (Resigned on 3 April 2023)	Non-Independent Non-Executive Director	6/6

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

The Board continues to evaluate and determine the training needs of its Directors to ensure continuing education to assist them in the discharge of their duties as Directors. The Directors will continue to update their knowledge and enhance their skills through appropriate continuing education programmes to keep them abreast with the current development of the industry as well as any new statutory and regulatory requirements. This will also enable the Directors to effectively discharge duties and sustain active participation in the Board deliberations.

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

Directors	List of Training Attended	Date
Admiral Tan Sri Dato' Seri Panglima Dr. Ahmad Kamarulzaman Bin Hj Ahmad Badaruddin (R)	Bursa Malaysia Webinar: Strengthening Stakeholder Management & Investor Relations (Guidebook 3 of PLC Transformation Programme)	06.10.2022
	Joshua Rayan Communication - ESG Briefing	21.11.2022
	CKM Advisory Sdn Bhd - Audit Committee Series: Related Party Transactions (Simplified)	23.11.2022
	Securities Commission - Audit Oversight Board's Conversation with Audit Committee	06.12.2022
Dr. Lim Pang Kiam	Securities Commission - Audit Oversight Board's Conversation with Audit Committee	07.04.2022
	ACPA-CIMA Malaysia - ESG VS CSR: Environmental Social sustainability reporting	26.05.2022
	KPMG - 2022 Board and Audit Committees Priorities	31.5.2022
	Bursa Malaysia - Climate Governance: A standing item on Boards' agenda	11.8.2022
	Ai Smart learning Sdn Bhd - Anti-bribery and Anti-corruption Training	12.11.2022
	Bursa Malaysia - PLC Transformation Program	05.12.2022
	Securities Commission - Conversation with Audit Committee	06.12.2022

Directors	List of Training Attended	Date
Dato' Doh Jee Ming	Cospec Mgmt Services Sdn Bhd – Updated Malaysian Code on Corporate Governance 2021	23.3.2022
	Joshua Rayan Communication – ESG Briefing	21.11.2022
Looi Sze Shing	Tax Deductible Expenses – Principles and Latest Developments	03.03.2022
	Cost Accounting for Cost Monitoring and Cost Down After Covid 19 and MCO	14.03.2022 & 15.03.2022
	Iclif Executive Education Center - Sustainability and Its Impact on Organizations: What Directors Need to Know	10.5.2022
	Motivating and Engaging Employees	14.09.2022
	Joshua Rayan Communication – ESG Briefing	21.11.2022
Mohamed Ali bin Ariffin	Joshua Rayan Communication – ESG Briefing	21.11.2022
Dato' Doh Jee Chai	Joshua Rayan Communication – ESG Briefing	21.11.2022

II. Board Composition

During the FYE 2022, the Board continued to strengthen its board leadership and independence by ensuring that its composition reflects the requisite boardroom ingredients in terms of skill sets, experience and diversity.

The Board currently has six (6) members, comprising one (1) Executive Director and five (5) Independent Non-Executive Directors. The Chairman of the Board is an Independent Non-Executive Director, and the Board Chairman is not a member of the ARMC, NC and RC in line with Practice 1.4 of MCCG 2021. The current composition of the Board is in compliance with Paragraph 15.02 of the MMLR of Bursa Securities and the Board has also applied Practice 5.2 of the MCCG 2021 that at least half of the Board comprises independent directors. The Board will continue to monitor and review the Board size and composition as may be needed.

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

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

Board Committees

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

The TOR for the Board Committees will be reviewed as and when necessary to enhance governance practices in line with MCCG 2021 and the MMLR.

Nomination Committee

The Nomination Committee currently comprise exclusively of three (3) Independent Non-Executive Directors and is chaired by Dato' Mohamed Sharil Bin Mohamed Tarmizi. The NC is responsible for nominating to the Board individuals as Directors and for assessing the Directors on an ongoing basis.

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

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

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

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

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

The key activities undertaken by the NC during the financial year are as follows:

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

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

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

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

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

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

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

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

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

Boardroom Appointments

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

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

The appointment process is as follows:

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

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

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

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

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

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

(i)	Dato' Doh Jee Ming	Retiring pursuant to Clause 95
(ii)	Dr Lim Pang Kiam	Retiring pursuant to Clause 95
(iii)	Myrzela binti Sabtu	Retiring pursuant to Clause 102
(iv)	Dato' Mohamed Sharil Bin Mohamed Tarmizi	Retiring pursuant to Clause 102

Gender Diversity Policy

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

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

In acknowledging the recommendation of MCCG 2021 on gender diversity, the Board has adopted a formal gender diversity policy in its Board Charter. There is currently two female Directors on the Board. The NC and Board will continue considering gender diversity as part of its future selection process and will endeavor to look into increasing female board representation going forward as and when the need arises.

Board Evaluation and Assessment

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

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

Tenure of Independent Directors

The Board is mindful of the recommendation of the MCCG 2021 for the tenure of an INED not to exceed a cumulative or consecutive term of 9 years. However, an INED who had exceeded the prescribed 9 years may continue to serve in the Board subject to re-designation as Non-INED. The assessment of the independence of each of its INED is undertaken by the NC annually according to set criteria as prescribed by the MMLR. As at to-date, none of the INEDs have served on the Board for a cumulative or consecutive term of 9 years.

As for the term limit for INED, the Board has adopted Practice 5.3 of the MCCG 2021 to seek shareholders' approval in the event the Board desires to retain as an INED, a person who has served in that capacity for more than 9 years. If the Board continues to retain the INED beyond 9 years, the Board will justify its decision and seek shareholders' approval annually through a two-tier voting process.

III. Remuneration

The Remuneration Committee currently is chaired by Dato' Mohamed Sharil Bin Mohamed Tarmizi, comprising exclusively of three (3) Independent Non-Executive Directors.

The RC held one (1) meeting-during the financial year to carry out its function and duties within its TOR. The details of the TOR of RC are available for reference at the Company's website.

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

The performance of the Executive Director is measured based on the achievements of his annual performance as well as the performance of the Group. The Group rewards its employees and the Executive Directors with options under the ESOS. The details of the vesting of options under the ESOS are set out in the Directors' Report of the Audited Financial Statements for the FYE 2022.

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

Details of the remuneration of Directors for the FYE 2022 are provided in Practice 8.1 of the CG Report.

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

The Board is cognizant of MCCG 2021 on the need for transparency in the disclosure of its senior management remuneration. Nonetheless, it is of the view that such disclosure could be detrimental to its business interests given the highly competitive human resource environment in which the Group operates as this will facilitate opportunity for competitors to pinch the Group's top senior Management. As such, disclosure of specific remuneration information could give rise to recruitment and talent retention issues going forward.

PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT

I ARMC

The ARMC of the Company currently comprises four (4) Independent Non-Executive Directors. The ARMC is chaired by Dr. Lim Pang Kiam with vast and extensive knowledge in the banking industry, construction and related financial management expertise. The Committee also comprises members who are financially literate and can provide diverse perspectives that strengthen the quality of deliberations. The ARMC oversees the integrity of the financial statements, compliance with relevant accounting standards and the Group's risk management and internal controls.

The Company has complied with Practice 9.1 of the MCCG 2021 whereby the Chairman of the ARMC is not the Chairman of the Board and Practice 9.4 Step Up which stipulates that the ARC should comprise solely of Independent Directors. The ARMC has a policy that requires a former key audit partner to observe a cooling-off period of at least 3 years before being appointed as a member of the ARMC and such practice was formalised and incorporated in the TOR of the ARMC.

Compliance with applicable financial reporting standards

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

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

Suitability, objectivity and independence of the External Auditors

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

The ARMC is responsible for recommending the appointment or re-appointment of External Auditors. The Board has adopted a formalised External Auditors' Policy to enhance the External Auditors' assessment processes and procedures. The policy shall assess the performance, suitability, objectivity and independence of the external auditor.

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

An annual assessment on Moore Stephens Associates PLT ("MS") was conducted on 21 November 2022 in accordance with the criteria set out in the evaluation process. The ARC was satisfied with the performance of MS and has recommended to the Board to put forth the proposal for re-appointment of MS as External Auditors of the Company for the FYE 2023 to the shareholders for approval at the upcoming 22nd Annual General Meeting ("AGM"). Assurance from the External Auditors has been received by the Board confirming that they are and have been independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements for the year under review.

II Risk Management and Internal Control Framework

The Board remains committed to ensuring that its communications with shareholders continue to present a fair, balanced and understandable assessment of the Group and its prospects. The Board is responsible for determining the nature and extent of the significant risks it is willing to take in achieving its strategic objectives.

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

The Company engages the Internal Auditors to review the operational procedures and processes to ensure the integrity of the system of internal control. The outsourcing of the internal audit function coupled with the fact that the Internal Auditors report directly to the ARMC helps to ensure that internal audit is carried out objectively and is independent from the Management of the Company and the functions which it audits.

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

The Statement on Risk Management and Internal Control furnished separately in this Annual Report provides an overview on the state of internal controls within the Group, in an effort to manage risk.

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

I Communication with Stakeholders

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

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

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

II Conduct of General Meetings

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

Statement On Compliance and CG Report

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

This Corporate Governance Overview Statement was approved by the Board on 10 April 2023.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

The main objective of the Audit and Risk Management Committee ("ARMC" or "Committee"), as a Committee of the Board of Directors ("Board") is to assist the Board in ensuring an effective governance over the integrity, accuracy, and appropriateness of the Group's financial reporting in compliance with the Malaysian Financial Reporting Standards and Bursa Malaysia's Listing Requirements disclosure requirements. The ARMC also oversees the performance of the internal auditor and the external auditors, and the oversight of the Group's function of internal controls, risk management and other related compliance measures.

Main Responsibilities	Terms of Reference ("TOR")
• Overseeing the Group's financial reporting process and integrity of the financial and narrative reporting; • Ensuring the soundness and effectiveness of the Group's internal control and risk management framework; • Evaluating and monitoring the policies and procedures set-in-motion to ensure the independence and effectiveness of the internal and external auditors; and • Reviewing related party transactions and conflict of interest situation that may arise within the Group.	The TOR of the ARMC is consistent with the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities") and the Malaysian Code of Corporate Governance 2021 ("MCCG 2021"). The TOR is accessible to the public for reference on the Company's website at www.lagendaproperties.com.

COMPOSITION

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

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

Members
Looi Sze Shing (Independent Non-Executive Director)
Myzrela binti Sabtu (Independent Non-Executive Director)[(1)]
Dato' Mohamed Sharil Bin Mohamed Tarmizi (Independent Non-Executive Director)[(2)]

(1) Appointed on 27 February 2023
(2) Appointed on 3 April 2023

The ARMC comprises of four (4) Independent Non-Executive Directors. Two (2) of the ARMC members are members of the Malaysian Institute of Accountants (MIA). All members of the ARMC are financially literate, able to analyze and interpret financial statements and objectively review matters under the purview of the Committee.

The Chairman of the ARMC, Dr. Lim Pang Kiam is not the Chairman of the Board. He has vast experience and good knowledge in banking, construction and investment banking. He always ensures that all the ARMC meetings are efficiently conducted by encouraging open discussions with all members on the agendas. Key issues and findings discussed during the ARMC meetings were always reported and discussed at the Board meeting.

MEETINGS

The ARMC held six (6) meetings during the year under review. The meetings were properly convened with notices of the meeting and agendas properly distributed in good time prior to each and everyone of the meeting.

Members of the ARMC	No. of Meetings Attended
Dr. Lim Pang Kiam	6/6
Ms. Looi Sze Shing	6/6
En. Mohamad Ali bin Ariffin (*)	6/6

**Resigned on 27 February 2023*

The Company Secretary was in attendance at all the meetings. The Managing Director, Chief Financial Officer and Senior Management were invited to all the meetings to discuss, explain and deliberate on the financial and business operation of the Group. The External Auditors and Internal Auditors were also invited to attend the ARMC meetings to present their findings and report on the financial results and operational issues. They also table the internal audit reports, audit findings and other matters which require the attention and approval of the ARMC.

During the year under review, the ARMC had two (2) private sessions with the External Auditors and Internal Auditors without the presence of executive Board members and Management of the Group to gather independent feedback and information with regards with the management which may require the attention of the ARMC.

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

SUMMARY OF WORK OF ARMC

The ARMC's activities for the financial year under review comprised the following:

Financial Reporting

- In overseeing the Group's financial reporting processes, the ARMC reviewed and discussed the Group's unaudited quarterly financial statements and the annual audited financial statements at the quarterly ARMC meetings with regards to the financial performance of the Group.
- In the review of the quarterly financial statements and the Annual Audited Financial statements, the ARMC remains focused and vigilant in ensuring the accuracy and the integrity of the financial reporting. The ARMC deliberated and analyzed with the Management, Chief Financial Officer and External Auditors to ensure that they are prepared in compliance with applicable financial reporting standards and regulatory requirements, before presentation to the Board for consideration and approval.
- Reviewed and discussed the impact of any changes/adoption of new accounting standards, auditing and regulatory issues on the Group's financial reporting processes.
- Reviewed and assessed the adequacy of the processes and controls in place for effective and efficient financial reporting and that reasonable estimates had been made in accordance with the requirements set out in the Malaysian Financial Reporting Standards.

Related Party Transactions ("RPT")

- Reviewed the report from the Independent Advisers on the Proposed Acquisition of 422 acres of vacant agricultural land from Ladang Awana Sdn Bhd, a related party. The ARMC discussed the rationale and justification of the acquisition before recommending it to the Board for approval.
- Reviewed with the Chief Financial Officer on all RPT that may arise within the Company and its Group and apprised the Board that there were no significant RPT which arose within the Company or Group, including any transaction, procedure or course of conduct that raised questions of the Management's integrity during the financial year.

Oversight Matters Relating to External Audit

- Reviewed and discussed with the external auditors, prior to the commencement of the audit, reviewing the audit planning memorandum which will include matters pertaining to the audit service team, scope of the work, significant risks and areas of key audit focus, internal control plan, technical updates, independent policies and procedures, timeline, etc.
- Reviewed and discussed with the external auditors on major audit findings arising from the external audit and resolution of the findings, including key audit matters raised by the external auditors in their auditors' report.
- The ARMC conducted private sessions with the external auditors without the presence of executive Board members and management personnel on 11 April 2022 and 21 November 2022. These sessions were held to enable the External Auditors to freely express their opinions and findings.

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

- The ARMC has also reviewed the independence and suitability of the external auditors in the provision of non-audit services to the Company and the Group. In considering the nature and scope of the non-audit services and related fees, the ARMC was satisfied that they were not likely to impair their independence. Moore Stephens Associates PLT has also given their independence assurance throughout their audit works for FYE 2022. Pursuant thereto, ARMC has recommended to the Board for the re-appointment of Moore Stephens Associates PLT as External Auditors of the Company at the forthcoming Annual General Meeting based on their suitability, performance, objectivity, professionalism and independence.

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

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

Oversight Matters Relating to Internal Audit

- Reviewed and approved the internal audit plan for years 2022 and 2023 from the outsourced internal audit service provider, BDO Governance Advisory Sdn Bhd ("BDO Advisory") to ensure that the scope and coverage of the internal audit on the operations of the Group is adequate and major risk areas are audited accordingly in line with the latest development of the Group and the business environment.

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

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

- Met with the internal auditors without the presence of management to provide the internal auditors with an avenue to express any concern they may have.

Risk Management

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

- Reviewed the adequacy and effectiveness of the Group's risk management process including the process in identifying, evaluating, approving and reporting risk.

- Reviewed and discussed the activities and reports by the Risk Management Working Group on the Group's risk profile and the mitigation controls implemented to manage identified risks within the Group.

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

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

Others

- Reviewed the Group Budget for FYE 2022 and its' recommendation to the Board for approval;
- Reviewed the revised TOR of the ARMC;
- Reviewed the TOR of the Risk Management Working Group;

- Reviewed the ARMC Report and its' recommendation to the Board for inclusion in the Annual Report 2021; and
- Reviewed the Statement on Risk Management and Internal Control and its' recommendation to the Board for inclusion in the Annual Report 2021.

ANNUAL PERFORMANCE ASSESSMENT OF ARMC

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

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

INTERNAL AUDIT FUNCTION

The Company has outsourced the internal audit function to BDO Governance Advisory Sdn Bhd ("BDO Advisory") to assist the Group in discharging its duties and governance responsibilities of maintaining a sound internal control system. The cost incurred for the internal audit function in respect of FYE 2022 was approximately RM71,105.

The internal audit team of BDO Advisory is led by an Engagement Partner and assisted by a team with professional qualifications. During FYE 2022, the internal audit of the Group was carried out in accordance with a risk-based audit plan (as guided by the International Standards for the Professional Practice of Internal Auditing) approved by the ARMC.

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

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

In order for the internal audit function to carry out its responsibilities, it shall have unrestricted access to all records, properties and personnel of the Group.

BDO Advisory carried out the following activities during the year:

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

    (i) Risk Management Function;
    (ii) Follow-up Review Report on Procurement to Payment Cycle;
    (iii) Internal Control Review on Sales and Marketing Activities;
    (iv) Internal Control Review on Contract Awards and Management

All findings and recommendations arising from audit work for FYE 2022 were tabled to the ARMC and the reviews were conducted based on the internal audit plan approved by the ARMC.

This ARMC Report was approved by the Board of Directors on 10 April 2023.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Statement on Risk Management and Internal Control ("SORMIC") for the FYE 2022 has been prepared in compliance with Paragraph 15.26(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and Principle B of the Malaysian Code on Corporate Governance 2017, with guidance from the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers ("SRMICG").

RESPONSIBILITY OF THE BOARD

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

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

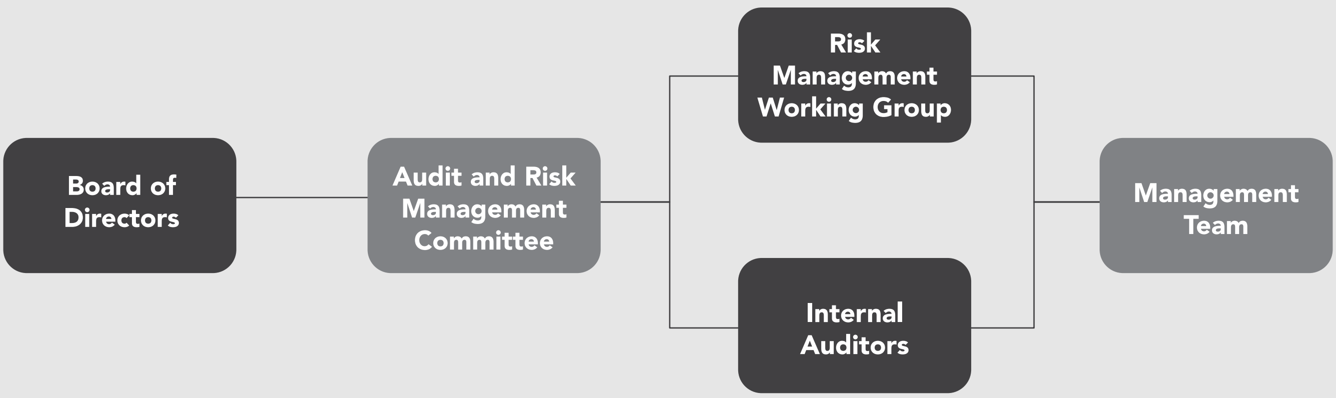
The ARMC, on behalf of the Board, receives reports from both the internal and external auditors and regularly reviews and holds discussions with the management on the actions taken on identified risk management and internal control issues. The role of the ARMC is further elaborated in the ARMC Report on pages 80 to 83.

ENTERPRISE RISK MANAGEMENT FRAMEWORK

The Group had embarked on the risk management initiatives by establishing an Enterprise Risk Management Framework ("ERM"). It is the responsibility of the Board to ensure a proper risk management framework is in place, and with good governance, and to determine the nature and extent of risk which the Company and the Board is willing to take. In providing an oversight of the ERM, the Board is assisted by the ARMC, the Risk Management Working Group ("RMWG"), and Internal Auditors to:

- Ensure that the Management maintains a sound and robust system of risk management identification and mitigation procedures, and internal controls to safeguard the Group's assets and shareholders' interests; and
- Ascertain the nature and extent of risks the Company is prepared to embrace, that may impact the Group's strategic objectives.

Risk Organization Structure



In the course of deriving the principal risks, the following six (6) main stages involved:

Stage 1	**Stage 2**	**Stage 3**	**Stage 4**	**Stage 5**	**Stage 6**
Identifying Risk	Quantifying Risk	Responses to Risk	Risk Control Strategies	Monitoring of Risks and Controls	Periodic Review

The identification and rating of the current key business risks were conducted on the following departments during the FYE 2022:

- Contract Management
- Directors Office
- Finance Division
- Health, Safety and Environment
- Human Resource
- Investments and Investor Relations
- ISO Management
- IT Services
- Marketing and Corporate Communication
- Office Administration
- Procurement
- Project Construction Management
- Project Planning & Development
- Property Management & After Sales
- Sales Coordination and Credit Control
- Sales Division

Through these mechanisms, the risks identified were managed and monitored continuously, so that the potential impact of the risks (if occur) may be mitigated to avoid any losses or damages to the Group. The risk responses have been formulated to address threats arising from significant risks to minimise the likelihood of such risks from occurring or reducing the impact of such risks if occur.

Internal Control System

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

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

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

INTERNAL AUDIT FUNCTION

The internal audit function is carried out by an independent service provider, namely BDO Governance Advisory Sdn Bhd, to assess the adequacy and effectiveness of the internal control system. The internal audit reviews are performed based on an internal audit plan which has been reviewed and approved by the ARMC.
The findings of the internal audit reviews including action plans to be taken by management to address the weaknesses identified, where enhancement opportunities are presented and reviewed by the ARMC at the quarterly meetings, which in turn reports them to the Board. Follow-up reviews may be conducted to report to the ARMC on the status of implementation of management follow-up action plans. Based on the internal audit reviews conducted, none of the weaknesses noted have resulted in any material losses, contingencies or uncertainties that would require separate disclosure in this Annual Report.

For the FYE 2022, the following 3 significant business functions were identified and selected for internal audit with the ARMC's concurrence:

Review Area	Description
Review on Risk Management Functions	• Review adequacy of Risk Management Framework against principles of ISO 31000 – Risk Management; • Assessment of risk management structure and the respective roles of the key personnel involved; • Review the implementation of risk management processes; • Monitoring and reporting activities; and • Procedures for re-evaluation of existing risks and identification of new or emerging risks.

Review Area	Description
Sales and Marketing Activities	• Sales and marketing plan and budgeting controls; • Monitoring of Sales performance; • Sales administration – deposit, sales confirmation, Sale and Purchase Agreement, end financing; • Sales cancellation and termination procedures; • Progress billing to unit buyers; • Credit controls; and • Customer complaints / feedback
Contracts Award and Management	• Direct negotiation for third party contractors/consultants; • Tendering and award for third party contractors/consultants; • Contractors/Consultants pre-qualification; • Contract award and termination; • Contract terms and safeguard; • Contract variations; and • Contractor performance assessment.

ASSURANCE

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

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

MANAGEMENT'S ROLE

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

REVIEW OF THE STATEMENT BY THE EXTERNAL AUDITORS

Pursuant to paragraph 15.23 of the Bursa Malaysia Main Market Listing Requirements, the External Auditors have reviewed this Statement on Risk Management and Internal Control for inclusion in the Annual Report for the FYE 2022. Based on their procedures performed, the External Auditors have reported that nothing has come to their attention that would cause them to believe that the Statement is not prepared, in all material respect, in accordance with the disclosures required by Paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, nor is factually inaccurate.

CONCLUSION

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

This Statement on Risk Management and Internal Control was approved by the Board on 10 April 2023.

DIRECTORS' RESPONSIBILITY STATEMENT

for preparing the Audited Financial Statements

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

In preparing those financial statements, the Directors ensured that:-

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

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

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

This Statement was approved by the Board on 10 April 2023.

ADDITIONAL COMPLIANCE INFORMATION DISCLOSURES

(i) Utilisation of Proceeds from Private Placement

There was no corporate proposal undertaken by the Company to raise proceeds during the financial year ended 31 December 2022.

(ii) Material Contracts Involving Directors and Major Shareholders

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

(iii) Audit and Non-Audit Fees

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

	Group (RM)	Company (RM)
Audit Fees	361,500	76,000
Non-Audit Fees	73,500	40,000

(iv) Contract Relating to Loans

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

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

At an Extraordinary General Meeting held on 28 June 2021, the Company's shareholders had approved the establishment of an employees' share option scheme ("ESOS") of not more than fifteen (15%) of the total number of issued ordinary shares of the Company at any one time during the tenure of the ESOS, to eligible Directors, employees and its non-dormant subsidiaries to subscribe for new ordinary shares in the Company under the ESOS. A total of 87,050,000 options with exercise price of RM1.44 and RM1.17 respectively were granted pursuant to the ESOS during FYE 2022.

The information in relation to the ESOS is as follows:

	FYE 2022
Total number of options offered	91,850,000
Total number of options or shares granted	87,050,000
Total number of options exercised or shares vested	17,230,000
Total options or shares outstanding	69,820,000

Options or shares granted to the Directors and Senior Management:

	FYE 2022
Aggregate options or shares granted	14,000,000
Aggregate options exercised or shares vested	5,600,000
Aggregate option or shares outstanding	8,400,000

Options granted to Directors and Senior Management:

	FYE 2022
Aggregate maximum allocation in percentage	6.43
Actual percentage granted to them	15.24

FINANCIAL STATEMENTS

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 2022.

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	178,226,243	70,375,549
Attributable to:		
Owners of the Company	178,257,361	
Non-controlling interest	(31,118)	
	178,226,243	

DIVIDENDS

As disclosed in the last year's report, on 22 February 2022, the Board of Directors has declared a second interim single tier dividend of 3.5 sen per ordinary share for the financial year ended 31 December 2021, amounting to RM29,306,451, which was paid on 25 March 2022.

On 22 August 2022, the Board of Directors has declared an interim single tier dividend of 3.0 sen per ordinary share for the financial year ended 31 December 2022, amounting to RM25,119,816, which was paid on 26 September 2022.

On 27 February 2023, the Board of Directors has declared a second interim single tier dividend of 3.5 sen per ordinary share for the financial year ended 31 December 2022, amounting to RM29,306,451. The entitlement date has been fixed on 04 April 2023, which is payable on 17 April 2023 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 2023.

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 RM617,385,785 to RM636,005,550 by way of the issuance of 14,895,812 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.

Redeemable convertible preference shares ("RCPS")

As at 31 December 2022, 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 any 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, 14,895,812 of Warrants B were exercised at an exercise price of RM1.25 per Warrant B. On 21 January 2022, the total number of Warrants B that remained unexercised amounted to 4,387,765 had expired and lapsed.

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

ESOS

During the financial year, the Company has granted 12,450,000 share options under the ESOS plan. These options have a vesting period of five (5) years from 03 February 2022 to 02 February 2027 and will expire on 03 February 2027. 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(i) to the financial statements.

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

Date of offer	Exercise price RM	01.01.2022 Unit	Granted Unit	Exercised Unit	31.12.2022 Unit
25 October 2021	1.44	74,600,000	-	-	74,600,000
03 February 2022	1.17	-	12,450,000	-	12,450,000
		74,600,000	12,450,000	-	87,050,000

Details of ESOS granted to Directors and employees of the Group are disclosed in Note 23(i) 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 as follows:

Dato' Doh Jee Ming *	
Looi Sze Shing	
Dr. Lim Pang Kiam	
Admiral Tan Sri Dato' Seri Panglima Dr. Ahmad Kamarulzaman Bin Hj Ahmad Badaruddin (R)	Appointed on 14 January 2022
Puan Myrzela Binti Sabtu	Appointed on 27 February 2023
Dato' Mohamed Sharil Bin Mohamed Tarmizi	Appointed on 03 April 2023
Dato' Doh Tee Leong	Resigned on 03 January 2022
Mohamad Ali Bin Ariffin	Resigned on 27 February 2023
Dato' Doh Jee Chai	Resigned on 03 April 2023

* *This Director is also Director of subsidiaries 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	
Surulhuda Binti Md Tasir	
Lau Kok Lian	Appointed on 01 April 2023
Nizran Bin Noordin	Resigned on 08 July 2022
Ahmad Al-Hadi Bin Abdul Khalid	Resigned on 08 July 2022
Meera Bhai A/P Kalimuthu	Resigned on 31 March 2023

DIRECTORS' INTERESTS

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

	Number of ordinary shares			
	At 01.01.2022 Unit	Bought Unit	Sold Unit	At 31.12.2022 Unit
Name of Directors				
The Company				
Direct interest:				
- Dato' Doh Jee Ming	2,300,800	-	-	2,300,800
Indirect interest:				
- Dato' Doh Jee Ming *	607,571,209	-	-	607,571,209
- Dato' Doh Jee Chai *	607,571,209	-	-	607,571,209

DIRECTORS' INTERESTS (Cont'd)

	Number of RCPS			
	At 01.01.2022 Unit	Allotment Unit	Conversion Unit	At 31.12.2022 Unit
Name of Directors				
The Company				
Indirect interest:				
- Dato' Doh Jee Ming ^	296,192,288	-	-	296,192,288
- Dato' Doh Jee Chai ^	296,192,288	-	-	296,192,288

	Number of options over ordinary shares			
	At 01.01.2022 Unit	Granted Unit	Expired Unit	At 31.12.2022 Unit
Name of Directors				
The Company				
Direct interest:				
- Dato' Doh Jee Ming	2,400,000	2,400,000	-	4,800,000

* *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.*

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

Dato' Doh Jee Ming 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.

- 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	310,000	-
Salaries and other emoluments	1,290,000	840,000
Contributions to defined contribution plan	630,000	420,000
Share options	685,675	-
Others	1,002	1,002
Benefits-in-kind	25,000	-
Total fees and other benefits	2,941,677	1,261,002

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 financial statements of the Group and of the Company were made out, the Directors took reasonable steps:

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

  (ii) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including their 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 render the amount written off for bad debts inadequate to any substantial extent or necessitate the making of provision for doubtful debts;

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

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

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

OTHER STATUTORY INFORMATION (cont'd)

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

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

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

(d) In the opinion of the Directors:

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

(ii) the results of the operations of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature; and

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

(e) The total amount paid to or receivable by the auditors 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 10 April 2023.

DATO' DOH JEE MING

DR. LIM PANG KIAM

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 104 to 207 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 2022 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 10 April 2023.

DATO' DOH JEE MING

DR. LIM PANG KIAM

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 104 to 207 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 10 April 2023

LEE WEI JIN

Before me,

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF LAGENDA PROPERTIES BERHAD

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 2022 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 104 to 207.

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 2022, 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 B*y-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 2022, 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 2022.

Key Audit Matters (Cont'd)

Impairment Review of Goodwill and the Company's Investments in Subsidiaries (Cont'd)

Investments in subsidiaries

As at 31 December 2022, as shown in Note 12 to the financial statements, the carrying amount of the Company's investments in subsidiaries amounted to RM779,303,456.

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).

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 comparing 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 RM644,890,941 and RM348,737,955 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.

Key Audit Matters (Cont'd)

Property development revenue and cost recognition (Cont'd)

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;
- 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 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.

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: 10 April 2023

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

		Group		Company	
	Note	2022 RM	2021 RM	2022 RM	2021 RM
Revenue	4	**866,940,033**	835,577,786	**78,000,000**	75,500,000
Cost of sales	5	**(547,170,655)**	(511,496,870)	**-**	-
Gross profit		**319,769,378**	324,080,916	**78,000,000**	75,500,000
Other income		**28,986,486**	36,927,848	**14,332,673**	8,199,073
Administrative expenses		**(52,275,558)**	(45,160,364)	**(12,687,647)**	(12,766,404)
Selling and marketing expenses		**(27,143,979)**	(22,408,075)	**-**	-
Other expenses		**(2,581,961)**	(1,311,112)	**-**	-
Profit from operations		**266,754,366**	292,129,213	**79,645,026**	70,932,669
Finance costs	6	**(15,297,880)**	(13,049,879)	**(7,963,171)**	(14,751,448)
Share of results of a joint venture, net of tax	13	**45,225**	-	**-**	-
Profit before tax	6	**251,501,711**	279,079,334	**71,681,855**	56,181,221
Income tax expense	7	**(73,275,468)**	(77,613,420)	**(1,306,306)**	358,551
Profit net of tax, representing total comprehensive income for the financial year		**178,226,243**	201,465,914	**70,375,549**	56,539,772
Total comprehensive income attributable to: -					
Owners of the Company		**178,257,361**	201,505,701	**70,375,549**	56,539,772
Non-controlling interests	12(b)	**(31,118)**	(39,787)	**-**	-
		178,226,243	201,465,914	**70,375,549**	56,539,772
Earnings per ordinary share attributable to Owners of the Company (RM):					
- Basic	8	**0.21**	0.25		
- Diluted	8	**0.18**	0.20		

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 2022

		Group		Company	
	Note	2022 RM	2021 RM	2022 RM	2021 RM
ASSETS					
Non-current assets					
Property, plant and equipment	9	**17,226,972**	11,054,408	**3,787,299**	334,799
Investment properties	10	**23,652,044**	22,922,044	**-**	-
Goodwill	11	**25,576,497**	25,576,497	**-**	-
Investments in subsidiaries	12	**-**	-	**779,303,456**	776,922,480
Investment in a joint venture	13	**545,225**	-	**500,000**	-
Other investment	15	**-**	1,038,000	**-**	-
Inventories	16	**203,848,732**	160,826,524	**-**	-
		270,849,470	221,417,473	**783,590,755**	777,257,279
Current assets					
Inventories	16	**472,041,509**	450,378,133	**-**	-
Trade receivables	17	**245,412,694**	271,074,917	**-**	-
Other receivables	18	**68,630,420**	53,294,067	**54,869,588**	172,904,754
Contract assets	19	**277,800,049**	222,670,585	**-**	-
Tax recoverable		**-**	-	**598,754**	347,071
Cash and cash equivalents	20	**441,796,463**	229,363,072	**26,989,270**	11,435,045
		1,505,681,135	1,226,780,774	**82,457,612**	184,686,870
TOTAL ASSETS		**1,776,530,605**	1,448,198,247	**866,048,367**	961,944,149
EQUITY AND LIABILITIES					
Equity					
Ordinary shares	21	**333,170,560**	314,550,795	**636,005,550**	617,385,785
Redeemable convertible preference shares ("RCPS")	22	**-**	-	**164,519,098**	164,519,098
Other reserves	23	**(8,630,458)**	(1,700,026)	**11,645,509**	9,093,442
Retained earnings/ (Accumulated losses)		**691,608,784**	567,777,690	**5,426,254**	(10,523,028)
Equity attributable to Owners of the Company		**1,016,148,886**	880,628,459	**817,596,411**	780,475,297
Non-controlling interests	12(b)	**8,492**	(5,390)	**-**	-
Total Equity		**1,016,157,378**	880,623,069	**817,596,411**	780,475,297

	Note	Group 2022 RM	Group 2021 RM	Company 2022 RM	Company 2021 RM
Liabilities					
Non-current liabilities					
Redeemable convertible preference shares ("RCPS")	22	**-**	-	**45,335,912**	52,041,906
Borrowings	24	**188,605,049**	159,137,672	**-**	88,585,896
Lease liabilities	25	**4,469,607**	3,030,079	**405,718**	142,292
Deferred tax liabilities	26	**1,121,514**	922,741	**71,252**	-
Trade payables	27	**-**	2,792,010	**-**	-
		194,196,170	165,882,502	**45,812,882**	140,770,094
Current liabilities					
Trade payables	27	**178,811,373**	195,492,805	**-**	-
Other payables	28	**186,914,565**	142,449,828	**2,471,417**	16,934,329
Contract liabilities	19	**3,053,109**	2,701,228	**-**	-
Borrowings	24	**190,704,353**	40,860,739	**-**	23,726,682
Lease liabilities	25	**2,424,054**	1,770,903	**167,657**	37,747
Tax payable		**4,269,603**	18,417,173	**-**	-
		566,177,057	401,692,676	**2,639,074**	40,698,758
Total Liabilities		**760,373,227**	567,575,178	**48,451,956**	181,468,852
TOTAL EQUITY AND LIABILITIES		**1,776,530,605**	1,448,198,247	**866,048,367**	961,944,149

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: Ordinary shares RM	Attributable to Owners of the Company: Non-distributable: Other Reserves RM	Attributable to Owners of the Company: Distributable Retained Earnings RM	Attributable to Owners of the Company: Equity attributable to Owners of the Company RM	Non-Controlling Interest RM	Total Equity RM
Group							
2022							
At 1 January 2022		**314,550,795**	**(1,700,026)**	**567,777,690**	**880,628,459**	**(5,390)**	**880,623,069**
Profit net of tax, representing total comprehensive income for the financial year		**-**	**-**	**178,257,361**	**178,257,361**	**(31,118)**	**178,226,243**
Transactions with Owners of the Company							
Subscription of shares in a subsidiary by non-controlling interest	12(a)	**-**	**-**	**-**	**-**	**45,000**	**45,000**
Share options granted	23(i)	**-**	**2,552,067**	**-**	**2,552,067**	**-**	**2,552,067**
RCPS dividend paid/payable during the year	22,23	**-**	**(9,482,499)**	**-**	**(9,482,499)**	**-**	**(9,482,499)**
Dividend paid to shareholders	29	**-**	**-**	**(54,426,267)**	**(54,426,267)**	**-**	**(54,426,267)**
Conversion of Warrant B	21(ii)	**18,619,765**	**-**	**-**	**18,619,765**	**-**	**18,619,765**
Total transactions with Owners of the Company		**18,619,765**	**(6,930,432)**	**(54,426,267)**	**(42,736,934)**	**45,000**	**(42,691,934)**
At 31 December 2022		**333,170,560**	**(8,630,458)**	**691,608,784**	**1,016,148,886**	**8,492**	**1,016,157,378**

		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 (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 net of tax, 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(a)	-	-	7,406,772	7,406,772	(7,806,772)	(400,000)
Subscription of shares in a subsidiary by non-controlling interest	12(a)	-	-	-	-	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(i)	-	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	23(i)	(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

	Note	← Attributable to Owners of the Company → ← Non-distributable → Ordinary shares RM	RCPS (Note 22) RM	Other Reserves (Note 23) RM	(Accumulated Losses)/ Retained Earnings RM	Total Equity RM
Company						
2022						
At 1 January 2022		**617,385,785**	**164,519,098**	**9,093,442**	**(10,523,028)**	**780,475,297**
Profit net of tax, representing total comprehensive income for the financial year		**-**	**-**	**-**	**70,375,549**	**70,375,549**
Transactions with Owners of the Company						
Conversion of Warrant B	21(i)	**18,619,765**	**-**	**-**	**-**	**18,619,765**
Share options granted	23(i)	**-**	**-**	**2,552,067**	**-**	**2,552,067**
Dividend paid to shareholders	29	**-**	**-**	**-**	**(54,426,267)**	**(54,426,267)**
Total transactions with Owners of the Company		**18,619,765**	**-**	**2,552,067**	**(54,426,267)**	**(33,254,435)**
At 31 December 2022		**636,005,550**	**164,519,098**	**11,645,509**	**5,426,254**	**817,596,411**

	Note	Attributable to Owners of the Company				
		Non-distributable				
		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 net of tax, 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(i)	-	-	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 2022

		Group		Company	
	Note	2022 RM	2021 RM	2022 RM	2021 RM
Cash flows from operating activities					
Profit before tax:		**251,501,711**	279,079,334	**71,681,855**	56,181,221
Adjustments for:					
Accretion of interest income on deferred other receivable		**(656,343)**	(1,470,284)	**(656,343)**	(1,470,284)
Depreciation of: -					
- property, plant and equipment		**3,427,363**	2,396,304	**302,029**	50,893
Fair value adjustment on: -					
- investment properties		**(730,000)**	(6,776,621)	**-**	-
- derivative contract		**2,141,458**	-	**-**	-
Gain on disposal of property, plant and equipment		**(138,798)**	(356,022)	**-**	-
Gain on disposal of other investment		**(1,462,000)**	-	**-**	-
Loss on remeasurement of lease liabilities		**-**	18,445	**-**	-
Bargain purchase on acquisition of a subsidiary		**(7,749,848)**	(11,019,782)	**-**	-
Gain on remeasurement of deferred other receivable		**(218,781)**	(970,903)	**(218,781)**	(970,903)
Loss on remeasurement of financial liabilities		**48,131**	-	**-**	-
Share of results of a joint venture, net of tax		**(45,225)**	-	**-**	-
Interest expense		**15,297,880**	13,049,879	**7,963,171**	14,751,448
Interest income		**(3,500,375)**	(2,997,722)	**(5,768,926)**	(4,048,596)
Dividend income		**-**	-	**(78,000,000)**	(75,500,000)
Unrealised gain on foreign exchange		**(3,569,097)**	-	**-**	-
Share based payment expenses		**2,552,067**	9,093,442	**921,090**	4,513,644
Written off on: -					
- goodwill		**-**	869,412	**-**	-
- trade receivables		**700**	-	**-**	-
Written down on: -					
- inventories		**391,672**	-	**-**	-
Operating profit/(loss) before changes in working capital		**257,290,515**	280,915,482	**(3,775,905)**	(6,492,577)

STATEMENTS OF CASH FLOWS (Cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

		Group		Company	
	Note	2022 RM	2021 RM	2022 RM	2021 RM
Balance bought forward		**257,290,515**	280,915,482	**(3,775,905)**	(6,492,577)
Changes in working capital:					
Inventories		**(39,632,996)**	(103,269,328)	**-**	-
Receivables		**33,310,597**	(23,573,687)	**(606,647)**	26,544,539
Payables		**20,670,783**	42,285,533	**(16,326,679)**	26,125,039
Contract assets/liabilities		**(54,777,583)**	(44,751,312)	**-**	-
Cash generated from (used in) operations		**216,861,316**	151,606,688	**(20,709,231)**	46,177,001
Interest paid		**(15,297,880)**	(11,648,904)	**(5,186,667)**	(10,815,433)
Interest received		**3,500,375**	2,997,722	**492,778**	3,875,916
Income tax paid		**(87,224,265)**	(86,121,545)	**(1,486,737)**	(302,071)
Net cash from/(used in) operating activities		**117,839,546**	56,833,961	**(26,889,857)**	38,935,413
Cash flows from investing activities					
Direct acquisition of subsidiaries, net of cash and cash equivalent acquired	12(a)	**(17,571,913)**	(17,672,061)	**-**	-
Repayment from/ (Advances to) subsidiaries		**-**	-	**63,348,779**	(74,800,000)
Advances to a joint venture		**(1,419,221)**	-	**(1,384,888)**	-
Repayment from a former associate		**12,329,194**	-	**12,329,194**	-
Dividend income received		**-**	-	**128,500,000**	1,900,000
Investment in a subsidiary	12	**-**	-	**(749,999)**	(750,000)
Investment in a joint venture	13	**(500,000)**	-	**(500,000)**	-
Additional investment in a subsidiary from non-controlling interests		**-**	(400,000)	**-**	-
Purchase of property, plant and equipment	9(ii)	**(4,986,089)**	(1,984,772)	**(3,190,548)**	(174,235)
Proceeds from disposal of: -					
- property, plant and equipment		**146,228**	420,000	**-**	-
- other investment		**2,500,000**	-	**-**	-
Balance carried forward		**(9,501,801)**	(19,636,833)	**198,352,538**	(73,824,235)

	Note	Group 2022 RM	Group 2021 RM	Company 2022 RM	Company 2021 RM
Cash flows from investing activities (cont'd)					
Balance bought forward		**(9,501,801)**	(19,636,833)	**198,352,538**	(73,824,235)
Deposits paid for lands held for future development		**(33,020,274)**	(42,492,394)	**-**	-
Proceeds from subscription of shares in a subsidiary by non-controlling interest		**45,000**	30,000	**-**	-
Net cash (used in)/from investing activities		**(42,477,075)**	(62,099,227)	**198,352,538**	(73,824,235)
Cash flows from financing activities					
Dividend paid to: -					
- RCPS holder	22	**(7,903,428)**	(7,700,439)	**(7,903,428)**	(7,700,439)
- shareholders	29	**(54,426,267)**	(45,016,924)	**(54,426,267)**	(45,016,924)
Advances from/ (Repayment to) Directors' related companies	(iii)	**429,351**	(115,631)	**284,697**	(157,662)
Repayment to a Director	(iii)	**-**	(535,000)	**-**	-
Drawdown/(Repayment) of borrowings	(iii)	**182,880,088**	(21,896,827)	**(112,312,578)**	(210,556)
(Increase)/Uplift in fixed deposits pledged		**(28,564,107)**	21,444,056	**-**	-
Repayment of principal portion of lease liabilities	(ii)(iii)	**(2,528,589)**	(1,637,002)	**(170,645)**	(21,261)
Proceeds from conversion of Warrant B	21(ii)	**18,619,765**	4,927,750	**18,619,765**	4,927,750
Proceeds from private placement	21(ii)	**-**	92,642,440	**-**	92,642,440
Net cash from/(used in) financing activities		**108,506,813**	42,112,423	**(155,908,456)**	44,463,348
Net increase in cash and cash equivalents		**183,869,284**	36,847,157	**15,554,225**	9,574,526
Cash and cash equivalents at beginning of financial year		**225,777,602**	188,930,445	**11,435,045**	1,860,519
Cash and cash equivalents at end of financial year	(i)	**409,646,886**	225,777,602	**26,989,270**	11,435,045

Note:

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

		Group		Company	
	Note	2022 RM	2021 RM	2022 RM	2021 RM
Cash and bank balances	20	**266,255,407**	84,984,909	**20,188,728**	8,293,074
Short terminvestments	20	**117,328,151**	106,538,741	**6,800,542**	3,141,971
Fixed deposits with licensed banks	20	**58,212,905**	37,839,422	**-**	-
		441,796,463	229,363,072	**26,989,270**	11,435,045
Less:					
- Fixed deposits pledged	20(ii)	**(32,149,577)**	(3,585,470)	**-**	-
		409,646,886	225,777,602	**26,989,270**	11,435,045

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

	Group	
	2022 RM	2021 RM
Included in net cash from/(used in) operating activities		
Interest paid in relation to lease liabilities	**(308,847)**	(268,469)
Payment relating to short term lease rental	**(1,222,483)**	(867,662)
Included in net cash from financing activities		
Payment for the principal portion of lease liabilities	**(2,528,589)**	(1,637,002)
	(4,059,919)	(2,773,133)

	Company	
	2022 RM	2021 RM
Included in net cash from/(used in) operating activities		
Interest paid in relation to lease liabilities	**(24,432)**	(4,960)
Payment relating to short term lease rental	**(1,157,320)**	(722,140)
Included in net cash from financing activities		
Payment for the principal portion of lease liabilities	**(170,645)**	(21,261)
	(1,352,397)	(748,361)

Note: (cont'd)

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

	Note	Lease liabilities RM	Borrowings RM	Amounts due to Directors' related companies RM
Group				
2022				
At beginning of the financial year		**4,800,982**	**199,998,411**	**48,884**
Payment for the principal portion of lease liabilities		**(2,528,589)**	**-**	**-**
Drawdown		**-**	**320,596,600**	**-**
Advances from		**-**	**-**	**429,351**
Repayment		**-**	**(137,716,512)**	**-**
Net changes in cash flow from financing activities		**(2,528,589)**	**182,880,088**	**429,351**
Acquisition of new leases	9(ii)	**4,621,268**	**-**	**-**
Unrealised foreign exchange gain		**-**	**(3,569,097)**	**-**
At end of the financial year		**6,893,661**	**379,309,402**	**478,235**

	Note	Lease liabilities RM	Borrowings 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)	-	-	-
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(a)	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 RM	Amounts due to Directors' related companies RM
Company				
2022				
At beginning of the financial year		180,039	112,312,578	-
Payment for the principal portion of lease liabilities		(170,645)	-	-
Advances from		-	-	284,697
Repayment to		-	(112,312,578)	-
Net changes in cash flow from financing activities		(170,645)	(112,312,578)	284,697
Acquisition of new lease	9(ii)	563,981	-	-
At end of the financial year		573,375	-	284,697
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	-

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. 5-9A, The Boulevard Offices, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur, W.P. Kuala Lumpur.

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 branch of business of the Company is located at G3A03, Block G, Pusat Dagangan Phileo Damansara 1, No. 9, Jalan 16/11, Off Jalan Damansara, 46350 Petaling Jaya, Selangor.

The Company is an investment holding company. The principal activities of its subsidiaries are disclosed in Note 12. There have been no significant changes in the nature of these activities of the Group and of the Company during the financial year.

The Directors regard Lagenda Land Sdn. Bhd., a 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 10 April 2023.

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 3	Reference to the Conceptual Framework
Amendments to MFRS 16	Covid-19 – Related Rent Concession beyond 30 June 2021
Amendments to MFRS 116	Plant and equipment Proceeds before Intended Use
Amendments to MFRS 137	Onerous Contracts - Cost of Fulfilling a Contract
Annual Improvements to MFRSs 2018 - 2020	

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.

2. BASIS OF PREPARATION (Cont'd)

(a) Statement of compliance (Cont'd)

(ii) Accounting pronouncements that are effective and adopted during the financial year (Cont'd)

Effective for financial periods beginning on or after 1 January 2023

MFRS 17	Insurance Contracts
Amendments to MFRS 17	Initial Application of MFRS 17 and MFRS 9 – Comparative Information
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 for financial periods beginning on or after 1 January 2024

Amendments to MFRS 16	Lease Liability in a Sale and Leaseback
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current
Amendments to MFRS 101	Non-Current Liabilities with Covenants

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.

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

2. BASIS OF PREPARATION (Cont'd)

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

The key assumptions concerning the future and other key sources of estimation or uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying 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 are 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 amount of investment in subsidiaries as at the reporting date is disclosed in Note 12.

3. SIGNIFICANT ACCOUNTING POLICIES

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

(a) Basis of consolidation

Consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the reporting date. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied for like transactions and events in similar circumstances.

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.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(a) Basis of consolidation (Cont'd)

Consolidation (Cont'd)

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

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

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

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 previous years, the Company completed the acquisition of the entire equity interest in Blossom Eastland Sdn. Bhd. and its subsidiaries, i.e., Taraf Nusantara Sdn. Bhd. and Triprise Sdn. Bhd. ("Blossom Group") 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.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(a) Basis of consolidation (Cont'd)

Reverse acquisition accounting (Cont'd)

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.

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.

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.

A 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.

A joint arrangement is classified as "joint venture" when the Group has rights only to the net assets of the arrangement. The Group accounts for its interest in the joint venture using the equity method. Investment in a joint venture is measured in the Group's and the Company's statement of financial position at cost less any impairment losses, unless the investment is classified as held for sale or distribution. The cost of investment includes transaction costs.

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.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(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: -

<u>Sale of completed properties</u>

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 Sale and Purchase Agreement is signed. Revenue is recognised at point in time when the customer takes vacant possession of the properties.

<u>Property development revenue</u>

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.

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.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

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

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

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.

Sales of food and beverages

Revenue is recognised at point in time upon delivery of foods and beverages to the customers, where all the payments are based on cash on delivery. Accordingly, transaction price is determined based on selling price of the goods.

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.

(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.

The Group had received government grants relating to costs from wages subsidy programme introduced by the Malaysian Government due to the COVID-19 pandemic.

(e) Borrowing costs

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

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

(f) Income taxes

Current tax

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

Deferred tax

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(f) Income taxes (Cont'd)

Deferred tax (Cont'd)

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

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

(g) Leases

As a lessee

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

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

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

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

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(g) Leases (Cont'd)

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".

(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.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

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

(iii) Depreciation (Cont'd)

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.

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 subsidiaries 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.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(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.

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

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

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

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

<u>Property development costs</u>

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

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

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

Any expected loss on a development project, including costs to be incurred over the 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.

<u>Unsold completed properties</u>

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.

<u>Finished goods (building materials and hardware and food and beverages)</u>

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.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(m) Cash and cash equivalents

Cash and cash equivalents consist of cash at bank (including housing development account) and on hand, short term investments 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 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.

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.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(n) Financial instruments (Cont'd)

(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.

(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.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(o) Impairment of assets (Cont'd)

(i) Financial assets (Cont'd)

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.

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-month 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.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(o) Impairment of assets (Cont'd)

(i) Financial assets (Cont'd)

Credit impaired financial assets (Cont'd)

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.

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.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(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.

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.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(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.

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) Foreign currencies

Foreign currency translations and balances

Transactions in foreign currencies are converted into the functional currency at rates of exchange ruling at the transaction dates. Monetary assets and liabilities in foreign currencies at the end of each reporting period are translated into the functional currency at rates of exchange ruling at that date. All exchange differences arising from the settlement of foreign currency transactions and from the translation of foreign currency monetary assets and liabilities are included in profit or loss in the period in which they arise. Non-monetary items initially denominated in foreign currencies, which are carried at historical cost are translated using the historical rates as of the date of acquisition, and non-monetary items, which are carried at fair value are translated using the exchange rate that existed when the values were determined for presentation currency purposes.

(t) 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 2022 RM	Group 2021 RM	Company 2022 RM	Company 2021 RM
Revenue from contracts with customers					
Property development	(i)	**644,890,941**	645,060,089	**-**	-
Furniture and fittings		**1,762,808**	-	**-**	-
Sales of completed properties		**59,342,430**	4,597,097	**-**	-
Construction contract	(ii)	**26,338,256**	70,391,805	**-**	-
Trading of building materials		**134,590,625**	115,528,795	**-**	-
Food and beverages		**14,973**	-	**-**	-
Dividend income		**-**	-	**78,000,000**	75,500,000
		866,940,033	835,577,786	**78,000,000**	75,500,000
Timing of revenue recognition:					
Point in time		**195,710,836**	120,125,892	**78,000,000**	75,500,000
Over time		**671,229,197**	715,451,894	**-**	-
		866,940,033	835,577,786	**78,000,000**	75,500,000

The accounting policy for the Group's and the Company's revenue are 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 2022 RM	Group 2021 RM
Total contracted revenue, net	**2,015,172,394**	1,739,665,460
Less: Property development revenue recognised, net	**(983,345,661)**	(898,389,300)
Less: Completed during the year	**(559,934,580)**	(409,649,498)
Aggregate amount of the transaction price allocated to property development revenue that are partially or fully unsatisfied as at 31 December, net	**471,892,153**	431,626,662

4. REVENUE (Cont'd)

Unsatisfied long-term contracts (Cont'd)

The following table shows unsatisfied performance obligations resulting from property development revenue and construction contract revenue: - (Cont'd)

(ii) Construction contract revenue

	Group	
	2022 RM	2021 RM
Total contracted revenue	**431,886,100**	435,336,100
Less: Construction revenue recognised, net	**(429,837,590)**	(403,499,334)
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	**2,048,510**	28,386,766

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

(i) Property development revenue

	Group	
	2022 RM	2021 RM
Within 1 year	**305,860,345**	305,097,784
Between 1 and 3 years	**166,031,808**	126,528,878
	471,892,153	431,626,662

(ii) Construction contract revenue

	Group	
	2022 RM	2021 RM
Within 1 year	**2,048,510**	28,386,766

5. COST OF SALES

	Group	
	2022 RM	2021 RM
Property development costs	**348,737,955**	341,312,101
Furniture and fittings	**2,080,000**	-
Cost from sales of completed properties	**46,497,023**	3,441,845
Construction costs	**23,650,522**	57,095,766
Trading of building material costs	**126,150,426**	109,647,158
Clubhouse expenses	**54,729**	-
	547,170,655	511,496,870

6. PROFIT BEFORE TAX

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

		Group		Company	
	Note	2022 RM	2021 RM	2022 RM	2021 RM
Auditors' remuneration:-					
- statutory audit		**361,500**	326,500	**76,000**	68,000
- other services		**73,500**	37,500	**40,000**	37,500
Service rendered by Auditors' affiliate: -					
- tax agent fee		**91,200**	80,200	**10,500**	8,000
Accretion of interest income on deferred other receivables		**(656,343)**	(1,470,284)	**(656,343)**	(1,470,284)
Depreciation of: -					
- property, plant and equipment		**3,427,363**	2,396,304	**302,029**	50,893
Directors' remuneration	(i)	**4,177,679**	4,664,723	**2,916,677**	3,403,799
Employee benefits expense	(ii)	**25,017,679**	24,667,558	**5,650,020**	6,333,486
Finance costs: -					
- accretion of interest on contingent consideration		**420,570**	1,209,438	**420,570**	1,209,438
- accretion of interest on RCPS liability portion		**-**	-	**2,776,505**	6,839,913
- accretion of interest on deferred landowner's entitlement		**202,944**	190,748	**-**	-
- bank overdraft		**-**	302	**-**	-
- banker's acceptance		**394,280**	355,886	**-**	-
- lease liabilities		**308,847**	268,469	**24,432**	4,960
- term loan		**10,904,294**	10,753,282	**4,466,924**	6,425,383
- revolving credit		**3,066,945**	271,754	**274,740**	271,754
Fair value adjustment on: -					
- investment properties		**(730,000)**	(6,776,621)	**-**	-
- derivative contract		**2,141,458**	-	**-**	-

6. PROFIT BEFORE TAX (Cont'd)

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

	Note	Group 2022 RM	Group 2021 RM	Company 2022 RM	Company 2021 RM
Gain on disposal of property, plant and equipment		**(138,798)**	(356,022)	**-**	-
Gain on remeasurement of deferred other receivable		**(218,781)**	(970,903)	**(218,781)**	(970,903)
Loss on remeasurement of lease liabilities		**-**	18,445	**-**	-
Loss on remeasurement of financial liabilities		**48,131**	-	**-**	-
Bargain purchase on acquisition of a subsidiary		**(7,749,848)**	(11,019,782)	**-**	-
Inventories written down		**391,672**	-	**-**	-
Interest income from: -					
- financial institution		**(3,500,375)**	(2,997,722)	**(492,778)**	(837,501)
- advances to subsidiaries		**-**	-	**(5,276,148)**	(3,211,095)
Liquidated ascertained damages ("LAD") income		**-**	(5,454,112)	**-**	-
Rental income		**(2,743,025)**	(488,056)	**(790,000)**	(468,000)
Unrealised gain on foreign exchange		**(3,569,097)**	-	**-**	-
Short term lease for: -					
- office space		**1,194,270**	767,220	**1,157,320**	722,140
- equipment		**28,213**	100,442	**-**	-
Sale of fresh fruit bunches		**-**	(2,474,593)	**-**	-
Wages subsidy		**(73,800)**	(357,600)	**-**	-
Written off on: -					
- goodwill		**-**	869,412	**-**	-
- trade receivables		**700**	-	**-**	-

6. PROFIT BEFORE TAX (Cont'd)

(i) Directors' remuneration

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Directors' remuneration				
Directors' fee	**310,000**	161,667	**310,000**	161,667
Salaries and other emoluments	**2,130,000**	1,738,500	**1,290,000**	898,500
Contribution to defined contribution plan	**1,050,000**	840,000	**630,000**	420,000
Share based payment	**685,675**	1,922,708	**685,675**	1,922,708
Others	**2,004**	1,848	**1,002**	924
	4,177,679	4,664,723	**2,916,677**	3,403,799
Estimated money value of benefits- in-kind ("BIK")	**25,000**	25,000	**25,000**	25,000
Total including estimated money value of BIK	**4,202,679**	4,689,723	**2,941,677**	3,428,799

(ii) Employee benefits expense

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Staff costs				
Salaries and other emoluments	**20,399,755**	15,427,347	**4,792,036**	3,325,548
Contribution to defined contribution plan	**2,507,377**	1,872,243	**584,621**	388,783
Share based payment	**1,866,392**	7,170,734	**235,415**	2,590,936
Others	**244,155**	197,234	**37,948**	28,219
	25,017,679	24,667,558	**5,650,020**	6,333,486
Estimated money value of benefits- in-kind ("BIK")	**147,659**	250,000	**16,500**	-
Total including estimated money value of BIK	**25,165,338**	24,917,558	**5,666,520**	6,333,486

7. INCOME TAX EXPENSE

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Income tax:				
Current financial year	**77,058,428**	80,265,104	**458,830**	-
(Over)/Underprovision in prior financial year	**(3,981,733)**	(1,335,449)	**776,224**	(358,551)
	73,076,695	78,929,655	**1,235,054**	(358,551)
Deferred tax (Note 26):				
Origination/(Reversal) of temporary differences	**233,584**	(1,321,130)	**56,172**	-
(Over)/Underprovision in prior financial year	**(34,811)**	4,895	**15,080**	-
	198,773	(1,316,235)	**71,252**	-
Total income tax expense/(credit) for the financial year	**73,275,468**	77,613,420	**1,306,306**	(358,551)

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (2021: 24%) of the estimated assessable profit for the year.

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	
	2022 RM	2021 RM	2022 RM	2021 RM
Profit before tax	**251,501,711**	279,079,334	**71,681,855**	56,181,221
Tax at the Malaysian statutory income tax rate of 24%	**60,360,411**	66,979,040	**17,203,645**	13,483,493
Prosperity tax of 33%	**9,050,314**	-	**-**	-
Tax effect on share of results of a joint venture	**10,854**	-	**-**	-
Income not subject to tax	**(1,404,320)**	(1,005,343)	**(18,877,523)**	(18,300,572)
Expenses not deductible for tax purpose	**9,216,214**	12,970,277	**2,188,880**	4,817,079
Deferred tax assets not recognised	**58,539**	-	**-**	-
(Over)/underprovision in prior financial year				
- income tax	**(3,981,733)**	(1,335,449)	**776,224**	(358,551)
- deferred tax	**(34,811)**	4,895	**15,080**	-
Income tax expense/ (credit) for the financial year	**73,275,468**	77,613,420	**1,306,306**	(358,551)

7. INCOME TAX EXPENSE (Cont'd)

The Group has the following estimated unutilised tax losses and unabsorbed capital allowances available for set-off against future taxable profits:

	Group	
	2022 RM	Restated 2021 RM
Unutilised tax losses	**233,675**	10,231
Unabsorbed capital allowances	**20,468**	-
	254,143	10,231

The comparative figures have been restated to reflect the actual unutilised tax losses and unabsorbed capital allowances carried forward.

With effect from Year of Assessment ("YA") 2019, the unutilised tax losses in a year of assessment of the Group can only be carried forward for a maximum period of 10 consecutive YAs to be utilised against income from any business source.

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	
	2022	2021
Profit after tax attributable to Owners of the Company (RM)	**178,257,361**	201,505,701
Weighted average number of ordinary shares:		
Number of ordinary shares in issue at beginning of the financial year	**822,431,369**	483,489,169
Effect of weighted average number of ordinary shares issued during the financial year	**14,189,251**	318,810,271
	836,620,620	802,299,440
Basic earnings per share (RM)	**0.21**	0.25

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 that have been adjusted for the dilutive effects of all potential ordinary shares.

	Group	
	2022	**2021**
Profit after tax attributable to Owners of the Company (RM) [Note (i)]	**178,257,361**	201,505,701
Weighted average number of ordinary shares:		
Issued ordinary shares at end of the financial year	**836,620,620**	802,299,440
Effect of dilutive potential ordinary shares ("RCPS")	**147,447,081**	191,808,785
Effect of dilutive potential ordinary shares ("Warrant B")	**-**	3,826,415
Effect of dilutive potential ordinary shares ("ESOS 1")	**-**	379,115
Effect of dilutive potential ordinary shares ("ESOS 2")	**1,560,093**	-
	985,627,793	998,313,755
Diluted earnings per share (RM)	**0.18**	0.20

Note:

(i) No adjustment required as there is no coupon rate saving from RCPS liability portion arising from the reverse acquisition accounting as disclosed in Note 22.

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									
2022									
Cost									
At 1 January	2,976,403	7,945	37,440	135,788	361,751	10,172,931	2,908,873	1,210,349	17,811,480
Additions	-	-	403,200	527,057	224,485	3,930,269	3,085,087	1,437,259	9,607,357
Disposal	-	-	-	-	(7,208)	(678,155)	-	-	(685,363)
At 31 December	2,976,403	7,945	440,640	662,845	579,028	13,425,045	5,993,960	2,647,608	26,733,474
Accumulated depreciation									
At 1 January	203,387	2,543	18,187	14,360	140,186	5,153,563	673,808	551,038	6,757,072
Charge for the financial year	59,528	158	82,449	49,916	50,118	2,144,248	421,070	619,876	3,427,363
Disposals	-	-	-	-	(60)	(677,873)	-	-	(677,933)
At 31 December	262,915	2,701	100,636	64,276	190,244	6,619,938	1,094,878	1,170,914	9,506,502
Net carrying amount									
At 31 December	2,713,488	5,244	340,004	598,569	388,784	6,805,107	4,899,082	1,476,694	17,226,972

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									
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(a)]	-	-	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(a)]	-	-	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)

	Leased properties RM	Motor vehicles RM	Office equipment, furniture and fittings and renovation RM	Total RM
Company				
2022				
Cost				
At 1 January	**-**	**345,000**	**40,864**	**385,864**
Additions	**133,981**	**430,000**	**3,190,548**	**3,754,529**
At 31 December	**133,981**	**775,000**	**3,231,412**	**4,140,393**
Accumulated depreciation				
At 1 January	**-**	**47,000**	**4,065**	**51,065**
Charge for the financial year	**28,514**	**147,833**	**125,682**	**302,029**
At 31 December	**28,514**	**194,833**	**129,747**	**353,094**
Net carrying amount				
At 31 December	**105,467**	**580,167**	**3,101,665**	**3,787,299**
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

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 RM1,701,318 (2021: RM1,737,945) 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	
	2022 RM	2021 RM	2022 RM	2021 RM
Cash purchase of property, plant and equipment	**4,986,089**	1,984,772	**3,190,548**	174,235
Financed by lease arrangement	**4,621,268**	2,214,329	**563,981**	201,300
Total acquisition of property, plant and equipment	**9,607,357**	4,199,101	**3,754,529**	375,535

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

	Motor vehicles RM	Leased properties RM	Total RM
Group			
2022			
Cost			
At 1 January	**8,088,009**	**1,210,349**	**9,298,358**
Additions	**3,184,009**	**1,437,259**	**4,621,268**
Disposals	**(677,855)**	**-**	**(677,855)**
At 31 December	**10,594,163**	**2,647,608**	**13,241,771**
Accumulated depreciation			
At 1 January	**3,779,258**	**551,038**	**4,330,296**
Charge for the financial year	**1,852,090**	**619,876**	**2,471,966**
Disposals	**(677,853)**	**-**	**(677,853)**
At 31 December	**4,953,495**	**1,170,914**	**6,124,409**
Net carrying amount			
At 31 December	**5,640,668**	**1,476,694**	**7,117,362**

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)			
2021			
Cost			
At 1 January	6,416,409	689,753	7,106,162
Additions	1,671,600	542,729	2,214,329
Lease modification	-	(22,133)	(22,133)
At 31 December	8,088,009	1,210,349	9,298,358
Accumulated depreciation			
At 1 January	2,666,390	168,370	2,834,760
Charge for the financial year	1,112,868	386,356	1,499,224
Lease modification	-	(3,688)	(3,688)
At 31 December	3,779,258	551,038	4,330,296
Net carrying amount			
At 31 December	4,308,751	659,311	4,968,062

	Motor vehicles RM	Leased properties RM	Total RM
Company			
2022			
Cost			
At 1 January	**250,000**	**-**	**250,000**
Additions	**430,000**	**133,981**	**563,981**
At 31 December	**680,000**	**133,981**	**813,981**
Accumulated depreciation			
At 1 January	**37,500**	**-**	**37,500**
Charge for the financial year	**128,833**	**28,514**	**157,347**
At 31 December	**166,333**	**28,514**	**194,847**
Net carrying amount			
At 31 December	**513,667**	**105,467**	**619,134**

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

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

	Motor vehicles RM
Company (cont'd)	
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	
	2022 RM	2021 RM	2022 RM	2021 RM
Depreciation of right-of-use assets	**2,471,966**	1,499,224	**157,347**	37,500
Interest expense of lease liabilities	**308,847**	268,469	**24,432**	4,960
Short-term leases	**1,222,483**	867,662	**1,157,320**	722,140
	4,003,296	2,635,355	**1,339,099**	764,600

10. INVESTMENT PROPERTIES

	Freehold land RM	Freehold properties RM	Total RM
Group			
Fair value			
2022			
At 1 January	**7,707,044**	**15,215,000**	**22,922,044**
Fair value adjustments	**185,000**	**545,000**	**730,000**
At 31 December	**7,892,044**	**15,760,000**	**23,652,044**

10. INVESTMENT PROPERTIES (Cont'd)

	Freehold land RM	Freehold properties RM	Total RM
Group (Cont'd)			
Fair value			
2021			
At 1 January	6,012,296	3,501,700	9,513,996
Transfer from inventories [Note 16(ii)]	-	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

In the prior 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 RM9,042,044 (2021: RM8,967,044) 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 RM414,455 (2021: RM163,239).

11. GOODWILL

	Group	
	2022	2021
Cost		
At 1 January	**25,576,497**	24,505,996
Addition from: -		
- direct acquisition of subsidiaries [Note 12(a)]	**-**	1,939,913
Written off [Note 12(a)]	**-**	(869,412)
At 31 December	**25,576,497**	25,576,497

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.

11. GOODWILL (Cont'd)

2021

In the prior 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(a). 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.

None of the goodwill arising on these acquisitions is deductible for tax purposes.

Impairment review on goodwill

Goodwill arising from business combinations has been allocated to four (2021: four) 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						
2022						
Goodwill	**4,690,160**	**11,181,561**	**8,634,275**	**1,070,501**	**-**	**25,576,497**
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

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 industry discount rates of 13.97% (2021: 9.13%);
(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 1 percentage point in the discount rate would have reduced the recoverable amount by approximately RM6.15 million (2021: RM5.90 million).

- An increase of 10 percentage point in the gross development costs would have reduced the recoverable amount by approximately RM46.12 million.

11. GOODWILL (Cont'd)

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 industry discount rates of 13.88% (2021: 9.07%);
(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 1 percentage point in the discount rate would have reduced the recoverable amount by approximately RM0.87 million (2021: RM0.69 million).

- An increase of 3 percentage point in the gross development costs would have reduced the recoverable amount by approximately RM11.84 million.

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 industry discount rates of 13.43% (2021: 9.11%);
(ii) There will be no material changes in the structure and principal activities of the subsidiary;
(iii) Projected revenue growth rate of 15% (2021: 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 its historical normalised turnover period.

The sensitivity analysis is presented as follows:

- A decrease of 10 percentage point in the revenue growth rate would have reduced the recoverable amount by approximately RM4.25 million (2021: RM7.73 million).

- A decrease of 0.5 percentage point (2021: 1 percentage point) in the budgeted gross margin would have reduced the recoverable amount by approximately RM 8.64 million (2021: RM25.34 million).

- An increase of 1 percentage point in the discount rate would have reduced the recoverable amount by approximately RM3.75 million (2021: 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.

11. GOODWILL (Cont'd)

Trading of building materials and hardware segment (SBNH) (Cont'd)

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

(i) Pre-tax industry discount rates of 14.69% (2021: 9.14%);
(ii) There will be no material changes in the structure and principal activities of the subsidiary;
(iii) Projected revenue growth rate of 20% (2021: 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 10 percentage point in the revenue growth rate would have reduced the recoverable amount by approximately RM1.53 million (2021: RM1.24 million).

- A decrease of 1 percentage point in the budgeted gross margin would have reduced the recoverable amount by approximately RM2.14 million (2021: RM1.19 million).

- An increase of 1 percentage point in the discount rate would have reduced the recoverable amount by approximately RM0.34 million (2021: 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	
	2022	**2021**
Unquoted shares		
At cost		
At beginning of the financial year	**772,342,682**	771,592,682
Addition	**749,999**	750,000
At end of the financial year	**773,092,681**	772,342,682
Capital contribution to subsidiaries		
At beginning of the financial year	**4,579,798**	-
Addition	**1,630,977**	4,579,798
At end of the financial year	**6,210,775**	4,579,798
Carrying amount at end of the financial year	**779,303,456**	776,922,480

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.

12. INVESTMENTS IN SUBSIDIARIES (Cont'd)

The details of the subsidiaries, all of which are incorporated in Malaysia are as follows: -

Name of Subsidiaries	Principal Activities	Effective Equity Interest 2022	Effective Equity Interest 2021
LPB Devel("LPBD")	Property development	**100%**	100%
LPB Construction Sdn. Bhd. ("LPBC")	Building construction	**100%**	100%
Blossom Eastland Sdn. Bhd. ("BESB") *	Property development	**100%**	100%
Rantau Urusan (M) Sdn. Bhd. ("RUSB") *	Building construction	**100%**	100%
Yik Wang Trading Sdn. Bhd. ("YWT") *	Trading of building materials and hardware	**100%**	100%
Held through YWT			
Sitiawan Bolts and Nuts Hardware Sdn. Bhd.("SBNH")	Trading of building materials and hardware	**100%**	100%
Held through BESB			
Taraf Nusantara Sdn. Bhd. ("TNSB")	Property development and construction works	**100%**	100%
Triprise Sdn. Bhd. ("TSB")	Property development, property management and other business management activities	**100%**	100%
Maxitanah Sdn. Bhd. ("MTSB")	Property development	**100%**	100%
Opti Vega Sdn. Bhd. ("OVSB")	Property development	**100%**	100%
Held through TNSB			
Lagenda Tapah Sdn. Bhd. ("LTSB")	Property development	**100%**	50%
Held through LPBD			
Lagenda Mersing Sdn. Bhd. ("LMSB")	Property development	**70%**	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. As at 31 December 2022, the Company has fully settled the outstanding facilities and currently pending the securities to be discharged.

12. INVESTMENTS IN SUBSIDIARIES (Cont'd)

(a) Direct acquisition of subsidiaries

2022

On 04 June 2022, the Company had further subscribed 749,999 ordinary shares in LPBC for a cash consideration of RM749,999. No changes to the Company's effective equity interest of 100% in LPBC.

On 30 August 2022, the Company via LPBD had further subscribed 105,000 ordinary shares in LMSB for a cash consideration of RM105,000. No changes to the Company's effective equity interest of 70% in LMSB.

During the financial year, the Company via TNSB acquired the remaining 50% equity interest of Lagenda Tapah Sdn. Bhd. ("LTSB") which was completed on 08 July 2022 via cash consideration of RM17,597,146. The details of total consideration have been disclosed in Note 14. For accounting purpose, the cut-off was taken on 31 July 2022.

The fair value of the identifiable assets and liabilities arising from the purchase price allocation ("PPA") of LTSB as at the date of completion was: -

	As at 31.07.2022 RM
LTSB	
Inventories	**25,444,260**
Cash and cash equivalents	**25,233**
Trade payables	**(265)**
Other payables	**(122,234)**
Fair value of net identifiable assets acquired	**25,346,994**

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

	RM
Net cash flow arising from acquisition of a subsidiary	
Cash consideration	**17,597,146**
Less: Cash and cash equivalents from acquisition of a subsidiary	**(25,233)**
Net cash outflow on completion of acquisition of a subsidiary	**17,571,913**

12. INVESTMENTS IN SUBSIDIARIES (Cont'd)

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

2022 (Cont'd)

The bargain purchase arising from the direct acquisition is as follows: -

	RM
Bargain purchase arising from direct acquisition	
Cash consideration	**17,597,146**
Less: Fair value of net identifiable assets acquired	**(25,346,994)**
Bargain purchase on consolidation (LTSB)	**(7,749,848)**

Purchase price allocation ("PPA")

During the financial year, the Group had performed PPA exercise for a newly acquired subsidiary, namely, LTSB.

(i) LTSB

The Group has recognised a bargain purchase of RM7,749,848 arising from the acquisition of LTSB 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 LTSB has been recognised in the statements of comprehensive income under the line item "Other income".

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 became 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.

In the prior 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.

12. INVESTMENTS IN SUBSIDIARIES (Cont'd)

(a) 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: -

	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)

(a) 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 31.07.2021 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/(bargain purchase) arising from the direct acquisition is as follows: -

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

12. INVESTMENTS IN SUBSIDIARIES (Cont'd)

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

2021 (Cont'd)

The goodwill/(bargain purchase) 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".

(b) Non-controlling interests in a subsidiary

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

	LMSB
2022	
NCI percentage of ownership and voting interest (%)	**30%**
Carrying amount of NCI (RM)	**8,492**
Loss allocated to NCI (RM)	**(31,118)**

12. INVESTMENTS IN SUBSIDIARIES (Cont'd)

(b) Non-controlling interests in a subsidiary (Cont'd)

The subsidiary of the Group that have non-controlling interests ("NCI") are as follows: (Cont'd)

	LMSB	TSB *	Total
2021			
NCI percentage of ownership and voting interest (%)	30%	40%	
Carrying amount of NCI (RM)	(5,390)	-	(5,390)
Loss allocated to NCI (RM)	(35,390)	(4,397)	(39,787)

* *The Group had acquired remaining 40% equity interest in TSB and resulted TSB became a wholly-owned subsidiary.*

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 2022	
Total assets	**89,843,834**
Total liabilities	**(89,815,527)**
Net assets	**28,307**
For the financial year ended 31 December 2022	
Loss for the financial year	**103,726**
Total comprehensive income	**103,726**
Cash flows from/(used in)	
Operating activities	**(75,420,896)**
Investing activities	**(7,964,994)**
Financing activities	**83,632,976**

12. INVESTMENTS IN SUBSIDIARIES (Cont'd)

(b) Non-controlling interests in a subsidiary (Cont'd)

The summarised financial information before intra-group elimination of the subsidiaries that have NCI as at the end of each reporting period are as follows: - (Cont'd)

	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

13. INVESTMENT IN A JOINT VENTURE

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Unquoted shares, at cost				
At beginning of the financial year	**-**	-	**-**	-
Addition	**500,000**	-	**500,000**	-
Share of post acquisition reserves	**45,225**	-	**-**	-
At end of the financial year	**545,225**	-	**500,000**	-

13. INVESTMENT IN A JOINT VENTURE (Cont'd)

The details of the joint venture, which is incorporated in Malaysia are as follows: -

		Effective Equity Interest	
Name of Joint Venture	**Principal Activities**	**2022**	**2021**
Lagenda Inta Sdn. Bhd. ("LISB")	Building construction	**50%**	-

2022

On 26 January 2022, the Company entered into a shareholders' agreement with Inta Bina Group Berhad ("IBG"), and incorporated a joint venture company, Lagenda Inta Sdn. Bhd. ("LISB"). The Company has subscribed for 375,000 ordinary shares representing an equity interest of 50% in LISB for a total cash consideration of RM375,000. Subsequently, on 19 August 2022, the Company further subscribed 125,000 ordinary shares in LISB for a cash consideration of RM125,000. No changes to the Company's effective equity interest of 50% in LISB.

LISB is structured as a separate vehicle and provides the Company rights to the net assets of the entity. Accordingly, the Directors consider that the Company has joint control over LISB and has classified the investment in LISB as a joint venture.

The following table summarises the financial information of LISB, as adjusted for any differences in accounting policies. The table also reconciles the summarised financial information to the carrying amount of the Company's interest in LISB, which is accounted for using the equity method.

	LMSB RM
As at 31 December 2022	
Total assets	**10,981,438**
Total liabilities	**(9,526,130)**
Net assets	**1,455,308**
For the financial period ended 31 December 2022	
Profit for the financial period	**455,308**
Total comprehensive income	**455,308**

	Group 2022 RM
Reconciliation of net assets to carrying amount as at 31 December 2022	
Group's share of net assets	**727,654**
Elimination of unrealised profits	**(182,429)**
Carrying amount in the statement of financial position	**545,225**

14. INVESTMENT IN JOINT OPERATIONS

The details of the joint operations, all of which are incorporated in Malaysia are as follows: -

Name of Joint Operation Companies	Principal Activities	Effective Equity Interest 2022	Effective Equity Interest 2021
Held through LPBD			
BDB Lagenda Sdn. Bhd. ("BDB")	Property development	**50%**	50%
Held through TNSB			
Lagenda Tapah Sdn. Bhd. ("LTSB")	Property development	**-**	50%

2022

In previous years, TNSB entered into a Joint Development and Shareholders Agreement ("JDSA") with Tenaga Danawa Sdn. Bhd. ("TDSB") 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 amounted to RM125,000 and TDSB holds the remaining 125,000 units of ordinary shares amounted to RM125,000. 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.

In the prior financial year, TNSB has paid an amount of RM2,000,000, being the advance payment by virtue of the clauses stipulated within the JDSA.

On 6 April 2022, there is an additional entitlement of RM3,023,146 pursuant to the supplemental agreement of the joint development arrangement.

On 23 June 2022, TNSB entered into a Deed of Revocation for the JDSA dated 21 September 2020 with TDSB; and made a full and final settlement of the landowner's entitlement of RM12,324,000, representing a 48% discount of the original landowner's entitlement negotiated based on a "Willing Buyer Willing Seller" basis.

The advance extended by TNSB to TDSB prior to the revocation amounting to RM2,000,000 was considered as part of the purchase consideration.

As of the reporting date, TDSB has transferred the remaining 50% of the paid-up share capital of LTSB, amounting to RM125,000 to TNSB. The acquisition of the entire equity interest in LTSB was completed on 31 July 2022 for a total investment cost at RM17,597,146 as disclosed in Note 12(a). Consequently, LTSB became wholly-owned subsidiary of TNSB as disclosed in Note 12.

On 25 March 2022, the Company via LPBD had further subscribed 124,999 ordinary shares in BDB for a cash consideration of RM124,999. No changes to the Company's effective equity interest of 50% in BDB.

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.

15. OTHER INVESTMENT

In prior year, 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. During the financial year, the Group has received the fixed return of RM2,500,000 and recognised a gain of RM1,462,000 in the statements of comprehensive income.

16. INVENTORIES

		Group	
	Note	2022 RM	2021 RM
Non-current asset			
At cost:			
Lands held for future property development		**183,169,858**	139,766,524
At net realisable value:			
Lands held for future property development		**20,678,874**	21,060,000
		203,848,732	160,826,524
Current assets			
At cost:			
Property development costs	(i)	**438,040,987**	382,584,702
Unsold completed units	(ii)	**32,889,045**	66,704,368
Building materials and hardware		**1,108,230**	1,089,063
Food and beverages		**3,247**	-
At end of the financial year		**472,041,509**	450,378,133

	Group	
	2022 RM	2021 RM
Recognised in profit or loss as cost of sales:		
Property development costs	**348,737,955**	341,312,101
Sale of completed units	**46,497,023**	3,441,845
Building materials and hardware	**126,150,426**	109,647,158
Food and beverages	**4,776**	-
	521,390,180	454,401,104

16. INVENTORIES (Cont'd)

(i) Property development costs

	Group	
	2022 RM	**2021 RM**
Cumulative property development costs		
At beginning of the financial year		
Land costs	**257,030,280**	231,266,052
Development costs	**660,226,739**	519,323,158
	917,257,019	750,589,210
Cost incurred during the financial year		
Land costs	**88,722,756**	138,871,942
Development costs	**344,365,072**	328,567,317
Addition through acquisition of subsidiaries [Note 12(a)] *	**7,749,848**	41,694,324
Less:		
Transfer to lands held for future development	**(19,512,124)**	-
Transfer to inventories (unsold completed units)	**(17,131,312)**	(45,103,215)
Adjustments to completed projects during the financial year	**(377,980,546)**	(297,362,559)
At end of the financial year	**943,470,713**	917,257,019
Cumulative costs recognised in statements of comprehensive income		
At beginning of the financial year	**(534,672,317)**	(490,722,775)
Recognised during the financial year	**(348,737,955)**	(341,312,101)
Less:		
Adjustments to completed projects during the financial year	**377,980,546**	297,362,559
At end of the financial year	**(505,429,726)**	(534,672,317)
Property development costs at end of financial year	**438,040,987**	382,584,702

* During the financial year, the carrying amount of RM7,749,848 represents the fair value contributed from its on-going development project sum. The remaining inventories costs of RM17,694,412 have been capitalised in prior year upon application of proportionate consolidation for the investment in joint operation.

(ii) Unsold completed units

In the prior 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.

16. INVENTORIES (Cont'd)

Land held for property development and on-going development of the Group with the total net carrying amount of RM105,873,517 (2021: RM107,994,730) have been pledged to licensed banks for the banking facilities granted to the subsidiaries as disclosed in Note 24.

17. TRADE RECEIVABLES

	Note	Group 2022 RM	Group 2021 RM
Trade receivables			
- third parties		**214,438,894**	234,108,296
- Directors' related companies		**16,093,668**	25,505,984
- retention sum	(i)	**14,880,132**	11,460,637
		245,412,694	271,074,917

The normal credit term of trade receivables is 30 to 90 days (2021: 30 to 90 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.

18. OTHER RECEIVABLES

		Group		Company	
	Note	2022 RM	2021 RM	2022 RM	2021 RM
Current assets					
Other receivables					
- third parties	(i)	**4,004,016**	22,299,266	**18,080**	11,454,070
- Directors' related companies	(ii)	**2,644,000**	2,963,516	**-**	-
- joint venture	(iii)	**1,419,221**	-	**1,384,888**	-
- subsidiaries	(iv)	**-**	-	**49,969,900**	156,965,265
Accrued income	(iv)	**-**	-	**-**	484,801
Deposits	(v)	**46,571,012**	12,701,643	**2,405,220**	2,770,714
Contract costs: -					
- commission	(vi)	**7,407,971**	6,661,765	**-**	-
- direct acquisition of subsidiaries		**1,543,641**	4,093,350	**-**	-
Prepayments		**5,040,559**	4,574,527	**1,091,500**	1,229,904
		68,630,420	53,294,067	**54,869,588**	172,904,754

18. OTHER RECEIVABLES (Cont'd)

(i) Included in this balance is receivable from a former associate under deferred payment term pursuant to Shares Sale Agreement ("SSA").

	Group/Company	
	2022 RM	2021 RM
Future minimum collection:		
- collectible within one year	-	12,329,194
Less: Fair value adjustment	-	(875,124)
	-	11,454,070

Included in the other receivables of the Group of RM Nil (2021: RM5,454,112) representing liquidated ascertained damages income charged to a sub-contractor for the late completion of works on certain development projects.

(ii) Amounts due from Directors' related companies relates to rental income, which are collectible on demand.

(iii) These amounts are non-trade in nature, unsecured, interest-free advances, which are collectible on demand.

(iv) 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 RM Nil (2021: RM50,500,000), which represented dividend income receivable as at the reporting date.

Included in the amounts due from subsidiaries of RM35,595,110 (2021: RM76,355,028) are non-trade in nature, unsecured, with interest bearing at 5.50% (2021: 5.48%) per annum. The remaining balances are not subject to any interest bearing as the amounts aged less than 1-month period.

(v) Included in deposits of the Group of RM40,512,668 (2021: RM7,492,394) were deposits paid for four (2021: five) 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.

(vi) 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 RM24,333,201 (2021: RM21,153,786).

19. CONTRACT ASSETS/(LIABILITIES)

	Note	Group 2022 RM	2021 RM
Property development	(i)	**277,800,049**	214,714,203
Construction	(ii)	**(352,509)**	7,956,382
Completed units	(iii)	**(2,700,600)**	(2,701,228)
		274,746,940	219,969,357
Represented by:			
Contract assets		**277,800,049**	222,670,585
Contract liabilities		**(3,053,109)**	(2,701,228)
		274,746,940	219,969,357

Contract assets primarily relate to the Group's right to consideration for work completed on property development and construction contract but not yet billed at the reporting date. Typically, the amount will be billed within 30 days and payment is expected within 60 days.

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

(i) Property development

	Group 2022 RM	2021 RM
At beginning of the financial year	**214,714,203**	165,708,857
Acquisition through direct acquisition [Note 12(a)]	**-**	1,541,587
Revenue recognised during the financial year (Note 4)	**644,890,941**	645,060,089
Consideration paid on behalf/payable	**114,690,280**	74,404,230
Progress billings during the financial year	**(696,495,375)**	(672,000,560)
At end of the financial year	**277,800,049**	214,714,203

(ii) Construction

	Group 2022 RM	2021 RM
At beginning of the financial year	**7,956,382**	11,765,081
Revenue recognised during the financial year (Note 4)	**26,338,256**	70,391,805
Progress billings during the financial year	**(34,647,147)**	(74,200,504)
At end of the financial year	**(352,509)**	7,956,382

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

(iii) Completed units

	Group	
	2022 RM	**2021 RM**
At beginning of the financial year	**(2,701,228)**	(3,797,480)
Revenue recognised during the financial year (Note 4)	**59,342,430**	4,597,097
Progress billings during the financial year	**(59,341,802)**	(3,500,845)
At end of the financial year	**(2,700,600)**	(2,701,228)

20. CASH AND CASH EQUIVALENTS

		Group		Company	
	Note	**2022 RM**	**2021 RM**	**2022 RM**	**2021 RM**
Cash and bank balances	(i)	**266,255,407**	84,984,909	**20,188,728**	8,293,074
Fixed deposits with licensed banks	(ii)	**58,212,905**	37,839,422	**-**	-
Short term investments	(iii)	**117,328,151**	106,538,741	**6,800,542**	3,141,971
		441,796,463	229,363,072	**26,989,270**	11,435,045

(i) Included in the bank balances of the Group is amount of RM133,940,773 (2021: RM37,753,429) 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 1.68%-4.00% (2021: 2.04%-3.53%) per annum and had maturity period of 3 to 6 months (2021: 3 months).

Included in fixed deposits of the Group is an amount of RM32,149,577 (2021: RM3,585,470) 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 2022 RM	Group 2021 RM	Company 2022 RM	Company 2021 RM
Issued and fully paid:				
At beginning of financial year	**314,550,795**	220,520,194	**617,385,785**	339,580,184
Issuance of ordinary shares pursuant to:				
- private placement and related expenses	**-**	92,642,440	**-**	92,642,440
Conversion of RCPS	**-**	(3,539,589)	**-**	180,235,411
Conversion of Warrant B	**18,619,765**	4,927,750	**18,619,765**	4,927,750
At end of financial year	**333,170,560**	314,550,795	**636,005,550**	617,385,785

	Group 2022 RM	Group 2021 RM
Issued and fully paid:	**822,431,369**	483,489,169
At beginning of financial year		
Issuance pursuant to: -		
- private placement	**-**	85,000,000
Conversion of RCPS	**-**	250,000,000
Conversion of Warrant B	**14,895,812**	3,942,200
At end of financial year	**837,327,181**	822,431,369

(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) **2022**

During the financial year, the Company has increased its issued ordinary shares from RM617,385,785 to RM636,005,550 by way of the issuance of 14,895,812 new ordinary shares at an issue price of RM1.25 per share pursuant to the exercise of Warrants B 2017/2022 ("Warrants B").

2021

In the prior 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").

21. ORDINARY SHARES (Cont'd)

(iii) The value of the Group's ordinary shares differs from that of the Company as a result of Reverse Acquisition accounting as described in Note 3(a).

(a) The amount recognised as issued equity instruments in the consolidated financial statements comprise the issued equity of Blossom Group immediately before the Reverse Acquisition and the costs of the Reverse Acquisition.

(b) This represents the fair value of the consideration transferred in relation to the Reverse Acquisition. As Blossom Group is a private entity group, the fair value of the Company's shares provides a more reliable basis for measuring the consideration transferred than the estimated fair value of the share in Blossom Group. The consideration transferred is determined using the fair value of the issued equity of the Company before the acquisition and the number of new ordinary shares Blossom Group would have to issue to the equity holders of the Company to maintain the ratio of ownership interest in the combined entity, which represents the total deemed purchase consideration of RM83,613,748.

(c) The Company's increased share capital of RM67,131,406 represents the purchase consideration of Blossom Group which was satisfied by the allotment and issuance of 89,508,542 units of ordinary shares of the Company measured at RM0.75 per ordinary share, together with 639,641,716 units of RCPS and 76,550,572 units of deferred RCPS measured at RM0.7351 per RCPS.

(d) The equity structure (i.e., the number and types of equity instruments issued) reflect the equity structure of the Company, being the legal parent, including the equity instruments issued by the Company to effect the Reverse Acquisition.

(iv) Included in ordinary shares of the Group was dividend paid in relation to RCPS converted during the year which was transferred from other reserves.

Warrants

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

The warrants may be exercised at any time commencing on the date of issue of warrants on 23 January 2017 but not later than 21 January 2022. Any warrants which have not been exercised at date of maturity will lapse and cease to be valid for any purpose.

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.

In the prior 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.

During the financial year, 14,895,812 of Warrants B were exercised at an exercise price of RM1.25 per Warrant B. As at 31 December 2022, the total number of Warrants B that remain unexercised amounted to 4,387,765 has expired and lapsed.

22. REDEEMABLE CONVERTIBLE PREFERENCE SHARES ("RCPS")

	Company	
	2022 RM	2021 RM
Equity		
At beginning of the financial year	**164,519,098**	303,394,098
Deferred RCPS recognised	**-**	-
Conversion during the financial year	**-**	(138,875,000)
At end of the financial year	**164,519,098**	164,519,098

The carrying amount of the liability component of RCPS of the Company at the initial recognition date is arrived as follow: -

	RM
Fair value of issued RCPS	470,179,826
Fair value of deferred RCPS	56,272,325
	526,452,151
Less: Equity component	(397,829,098)
Liability component at initial recognition	128,623,053

	Company	
	2022 RM	2021 RM
Liabilities		
At beginning of the financial year	**52,041,906**	95,031,357
76,550,572 units of deferred RCPS recognised pursuant to reverse acquisition	**-**	-
Conversion during the financial year	**-**	(41,360,411)
Dividend paid/payable	**(9,482,499)**	(8,468,953)
Unwinding of discount recognised to profit or loss	**2,776,505**	6,839,913
At end of the financial year	**45,335,912**	52,041,906

The units of RCPS are as follows: -

	Company	
	2022 Unit	2021 Unit
At beginning of the financial year	**296,192,288**	469,641,716
Deferred RCPS recognised	**-**	76,550,572
Conversion during the financial year	**-**	(250,000,000)
At end of the financial year	**296,192,288**	296,192,288

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

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

2022

During the financial year, the total RCPS of the Company has reduced from RM216,561,004 to RM209,855,010 due to incurrence of dividend paid or payable of RM9,482,499 and unwinding of discount recognised to statements of comprehensive income of RM2,776,505. No conversion of RCPS in the current financial year. As at 31 December 2022, the total number of RCPS remain unconverted amounted to 296,192,288.

2021

On 21 January 2021, the RCPS of the Company decreased from RM398,425,455 to RM216,561,004 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.

The effective interest rate of the liability component of the RCPS is range from 4.61% to 6.89% (2021: 4.61% to 6.89%) per annum.

The salient terms of the RCPS are as follows: -

Transferability

The RCPS is not transferable without the consent of the Company.

Tenure

The tenure of RCPS is for 8 years commencing from and inclusive of the date of issue of the RCPS on 12 August 2020.

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.

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

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	2022 RM	2021 RM	2022 RM	2021 RM
Share option reserve	(i)	**11,645,509**	9,093,442	**11,645,509**	9,093,442
RCPS dividend payable	(ii)	**(20,275,967)**	(10,793,468)	**-**	-
		(8,630,458)	(1,700,026)	**11,645,509**	9,093,442

(i) Share option reserve

	Group/Company	
	2022 RM	2021 RM
Share options under ESOS: -		
At 1 January	**9,093,442**	-
Addition	**2,552,067**	9,093,442
At 31 December	**11,645,509**	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.

23. OTHER RESERVES (Cont'd)

(i) Share option reserve (Cont'd)

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;

(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.

23. OTHER RESERVES (Cont'd)

(i) Share option reserve (Cont'd)

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	At beginning of the year Unit	Granted Unit	Exercised Unit	Lapsed Unit	At end of the year Unit
2022								
03.02.2022	**03.02.2022**	**03.02.2027**	**1.17**	**74,600,000**	**12,450,000**	**-**	**-**	**87,050,000**
2021								
25.10.2021	25.10.2021	25.10.2026	1.44	-	74,600,000	-	-	74,600,000

2022

On 03 February 2022, the Company has offered 12,450,000 options ("ESOS 2") to eligible employees of the Company and its non-dormant subsidiaries to subscribe for new ordinary shares in the Company. Similar to the ESOS granted in the prior financial year, these options have a vesting period of five (5) years from 03 February 2022 to 02 February 2027 and will expire on 03 February 2027. These options are exercisable if the employee remains in service for three (3) years from the date of grant.

2021

In the prior financial year, the Company has granted 74,600,000 share options ("ESOS 1") 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, except for Directors of the Company which the options granted are exercisable upon granted and capped at 20% per financial year.

23. OTHER RESERVES (Cont'd)

(i) Share option reserve (Cont'd)

The fair value of ESOS 1 and ESOS 2 granted in both financial years 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:

	2022 ESOS 2	2021 ESOS 1
Fair value of ESOS at grant date (RM)	**0.45**	0.80
Weighted average share price (RM)	**1.30**	1.60
Exercise price (RM)	**1.17**	1.44
Expected volatility (%)	**40.90%**	43.91%
Risk free rate (%)	**3.24%**	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.

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

	2022 Unit	2021 Unit
At beginning of the financial year	**12,000,000**	-
Granted	**-**	12,000,000
At end of the financial year	**12,000,000**	12,000,000

During the financial year, a cumulative 4,800,000 units (2021: 2,400,000 units) of options were vested and exercisable as the Director remained in service for three (3) years from the date of grant.

(ii) RCPS dividend payable

	Group	
	2022 RM	2021 RM
RCPS dividend payable: -		
At 1 January	**(10,793,468)**	(5,864,104)
Dividend paid/payable during the financial year	**(9,482,499)**	(8,468,953)
Transfer to ordinary share capital	**-**	3,539,589
At 31 December	**(20,275,967)**	(10,793,468)

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

24. BORROWINGS, SECURED

	Note	Group 2022 RM	Group 2021 RM	Company 2022 RM	Company 2021 RM
Secured					
Non-current liability					
Term loans	(i)	**188,605,049**	159,137,672	-	88,585,896
Current liabilities					
Banker's acceptance		**5,391,000**	8,007,000	-	-
Revolving credit		**166,497,386**	10,000,000	-	10,000,000
Term loans	(i)	**18,815,967**	22,853,739	-	13,726,682
		190,704,353	40,860,739	-	23,726,682
		379,309,402	199,998,411	-	112,312,578
Total borrowings					
Banker's acceptance		**5,391,000**	8,007,000	-	-
Revolving credit		**166,497,386**	10,000,000	-	10,000,000
Term loans	(i)	**207,421,016**	181,991,411	-	102,312,578
		379,309,402	199,998,411	-	112,312,578

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

	Group 2022 %	Group 2021 %	Company 2022 %	Company 2021 %
Banker's acceptance	**3.29 - 4.06**	2.36 - 3.65	-	-
Revolving credit	**4.50 - 6.81**	5.45	-	5.45
Term loans	**3.17 - 7.65**	3.67 - 7.65	-	5.45

(i) Term loans

	Group 2022 RM	Group 2021 RM	Company 2022 RM	Company 2021 RM
Repayble within one year (current)	**18,815,967**	22,853,739	-	13,726,682
Repayable between 1 and 5 years	**169,602,307**	128,394,625	-	88,585,896
Repayable more than 5 years	**19,002,742**	30,743,047	-	-
Repayable after 1 year (non- current)	**188,605,049**	159,137,672	-	88,585,896
	207,421,016	181,991,411	-	102,312,578

24. BORROWINGS, SECURED (Cont'd)

(i) Term loans (Cont'd)

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. As at 31 December 2022, the Company has fully settled the outstanding facilities and currently pending the securities to be discharged.

25. LEASE LIABILITIES

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Non-current liabilities	**4,469,607**	3,030,079	**405,718**	142,292
Current liabilities	**2,424,054**	1,770,903	**167,657**	37,747
	6,893,661	4,800,982	**573,375**	180,039
Future minimum lease payments:				
Repayable within 1 year	**2,735,951**	1,994,182	**192,724**	44,952
Repayable between 1 and 5 years	**4,680,852**	3,162,069	**437,226**	153,577
Repayable more than 5 years	**402,500**	432,500	**-**	-
	7,819,303	5,588,751	**629,950**	198,529
Less: Future finance charges	**(925,642)**	(787,769)	**(56,575)**	(18,490)
Present value of minimum lease payments	**6,893,661**	4,800,982	**573,375**	180,039
Present value of lease liabilities:				
Repayable within 1 year	**2,424,054**	1,770,903	**167,657**	37,747
Repayable between 1 and 5 years	**4,320,116**	2,878,213	**405,718**	142,292
Repayable more than 5 years	**149,491**	151,866	**-**	-
	6,893,661	4,800,982	**573,375**	180,039

25. LEASE LIABILITIES (Cont'd)

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

	Group		Company	
	2022 %	2021 %	2022 %	2021 %
Lease liabilities	**3.74 - 18.32**	4.26 - 14.57	**4.42 - 7.80**	4.42

26. DEFERRED TAX LIABILITIES

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
At beginning of the financial year	**922,741**	2,236,026	**-**	-
Addition through direct acquisition of subsidiaries [Note 12(a)]	**-**	2,950	**-**	-
Recognised in profit or loss (Note 7)	**198,773**	(1,316,235)	**71,252**	-
At end of the financial year	**1,121,514**	922,741	**71,252**	-

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					
2022					
At beginning of the financial year	**36,102**	**146,439**	**(4,390)**	**744,590**	**922,741**
Recognised in profit or loss (Note 7)	**7,500**	**(1,510)**	**(5,159)**	**197,942**	**198,773**
At end of the financial year	**43,602**	**144,929**	**(9,549)**	**942,532**	**1,121,514**
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(a)]	-	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

26. DEFERRED TAX LIABILITIES (Cont'd)

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

	Investment properties RM	Property, plant and equipment RM	Right-of-use assets RM	Other temporary differences RM	Total RM
Company					
2022					
At beginning of the financial year	-	-	-	-	-
Recognised in profit or loss (Note 7)	-	71,890	(638)	-	71,252
At end of the financial year	-	**71,890**	**(638)**	-	**71,252**

The estimated amount of temporary differences for which no deferred tax assets have been recognised in the financial statements are as follows (stated as gross):

	Group 2022 RM	Restated 2021 RM
Unutilised tax losses	**233,675**	10,231
Unabsorbed capital allowances	**20,468**	-
	254,143	10,231

The comparative figures have been restated to reflect the actual unutilised tax losses and unabsorbed capital allowances carried forward available to the subsidiaries of the Group.

27. TRADE PAYABLES

	Note	Group 2022 RM	2021 RM
Non-current liability			
Landowner's entitlement	(i)	-	2,792,010
Current liabilities			
Landowner's entitlement	(i)	-	2,128,667
Third parties		**124,571,019**	140,385,773
Joint venture		**2,508,128**	-
Directors' related companies		**2,741,049**	2,516,876
Retention sum on contracts	(ii)	**48,991,177**	50,461,489
		178,811,373	195,492,805

27. TRADE PAYABLES (Cont'd)

The normal credit terms granted to the Group range from 30 to 60 days (2021: 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	
	2022 RM	2021 RM
Future minimum payments:		
- Repayable within 1 year	-	2,331,610
- Repayable within 2 years	-	2,840,142
	-	5,171,752
Less: Future accretion of interest	-	(251,075)
	-	4,920,677

	Group	
	2022 RM	2021 RM
Present value of deferred payable:		
- Repayable within 1 year	-	2,128,667
- Repayable within 2 years	-	2,792,010
	-	4,920,677

During the financial year, there is a mutual agreement on the early settlement of the landowner's entitlement and the Group recognised a loss on remeasurement of financial liabilities of RM48,131 in the statements of comprehensive income.

(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.

28. OTHER PAYABLES

	Note	Group 2022 RM	Group 2021 RM	Company 2022 RM	Company 2021 RM
Current liabilities					
Contingent consideration	(i)	**-**	15,017,145	**-**	15,017,145
Other payables: -					
- third parties		**2,615,318**	5,654,003	**117,853**	106,439
- Directors' related companies	(ii)	**478,235**	48,884	**284,697**	-
Accruals	(iii)	**49,410,074**	25,018,748	**2,068,867**	1,810,745
Accrued contractor works	(iv)	**30,235,817**	29,048,257	**-**	-
Derivative liabilities	(v)	**2,141,458**	-	**-**	-
Rental deposits received	(vi)	**221,240**	-	**-**	-
Refundable deposits received	(vii)	**101,812,423**	67,662,791	**-**	-
		186,914,565	142,449,828	**2,471,417**	16,934,329

(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(a).

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. During 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 2022 RM	Group/Company 2021 RM
Future minimum payments:		
- Repayable within 1 year	-	15,437,715
Less: Future accretion of interest	-	(420,570)
	-	15,017,145

(ii) These amounts are non-trade in nature, unsecured, interest free advances which are repayable on demand.

(iii) Included in accruals is an amount of RM19,035,051 (2021: RM6,046,178) which represent accrued professional fees for on-going development which pending billings from its professionals.

28. OTHER PAYABLES (Cont'd)

(iv) These amounts represent accrued construction costs for on-going development which are pending billings from its contractors.

(v) In relation to fair value adjustment arising from the forward exchange contract that are used to manage the foreign currency exposure arising from the Group's borrowings denominated in currency other than the functional currency of the Group. The forward contract has maturity of 18 months.

	Group	
	2022 RM	2021 RM
Derivative at fair value through profit or loss		
- forward exchange contract	**2,141,458**	-

(vi) Rental deposits received represent security deposits received from the tenants of the units on the investment properties which is refundable upon termination of the lease arrangements.

(vii) Refundable deposits received represent booking fees received from the buyers of the units on the project which is refundable upon issuance of Certificate of Completion and Compliance.

29. DIVIDENDS

	Group/ Company RM
2022	
Recognised during the financial year:	
- Interim single tier dividend for financial year ended 31 December 2021:	
3.5 sen per ordinary share (paid on 25 March 2022)	**29,306,451**
- Interim single tier dividend for financial year ended 31 December 2022:	
3.0 sen per ordinary share (paid on 26 September 2022)	**25,119,816**
	54,426,267
2021	
Recognised during the financial year:	
- Interim single tier dividend for financial year ended 31 December 2020:	
2.5 sen per ordinary share (paid on 09 April 2021)	20,462,228
- Interim single tier dividend for financial year ended 31 December 2021:	
3.0 sen per ordinary share (paid on 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, a joint venture and key management personnel. The Company has related party relationship with its subsidiaries, a joint venture 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 joint venture refers to the company jointly controlled by itself. 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	
	2022 RM	2021 RM	2022 RM	2021 RM
Subsidiaries				
Advances to	**-**	-	**(114,536,189)**	(75,426,641)
Repayment from	**-**	-	**177,884,968**	23,013,740
Advances from	**-**	-	**69,510,211**	112,255
Repayment to	**-**	-	**(69,510,211)**	(119,906)
Management fee income	**-**	-	**6,889,132**	1,084,887
Rental income	**-**	-	**790,000**	429,000
Late payment interest	**-**	-	**5,276,148**	2,869,436
Dividend income	**-**	-	**78,000,000**	75,500,000
Other operating expense	**-**	-	**-**	(190)
Directors' related companies				
Non-trade related				
Operating activities				
Sale of fresh fruit bunches	**-**	2,474,593	**-**	-
Rental income	**2,743,025**	488,056	**-**	-
Management fees	**-**	(130,142)	**-**	-
Other operating expenses	**-**	-	**-**	(21,870)
Rental expenses and deposits paid	**(1,222,483)**	(867,662)	**(1,156,120)**	(722,140)
Financing activities				
Advances from/ (Repayment to)	**429,351**	(115,631)	**284,697**	(157,662)

30. RELATED PARTY DISCLOSURES (Cont'd)

Related party transactions (Cont'd)

The related party transactions between the Group and the Company and their related parties during the financial year are as follows: - (Cont'd)

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Joint venture				
Non-trade related				
Investing activities				
Advances to	**(1,419,221)**	-	**(1,384,888)**	-
Former Director				
Non-trade related				
Financing activities				
Repayment to	**-**	(535,000)	**-**	-

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.

The remuneration of the Directors and other members of key management personnel during the financial year were as follows: -

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Directors				
Directors' fee	**310,000**	161,667	**310,000**	161,667
Salaries and other emoluments	**2,130,000**	1,738,500	**1,290,000**	898,500
Contribution to defined contribution plan	**1,050,000**	840,000	**630,000**	420,000
Share options	**685,675**	1,922,708	**685,675**	1,922,708
Others	**2,004**	1,848	**1,002**	924
	4,177,679	4,664,723	**2,916,677**	3,403,799
Estimated money value of benefits-in-kind ("BIK")	**25,000**	25,000	**25,000**	25,000
Total including estimated money value of BIK	**4,202,679**	4,689,723	**2,941,677**	3,428,799

30. RELATED PARTY DISCLOSURES (Cont'd)

Compensation of key management personnel (Cont'd)

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Key senior management				
Salaries and other emoluments	**510,585**	483,835	**510,585**	483,835
Contribution to defined contribution plan	**82,291**	52,403	**82,291**	52,403
Share options	**253,700**	320,451	**253,700**	320,451
Others	**2,004**	1,848	**2,004**	1,848
	848,580	858,537	**848,580**	858,537
Estimated money value of benefits-in-kind ("BIK")	**-**	625	**-**	625
Total including estimated money value of BIK	**848,580**	859,162	**848,580**	859,162

31. CAPITAL COMMITMENT

The Group has the following commitment in respect of acquisition of lands for future development and motor vehicles at the reporting date but not recognised as payable:

	Group	
	2022 RM	2021 RM
Authorised and contracted for: -		
Acquisition of lands		
- vacant freehold lands	**388,394,002**	89,707,027
- vacant leasehold lands	**108,136,716**	26,869,520
Acquisition of motor vehicles		
- 2 units of commercial vehicle	**2,364,848**	-
	498,895,566	116,576,547

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
2022							
Revenue							
Sales to external customers	696,114,434	36,220,001	134,590,625	866,925,060	14,973	-	866,940,033
Inter-segment revenue	29,929,710	299,014,162	8,983,048	337,926,920	78,090,000	(416,016,920)	-
Total revenue	726,044,144	335,234,163	143,573,673	1,204,851,980	78,104,973	(416,016,920)	866,940,033
Segment profit before tax	271,175,781	26,926,603	5,602,484	303,704,868	71,689,900	(123,893,057)	251,501,711
Included in the measure of segment profit are:							
Cost of sales	445,995,267	280,853,963	135,121,870	861,971,100	54,727	(314,855,172)	547,170,655
Interest income	(4,597,417)	(846,468)	(214,031)	(5,657,916)	(5,797,665)	7,955,206	(3,500,375)
Interest expenses	9,180,888	772,956	595,371	10,549,215	7,963,170	(3,214,505)	15,297,880
Depreciation of property, plant and equipment	- 2,538,449	276,427	308,176	3,123,052	304,311	-	3,427,363
Share of results of a joint venture	-	-	-	-	(45,225)	-	(45,225)
Gain on remeasurement of deferred other receivable	-	-	-	-	(218,781)	-	(218,781)
Unrealised gain on foreign exchange	(3,569,097)	-	-	(3,569,097)	-	-	(3,569,097)
Fair value adjustment on invesment properties	(655,000)	-	(75,000)	(730,000)	-	-	(730,000)
Tax expenses	64,060,394	6,914,791	1,440,003	72,415,188	1,310,867	(450,587)	73,275,468
Segment assets	1,683,847,133	230,873,348	75,803,506	1,990,523,987	866,813,674	(1,080,807,056)	1,776,530,605

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
2021							
Revenue							
Sales to external customers	664,473,912	99,563,738	115,528,795	879,566,445	78,000,000	(121,988,659)	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	78,000,000	(521,240,960)	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 investment 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)

Reconciliations of Group's reportable segment profit or loss and assets are presented as below:

	Group	
	2022 RM	**2021 RM**
Segment profit	**303,704,868**	312,780,756
Dividend income	**(78,000,000)**	(75,500,000)
Inter-segment profit	**(48,902,204)**	(33,835,079)
Interest income	**(7,955,206)**	(4,082,634)
Interest expenses	**3,214,505**	13,393,931
Bargain purchase on acquisition of a subsidiary	**7,749,848**	11,019,782
Goodwill written off	**-**	(869,412)
Other non-reportable segments	**71,689,900**	56,171,990
Profit before tax	**251,501,711**	279,079,334

	Group	
	2022 RM	**2021 RM**
Segment assets	**1,990,523,987**	1,644,331,691
Elimination of inter-segment transactions *	**(9,281,350)**	(33,421,805)
Inter-segment balances	**(262,238,181)**	(298,185,829)
Other non-reportable segments	**57,526,149**	135,474,190
Total assets	**1,776,530,605**	1,448,198,247

* 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, except for derivative contract measured at fair value through profit or loss as disclosed in Note 28(v).

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, foreign currency 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, advances to a joint venture company and Directors' related companies. The Company's exposure to credit risk arises principally from loans and advances to subsidiaries, a joint venture company 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 2022, the Group has significant concentration of credit risk arising from the amount owing from 4 customers (2021: 4 customers) constituting 23% (2021: 26%) 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 credit 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.

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 from trading segment ("non-collateralised receivables") (Con't)

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 historical 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.

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	
	2022 RM	2021 RM
Collateralised receivables		
Trade receivables		
Not past due	**97,717,521**	24,171,152
Past due but not impaired:		
1 day to 30 days	**26,351,424**	21,455,391
31 to 120 days	**36,809,044**	37,155,753
More than 120 days	**1,625,588**	53,601,015
	64,786,056	112,212,159
	162,503,577	136,383,311
Retention sum held by contract customers	**14,594,156**	4,617,088
Contract assets	**277,800,049**	214,714,203
	454,897,782	355,714,602

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	
	2022 RM	**2021 RM**
Non-collateralised receivables		
Trade receivables		
Not past due	**37,926,918**	47,014,205
Past due but not impaired:		
1 day to 30 days	**3,709,805**	27,666,759
31 days to 120 days	**11,882,853**	26,983,254
More than 120 days	**14,509,409**	14,136,369
	30,102,067	68,786,382
	68,028,985	115,800,587
Credit impaired:		
More than 120 days	**-**	7,430,382
Retention sum held by contract customers	**285,976**	6,843,549
Contract assets	**-**	7,956,382
	68,314,961	138,030,900
	523,212,743	493,745,502

Receivables that are neither 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.

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 but not impaired

Property development segment

Trade receivables that are past due but not impaired are secured in nature and comprise property purchasers mostly are with end financing facilities from reputable end-financiers whilst the others are creditworthy debtors with good payment records. The Directors are of the opinion that these debts should be realisable in full without material losses in the ordinary course of business.

Construction contract 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 RM Nil (2021: RM7,430,382) 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, Directors' related companies and a joint venture company

Risk management objectives, policies and processes for managing the risk

The Group and the Company provide unsecured loans and advances to its subsidiaries, Directors' related companies and a joint venture company. The Group and the Company monitor the ability of the subsidiaries, Directors' related companies, and a joint venture company 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, Directors' related companies and a joint venture company are represented by the carrying amount in the statements of financial position. Loans and advances provided are not secured by any collateral or supported by any other credit enhancements.

33. FINANCIAL INSTRUMENTS (Cont'd)

Financial Risk Management Objectives and Policies (Cont'd)

(a) Credit risk (Cont'd)

Amounts due from subsidiaries, Directors' related companies and a joint venture company (Cont'd)

Recognition and measurement of impairment loss

Amount due from subsidiaries, Directors' related companies and a joint venture company 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, Directors' related companies and a joint venture company have low credit risk. The Group and the Company assume that there is a significant increase in credit risk when the subsidiaries', Directors' related companies' and a joint venture company's financial position deteriorates significantly. As the subsidiaries, Directors' related companies and a joint venture company are within same group of management and therefore the Management is able to determine the timing of payments of the subsidiaries', Directors' related companies' and a joint venture company's loans and advances when it is payable, the Group and the Company consider subsidiaries', Directors' related companies' and a joint venture company's loan or advance to be credit impaired when the subsidiaries, Directors' related companies and a joint venture company 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.

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, Directors' related companies and a joint venture company.

Financial guarantees

The Company provides financial guarantees to its subsidiaries 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.

Exposure to credit risk, credit quality and collateral

The Company's maximum exposure to credit risk amounting to RM379,309,401 (2021: RM87,685,832) representing the outstanding banking facilities of the subsidiaries as at the end of the reporting period. The financial guarantees are provided as credit enhancements to the subsidiaries' banking facilities.

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.

33. FINANCIAL INSTRUMENTS (Cont'd)

Financial Risk Management Objectives and Policies (Cont'd)

(a) Credit risk (Cont'd)

Cash and cash equivalents

The cash and cash equivalents are held with banks and financial institutions. As at the reporting 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.

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	
	2022 RM	2021 RM	2022 RM	2021 RM
Floating rate instruments				
Financial asset: -				
Short term investment	**117,328,151**	106,538,741	**6,800,542**	3,141,971
Financial liabilities: -				
Banker's acceptance	**(5,391,000)**	(8,007,000)	**-**	-
Revolving credit	**(166,497,386)**	(10,000,000)	**-**	(10,000,000)
Term loans	**(207,421,016)**	(181,991,411)	**-**	(102,312,578)
	(261,981,251)	(93,459,670)	**6,800,542**	(109,170,607)

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.

33. FINANCIAL INSTRUMENTS (Cont'd)

Financial Risk Management Objectives and Policies (Cont'd)

(c) Foreign currency risk

Foreign currency risk is the risk that the fair value of cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group is exposed to foreign currency risk on borrowings that are denominated in a currency other than functional currency of the Group. The currency giving rise to this risk is primarily United States Dollar ("USD").

Foreign exchange exposures in transactional currency other than functional currency of the Group is kept to an acceptable level.

Exposure to foreign currency risk

The Group's significant exposure to foreign currency (a currency which is other than functional currency of the Group) risk, based on carrying amounts as at end of the reporting period was: -

	Denominated in USD RM
2022	
Borrowings	**(76,430,903)**

The Group is exposed to foreign currency risk through the impact of foreign exchange rate changes. The changes in foreign exchange rates would not have material impact on the profit or loss and equity of the Group.

(d) 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)

(d) 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**
2022						
Trade payables	**178,811,373**	**178,811,373**	**178,811,373**	**-**	**-**	**-**
Other payables	**186,914,565**	**186,914,565**	**186,914,565**	**-**	**-**	**-**
Borrowings:-						
- Banker's acceptance	**5,391,000**	**5,589,119**	**5,589,119**	**-**	**-**	**-**
- Revolving credit	**166,497,386**	**168,156,046**	**168,156,046**	**-**	**-**	**-**
- Term loans	**207,421,016**	**287,873,325**	**29,831,440**	**62,569,663**	**174,509,558**	**20,962,664**
Lease liabilities	**6,893,661**	**7,819,303**	**2,735,951**	**2,108,238**	**2,572,614**	**402,500**
	751,929,001	**835,163,731**	**572,038,494**	**64,677,901**	**177,082,172**	**21,365,164**
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

33. FINANCIAL INSTRUMENTS (Cont'd)

Financial Risk Management Objectives and Policies (Cont'd)

(d) 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)

Company	Carrying amount RM	Contractual cash flows RM	Contractual cash flows: Within one year RM	Between 1 and 2 years RM	Between 2 and 5 years RM	More than 5 years RM
2022						
Other payables	**2,471,417**	**2,471,417**	**2,471,417**	**-**	**-**	**-**
Lease liabilities	**573,375**	**629,950**	**192,724**	**173,874**	**263,352**	**-**
Financial guarantee *	**379,309,401**	**379,309,401**	**379,309,401**	**-**	**-**	**-**
	382,354,193	**382,410,768**	**381,973,542**	**173,874**	**263,352**	**-**
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	-

* *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 Notes 10 and 28(v).

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	
	2022 RM	**2021 RM**
Borrowings (Note 24)	**379,309,402**	199,998,411
Lease liabilities (Note 25)	**6,893,661**	4,800,982
Less: Cash and cash equivalents (Note 20)	**(441,796,463)**	(229,363,072)
Total net cash	**(55,593,400)**	(24,563,679)
Total equity attributable to Owners of the Company	**1,016,148,886**	880,628,459
Debt-to-equity ratio (%)	*****	*

* *Not meaningful*

35. CAPITAL MANAGEMENT (Cont'd)

	Company	
	2022 RM	**2021 RM**
Borrowings (Note 24)	**-**	112,312,578
Lease liabilities (Note 25)	**573,375**	180,039
Less: Cash and cash equivalents (Note 20)	**(26,989,270)**	(11,435,045)
Total net (cash)/debts	**(26,415,895)**	101,057,572
Total equity	**817,596,411**	780,475,297
Debt-to-equity ratio (%)	*****	13%

* *Not meaningful*

Under the terms of the major borrowing facilities, the Group is required to comply with the following financial covenant: -

(i) Gearing ratio to be capped at 1.00 times to 3.00 times.

The Group is in compliance with all externally imposed capital requirements as mentioned above. As at 31 December 2022, the gearing ratio of respective subsidiaries that are subject to the loan covenant was as follows: -

TNSB at 0.50 times (2021: 0.01 times); and
RUSB at 0.27 times (2021: 0.02 times)

(ii) Gearing ratio of the Group to be capped at 0.75 times.

The Group is in compliance with all externally imposed capital requirements as mentioned above. As at 31 December 2022, the gearing ratio of the Group was at 0.38 times (2021: 0.23 times)

(iii) Tangible net worth shall not fall below RM770,000,000

The Company's tangible net worth is at RM817,596,411 (2021: RM780,475.297), which is above the stipulated tangible net worth of RM770,000,000.

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.

36. COMPARATIVE FIGURES (Cont'd)

(b) Reconciliation

	As previously reported RM	As reclassified RM
2021		
Group		
Statements of Financial Position		
Non-current assets		
Inventories	139,020,923	160,826,524
Current assets		
Inventories	472,183,734	450,378,133

37. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

Completion on acquisition of freehold agriculture lands

On 2 July 2021, the Group via LMSB entered into three (3) Sale and Purchase Agreements ("SPAs") with a third party in relation to the acquisition of three (3) parcels of vacant freehold agriculture lands located at Mersing, Johor for purchase considerations of RM45,068,918.

The acquisitions of the above vacant freehold agriculture lands located at the Mersing, Johor was completed as at 31 December 2022. Accordingly, the land cost of RM45,068,918 has been recognised within the inventories of the Group.

On 02 September 2022, the Group via LMSB entered into one (1) Novation Agreement with LPBD and Symphony Hills Sdn. Bhd. to take over the five (5) parcels of lands at Mukim Batang Padang, of which the purchase consideration of RM29.86 million has been settled by LPBD. The purchase has been recognised in the financial statements.

Acquisition of freehold and leasehold agriculture lands

On 09 August 2022, the Group via TNSB entered into a conditional sale and purchase agreement ("SPA") with Ladang Awana Sdn. Bhd. ("LASB") in relation to the proposed acquisition of the 42 block titles of leasehold development/ agricultural land measuring approximately 422 acres, all located within Mukim Durian Sebatang, Perak, for a total cash consideration of RM92.40 million. As at 31 December 2022, the Group has recorded a total of RM27.72 million of deposits as all conditions precedent ("CPs") set forth in Schedule 2 of the above-mentioned agreement have yet to be fulfilled and therefore the purchase has not been recognised in the financial statements and has been disclosed as capital commitment in Note 31.

On 05 September 2022, the Group via BESB entered into a development rights agreement with Kumpulan Hartanah Selangor Berhad ("KHSB"), to develop a mixed development on a leasehold land, measuring approximately 191 acres in Selangor. The development rights value payable to KHSB for the development rights granted is RM42 million. As of 31 December 2022, BESB recorded a deposit of RM4.20 million, being the deposit and part payment towards the development rights value upon the execution of the said agreement. All conditions precedent ("CPs") set forth in Section 2 of the above-mentioned agreement are yet to be satisfied and has been disclosed as capital commitment in Note 31.

37. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR (Cont'd)

Acquisition of freehold and leasehold agriculture lands (Cont'd)

On 21 November 2022, LMSB accepted an offer to purchase two (2) parcels of vacant freehold agriculture lands located at Kulai, Johor for a purchase consideration of RM396,358,146. The acquisitions of the above vacant freehold agriculture lands located at the Kulai, Johor was not completed as at the reporting date due to certain conditions precedent have yet to be fulfilled and therefore the purchase has not been recognised in the financial statements and has been disclosed as capital commitment in Note 31.

38. EVENTS SUBSEQUENT TO THE END OF FINANCIAL YEAR

Completion on acquisition of freehold agriculture lands

On 09 August 2022, the Group via TNSB entered into a conditional sale and purchase agreement ("SPA") with Ladang Awana Sdn. Bhd. ("LASB") in relation to the proposed acquisition of the 42 block titles of development/agricultural land measuring approximately 422 acres, all located within Mukim Durian Sebatang, Perak, for a total cash consideration of RM92.40 million.

The acquisition of the above vacant freehold agriculture lands was completed on 31 March 2023.

Second interim dividend

On 27 February 2023, the Board of Directors has declared a second interim single tier dividend of 3.5 sen per ordinary share for the financial year ended 31 December 2022, amounting to RM29,306,451. The entitlement date has been fixed on 04 April 2023, which is payable on 17 April 2023 and will be credited into the entitled depositors' securities accounts maintained with Bursa Malaysia Depository Sdn. Bhd.

These dividends will be accounted for in equity as an appropriation of retained profits in the financial year ending 31 December 2023.

LIST OF GROUP PROPERTIES

No.	Location	Description/ existing use	Land Area	Tenure	Approximate Age of Building (year)	Date of Acquisition	Date of Last Valuation	Net Book Value as at 31.12.2022 (RM)
1	PN 378940 to 378949, 378966 to 378969, 378971, 378974, 378976, 379010 to 379023, 379035 to 379045, 379833, 379046 and 379047 Lots 59307 to 59316, 59423, 59440 to 59453, 59466 to 59470 Mukim of Durian Sebatang, District of Hilir Perak, State of Perak	Agriculture land / Land Held for Development	186.2980 hectares	99 years (expiring on 16.12.2091)	N/A	06.03.2017	31.12.2022	44,241,424.04
2	PN 386484-86 Lot No 30029-31, PN 386483 Lot No 30033, HS(D) 16886, PTD 4939, Daerah Batang Padang, Mukim Batang Padang, State of Perak.	Agriculture land / Land Held for Development	252.1475 hectares	99 years	N/A	02.09.2022	N/A	30,272,967.51
3	HS(D) 2251 to 2252, PTD 10946 to 10947, Mukim of Mersing, District of Mersing, State of Johor.	Agriculture land / Land Held for Development	136.9526 hectares	Freehold	N/A	02.07.2021	N/A	38,755,240.78
4	H.S.(D) 40594, 40595, 40538 PT 42174, 42175, 42118 Mukim of Sitiawan, District of Manjung, State of Perak	Agriculture land/ 664 units single-storey cluster and 14 units double-storey shop	34.7754 hectares	Freehold	N/A	25.10.2019	N/A	12,639,866.50
5	Geran 124519, 124522, 124524, 124525, 124531, 126550, 126553 Lot 39304 to 39307, 39309, 19040, 7060 Mukim of Kampar, District of Kampar, State of Perak	Agriculture land / Land Held for Development	11.3161 hectares	Freehold	N/A	20.04.2017	31.12.2022	12,610,000.00

No.	Location	Description/ existing use	Land Area	Tenure	Approximate Age of Building (year)	Date of Acquisition	Date of Last Valuation	Net Book Value as at 31.12.2022 (RM)
6	PN No 378960 to 378964, 378970, 378972, 378998, 379048 to 379051 Lot 59327 to 59333, 59352 to 59356 Mukim of Durian Sebatang, District of Hilir Perak, State of Perak	Agriculture land/ 390 units single-storey terraced house, 761 units single-storey cluster and 2 units single-storey bungalow	48.4200 hectares	99 years (expiring on 16.12.2091)	N/A	09.08.2022	N/A	11,469,846.90
7	H.S.(D) 32964 to 33014 PT 36714 to 36764 (Phase 6a), H.S.(D) 39564 to 39587 PT 41208 to 41231 (Phase 6b), H.S.(D) 33403 PT 37153 (Phase 6b), H.S.(D) 33401 PT 37151 (Plot 438) Setia Residence, Mukim Sitiawan, District of Manjung, State of Perak	Agriculture land / Residential land / 51 units double-storey terraced houses, 24 units double-storey cluster houses, double-storey detached house, and Land held for development	2.1626 hectares	Freehold	N/A	01.01.2014	31.12.2022	9,913,553.79
8	H.S.(D) 34612 to 34613 PT 7609 to 7610 Taman Mulia Phase 5, Mukim Setiawan, District of Manjung, State of Perak	Agriculture land / Land Held for Development	5.4430 hectares	Freehold	N/A	15.11.2013	31.12.2022	8,120,629.76
9	PN No 379103 to 379108, 378965 to 378969, 378971, 378974, 378976, 378978, 378980, 378982, 378984, 378986, and 378999 to 379001 Lot 59410 to 594231 Mukim of Durian Sebatang, District of Hilir Perak, State of Perak	Agriculture land/ 728 units single-storey terraced house and 1872 units single-storey cluster	71.4958 hectares	99 years (expiring on 16.12.2091)	N/A	09.08.2022	N/A	7,509,091.06

LIST OF GROUP PROPERTIES

No.	Location	Description/ existing use	Land Area	Tenure	Approximate Age of Building (year)	Date of Acquisition	Date of Last Valuation	Net Book Value as at 31.12.2022 (RM)
10	H.S.(D) 38884 to 38953 (inclusive) PT 40540 to 40609 (inclusive) Taman Mulia Phase 4b, Mukim Setiawan, District of Manjung, State of Perak	Residential land / 86 units single-storey semi-detached townhouse and 6 units single-storey detached house	3.0594 hectares	Freehold	N/A	15.11.2013	31.12.2022	7,325,887.01
						TOTAL		**182,858,507.35**

ANALYSIS OF SHAREHOLDINGS
AS AT 4 APRIL 2023

Total Number of Issued Shares	:	837,327,181
Class of Shares	:	Ordinary Shares
Voting Rights	:	One vote for Ordinary Share
No. of Shareholders	:	7,012

Distribution Schedule

Shareholding Category	No. of Shareholders	%	No. of Shares	%
Less than 100	1,135	16.19	48,353	0.01
100 - 1,000	1,598	22.79	842,639	0.10
1,001 - 10,000	3,091	44.08	13,384,836	1.60
10,001 - 100,000	996	14.20	29,842,918	3.56
100,001 and below 5%	141	2.01	43,087,328	5.15
5% and above	51	0.73	750,121,107	89.59
Total	**7,012**	**100.00**	**837,327,181**	**100.00**

		SHAREHOLDINGS			
	SUBSTANTIAL SHAREHOLDERS (EXCLUDING BARE TRUSTEES)	Direct Interest	%	Indirect interest	%
1	Lagenda Land Sdn Bhd	570,000,001	68.07	-	-
2	Doh Capital Sdn Bhd	37,571,208	4.49	-	-
3	Setia Awan Plantation Sdn Bhd	-	-	37,571,208 [a]	4.49
4	Dato' Doh Jee Ming	2,300,800	0.27	607,571,209 [b]	72.56
5	Dato' Doh Tee Leong	-	-	607,571,209 [b]	72.56
6	Dato' Doh Jee Chai	-	-	607,571,209 [b]	72.56

		SHAREHOLDINGS			
	DIRECTORS' SHAREHOLDINGS	Direct Interest	%	Deemed Interest	%
1	Admiral Tan Sri Dato' Seri Panglima Dr. Ahmad Kamarulzaman Bin Hj Ahmad Badaruddin	-	-	-	-
2	Dato' Doh Jee Ming	2,300,800	0.27	607,571,209 [b]	72.56
3	Dr. Lim Pang Kiam	-	-	-	-
4	Looi Sze Shing	-	-	-	-
5	Myrzela Binti Sabtu	-	-	-	-
6	Dato' Mohamed Sharil Bin Mohamed Tarmizi	-	-	-	-

Notes:

(a) Deemed interested pursuant to Section 8(4) of the Companies Act 2016 by virtue of its shareholdings in Doh Capital Sdn Bhd.

(b) Deemed interested pursuant to Section 8(4) of the Companies Act 2016 by virtue of their shareholdings in Lagenda Land Sdn Bhd and Setia Awan Plantation Sdn Bhd, which in turn holds 100% equity interest in Doh Capital Sdn Bhd.

Thirty (30) Largest Shareholders

Nos.	Name of Shareholders	No. of Shares Held	%
1	Lagenda Land Sdn Bhd	305,000,001	36.43
2	Cimsec Nominees (Tempatan) Sdn Bhd Beneficiary: CIMB for Lagenda Land Sdn Bhd	95,800,000	11.44
3	Maybank Nominees (Tempatan) Sdn Bhd Beneficiary: Pledged Securities Account for Lagenda Land Sdn Bhd	50,000,000	5.97
4	Maybank Nominees (Tempatan) Sdn Bhd Beneficiary: Maybank Private Wealth Management for Lagenda Land Sdn Bhd	50,000,000	5.97
5	SJ Sec Nominees (Tempatan) Beneficiary: Pledged Securities Account - Al Rajhi Bank for Lagenda Land Sdn Bhd	36,000,000	4.30
6	Al Rajhi Banking & Investment Corporation (Malaysia) Bhd Beneficiary: Pledged Securities Account for Lagenda Land Sdn Bhd	29,000,000	3.46
7	Amsec Nominees (Tempatan) Sdn Bhd Beneficiary: Pledged Securities Account - AmBank Islamic Berhad for Doh Capital Sdn Bhd	19,520,599	2.33
8	Chen Hong Eng	9,723,100	1.16
9	Doh Properties Holdings Sdn Bhd	9,389,671	1.12
10	AmanahRaya Trustees Berhad Beneficiary: Public Islamic Opportunities Fund	8,748,200	1.04
11	Doh Properties Holdings Sdn Bhd	8,660,938	1.03
12	CIMB Islamic Nominees (Tempatan) Sdn Bhd Beneficiary: CIMB Islamic Trustee Berhad - Kenanga Syariah Growth Fund	8,344,500	1.00
13	Binari Maju Sdn Bhd	7,949,714	0.95
14	Citigroup Nominees (Tempatan) Sdn Bhd Beneficiary: Exempt An for AIA Bhd	7,355,100	0.88
15	CIMB Group Nominees (Tempatan) Sdn Bhd Beneficiary: CIMB Commerce Trustee Berhad for Kenanga Shariah Growth Opportunities Fund	7,090,400	0.85
16	Maybank Nominees (Tempatan) Sdn Bhd Beneficiary: Etiqa Life Insurance Berhad (Growth)	6,859,000	0.82
17	Tokio Marine Life Insurance Malaysia Bhd Beneficiary: As Beneficial Owner (PF)	6,161,400	0.74
18	Rising Sun Construction Sdn Bhd	6,146,780	0.73
19	Maybank Nominees (Tempatan) Sdn Bhd Beneficiary: National Trust Fund (IFM Kenanga)	6,007,200	0.72
20	Maybank Nominees (Tempatan) Sdn Bhd Beneficiary: Etiqa Life Insurance Berhad (Dana ekt Prima)	5,841,200	0.70
21	Amsec Nominees (Tempatan) Sdn Bhd Beneficiary: Pledged Securities Account for Lagenda Land Sdn Bhd	4,200,000	0.50
22	CGS-CIMB Nominees (Tempatan) Sdn Bhd Beneficiary: Pledged Securities Account for Ronie Tan Choo Seng	4,200,000	0.50

Nos.	Name of Shareholders	No. of Shares Held	%
23	Phillip Nominees (Tempatan) Sdn Bhd Beneficiary: Exempt An for Phillip Capital Management Sdn Bhd (EPF)	4,187,000	0.50
24	CIMB Group Nominees (Tempatan) Sdn Bhd Beneficiary: CIMB Commerce Trustee Berhad - Kenanga Malaysian Inc Fund	3,859,500	0.46
25	Chew Soon Kui	3,248,492	0.39
26	Teoh Wei Sheng	3,197,400	0.38
27	AmanahRaya Trustees Berhad Beneficiary: Public Emerging Opportunities Fund	3,187,800	0.38
28	Phillip Nominees (Tempatan) Sdn Bhd Beneficiary: Exempt An for Phillip Capital Management Sdn Bhd	2,983,900	0.36
29	HSBC Nominees (Tempatan) Sdn Bhd Beneficiary: HSBC (M) Trustee Bhd for Manulife Investment Al-Faid	2,943,200	0.35
30	Ronie Tan Choo Seng	2,500,000	0.30

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Twenty-Second Annual General Meeting ("22nd AGM") of Lagenda Properties Berhad will be held on a fully virtual basis through live streaming and online remote voting via the online meeting platform at https://web.vote2u.my (Domain Registration No with MYNIC: D6A471702) on Wednesday, 28 June 2023 at 10.30 a.m or any adjournment thereof for the purpose of considering and, if thought fit, passing with or without modifications the resolutions as set out in this notice.

AGENDA
Ordinary Business

1. To receive the Audited Financial Statements for the financial year ended 31 December 2022 together with the Reports of the Directors and Auditors thereon. ***(Refer to Explanatory Note A)***

2. To approve the payment of Directors' fees up to an aggregate amount of RM571,000 for the Non-Executive Directors of the Company for the financial year ending 31 December 2023. ***(Ordinary Resolution 1)***

3. To approve the payment of Directors' benefits (excluding Directors' fees) up to an aggregate amount of RM87,000 for the financial year ending 31 December 2023. ***(Ordinary Resolution 2)***

4. To re-elect Dato' Doh Jee Ming who retires by rotation pursuant to Article 95 of the Constitution of the Company. ***(Ordinary Resolution 3)***

5. To re-elect Dr Lim Pang Kiam who retires by rotation pursuant to Article 95 of the Constitution of the Company. ***(Ordinary Resolution 4)***

6. To re-elect Myrzela Binti Sabtu who was appointed as Director during the year and retires pursuant to Article 102 of the Constitution of the Company. ***(Ordinary Resolution 5)***

7. To re-elect Dato' Mohamed Sharil Bin Mohamed Tarmizi who was appointed as Director during the year and retires pursuant to Article 102 of the Constitution of the Company. ***(Ordinary Resolution 6)***

8. To re-appoint Moore Stephens Associates PLT as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration. ***(Ordinary Resolution 7)***

Special Business

To consider and if thought fit, to pass the following resolutions:-

9. **Authority to issue shares pursuant to Sections 75 and 76 of the Companies Act 2016** ***(Ordinary Resolution 8)***

   "THAT pursuant to Sections 75 and 76 of the Companies Act 2016 ("the Act"), the Constitution of the Company and the approvals of the relevant governmental and/or regulatory authorities, the Directors be and are hereby empowered to issue shares in the capital of the Company at any time at such price and upon such terms and conditions, for such purposes and to such person or persons whomsoever the Directors may, in their absolute discretion deem fit, provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the total number of issued shares (excluding treasury shares) of the Company for the time being; AND THAT the Directors be and are also empowered to obtain approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad ("Bursa Securities") AND THAT such authority shall continue in force until the conclusion of the next Annual General Meeting ("AGM") of the Company.

AND THAT pursuant to Section 85 of the Act read together with Article 57 of the Constitution of the Company, approval be and is hereby given to waive the statutory pre-emptive rights of the shareholders of the Company to be offered new shares ranking equally to the existing issued shares arising from any issuance of new shares pursuant to Sections 75 and 76 of the Act."

10. **Proposed new shareholders' mandate for recurrent related party transactions of a revenue or trading nature** ***(Ordinary Resolution 9)***

"THAT approval be and is hereby given to the Company and its subsidiaries ("Group") to enter into and give effect to the recurrent related party transactions of a revenue or trading nature particulars with the specified classes of related parties as specified in Section 2.4 of the Circular to Shareholders dated 28 April 2023, provided that:

(a) such arrangements and/or transactions are necessary for the Group's day-to-day operations;

(b) such arrangements and/or transactions undertaken are in the ordinary course of business, at arm's length basis and on normal commercial terms which are not more favourable to the related parties than those generally available to third party;

(c) such arrangements and/or transactions are not detrimental to the minority shareholders of the Company; and

(d) the disclosure is made in the annual report on the aggregate value of transactions conducted pursuant to the shareholders' mandate during the financial year in relation to:

   (i) the related transacting parties and their respective relationship with the Company; and

   (ii) the nature of the recurrent transactions.

THAT such authority shall continue to be in force until:

(a) the conclusion of the next AGM, unless the authority is renewed by a resolution passed at the next AGM; or

(b) the expiration of the period within which the next AGM is required to be held pursuant to Section 340(2) of the Act (but will not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or

(c) revoked or varied by resolution passed by the shareholders in general meeting,

whichever is the earlier.

AND THAT the Directors be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) to give effect to the transactions contemplated and/or authorised by this Ordinary Resolution."

11. **Proposed share buy-back** ***(Ordinary Resolution 10)***

"THAT, subject to the Act, the Constitution of the Company, the Main Market Listing Requirements ("Listing Requirements") of Bursa Securities and the approval of such relevant government and/or regulatory authorities where necessary, the Company be and is hereby authorised to purchase such number of ordinary shares of the Company ("Proposed Share Buy-Back") as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit and expedient in the interest of the Company provided that:

(a) the aggregate number of shares purchased or held does not exceed ten per centum (10%) of the total number of issued shares of the Company as quoted on Bursa Securities as at the point of purchase;

(b) the maximum fund to be allocated by the Company for the purpose of purchasing such number of ordinary shares shall not exceed the retained profit account of the Company. As at the latest financial year ended 31 December 2022, the audited retained profit account of the Company stood at RM5,426,254;

(c) the authority conferred by this resolution will commence immediately upon passing of this ordinary resolution and will continue to be in force until:-

  (i) at the conclusion of the next AGM of the Company following the general meeting in which the authorisation is obtained, at which time it shall lapse unless by ordinary resolution passed at that meeting, the authority is renewed either unconditionally or subject to conditions; or

  (ii) the expiration of the period within which the next AGM of the Company is required by law to be held; or

  (iii) revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting;

whichever occurs first;

AND THAT upon completion of the purchase(s) of the ordinary shares of the Company, the Directors of the Company be and are hereby authorised to deal with the ordinary shares so purchased in the following manner:

(a) to cancel the ordinary shares so purchase; or

(b) to retain the ordinary shares so purchased as treasury shares for distribution as dividend to shareholders and/or resell on Bursa Securities or subsequently cancelled; or

(c) to retain part of the ordinary shares so purchased as treasury shares and cancel the remainder; or

(d) in any other manner prescribed by the Act, rules, regulations and orders made to the Act, the Listing Requirements of Bursa Securities and any other relevant authorities for the time being in force.

AND THAT the Board of the Company be and is hereby authorised to take all such steps as are necessary or expedient to implement, finalise or to effect the aforesaid share buy-back with full powers to assent to any conditions, modifications, variations, and/or amendments as may be required or imposed by the relevant authorities and to do all such acts and things (including executing all documents) as the Board may deem fit and expedient in the best interest of the Company."

12. To transact any other business for which due notice shall have been given.

By Order of the Board

SIEW SUET WEI (SSM PC No. 202008001690) (MAICSA 7011254)
LIM YEN TENG (SSM PC No. 201908000028) (LS 0010182)
LIEW SEE SEE (SSM PC No. 202008001371) (MAICSA 7062468)
Joint Company Secretaries

Kuala Lumpur
28 April 2023

Notes:

1. Only members whose names appear on the Record of Depositors on 19 June 2023 ("General Meeting Record of Depositors") shall be entitled to attend, speak and vote at the 22nd AGM.

2. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend, speak and vote in his/her stead. A proxy may but need not be a member of the Company.

3. A member shall be entitled to appoint not more than two proxies to attend and vote at the 22nd AGM. Where a member appoints more than one proxy, the appointment shall be invalid unless the member specifies the proportions of his/her holdings to be represented by each proxy.

4. Where a member of the Company is an exempt authorized nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorized nominee may appoint in respect of each omnibus account it holds. An exempt authorized nominee refers to an authorized nominee defined under Securities Industry (Central Depositories) Act, 1991 ("SICDA") which is exempted from compliance with the provisions of subsection 25A(1) of SICDA.

5. The instrument appointing a proxy shall be in writing under the hand of the appointor or his/her attorney duly authorized in writing or, if the appointor is a corporation, either under its Common Seal or under the hand of an officer or attorney duly authorized in writing.

6. Pursuant to Paragraph 8.29A of the Listing Requirements of Bursa Securities, all resolutions at the 22nd AGM shall be put by way of poll.

7. The instrument appointing a proxy and the power of attorney or other authority (if any), under which it is signed or a notarially certified copy thereof, must be deposited at the business address of the Company at Level 4, No. 131, Persiaran PM 2/1, Pusat Bandar Seri Manjung Seksyen 2, 32040 Seri Manjung, Perak Darul Ridzuan not less than 48 hours before the time of holding the 22nd AGM or any adjournment thereof. Alternatively, the form of proxy may also be lodged electronically via the Vote2U Online at https://web.vote2u.my. Kindly refer to the Administrative Guide for the 22nd AGM for further information on the electronic lodgement of proxy form.

Explanatory Notes

Note A - Audited Financial Statements for the financial year ended 31 December 2022

This Agenda is meant for discussion only as under the provisions of Section 340(1)(a) of the Act, the audited financial statements do not require the approval of the shareholders. As such, this matter will not be put forward for voting.

Ordinary Resolution 1 - Payment of Directors' Fees

The proposed Ordinary Resolution 1, if passed, will authorise the payment of the Directors' fees up to the amount of RM571,000 to the Non-Executive Directors ("NEDs") for the financial year ending 31 December 2023. The Directors' fees approved for the financial year ended 31 December 2022 was up to an amount of RM440,000. The increase in Directors' fees proposed for the financial year ending 31 December 2023 are calculated based on additional NEDs to be appointed for the financial year ending 31 December 2023. The proposed Ordinary Resolution 1 is to facilitate payment of Directors' fees on current financial year basis. In the event the Directors' fees proposed are insufficient, approval will be sought at the next AGM for additional fees to meet the shortfall.

Ordinary Resolution 2 - Payment of Directors' Benefits

Section 230(1) of the Act provides amongst others, that the fees of the Directors and any benefits payable to the Directors of a listed company and its subsidiaries shall be approved at a general meeting.

Under Ordinary Resolution 2, the benefits payable to the Directors pursuant to Section 230(1)(b) of the Act had been reviewed by the Nomination and Remuneration Committee and the Board of Directors of the Company, which recognise that the Directors' benefits payable are in the best interest of the Company. The benefits comprise of Directors Indemnity Insurance, benefits-in-kind and also meeting allowances, which will only be accorded based on actual attendance of meetings by the Directors of the Company.

Ordinary Resolutions 3, 4, 5 and 6 - Re-election of Directors

Article 95 of the Company's Constitution provides that an election of Directors shall take place each year at the AGM of the Company where one third (1/3) of the Directors for the time being, or, if their number is not three (3) or a multiple of three (3), then the number nearest to one third (1/3) shall retire from office and be eligible for re-election. PROVIDED ALWAYS THAT all Directors shall retire from office once at least in each three (3) years but shall be eligible for re-election.

The Board through its Nomination and Remuneration Committee had assessed the Directors and agreed that they meet the criteria as prescribed by Paragraph 2.20A of the Listing Requirement of Bursa Securities on character, experience, integrity, competence and time to effectively discharge their roles as Directors. Dato' Doh Jee Ming and Dr Lim Pang Kiam are standing for re-election as Directors of the Company by rotation in accordance with Article 95 of the Company's Constitution, and being eligible, has offered themselves for re-election.

Article 102 of the Company's Constitution provides that any Director appointed as an addition to the existing Board of Directors shall hold office only until the next following AGM and shall then be eligible for re-election but shall not be taken into account in determining the Directors who are to retire by rotation at that meeting. Myrzela Binti Sabtu and Dato' Mohamed Sharil Bin Mohamed Tarmizi were appointed as Directors on 27 February 2023 and 3 April 2023 respectively.

The profiles of the Directors standing for re-election are set out in the Annual Report 2022.

Ordinary Resolution 7 - Re-appointment of Auditors

The Board and Audit and Risk Management Committee had at their respective meetings on 10 April 2023 recommended the re-appointment of Moore Stephens Associates PLT for the financial year ending 31 December 2023. Moore Stephens Associates PLT has met the criteria prescribed under the Paragraph 15.21 of the Listing Requirements of Bursa Securities and indicated their willingness to continue their services for the next financial year.

Ordinary Resolution 8 - Authority to issue shares pursuant to Sections 75 and 76 of the Act

The Company had during its 21st AGM held on 27 June 2022 obtained from its shareholders, a general mandate pursuant to Sections 75 and 76 of the Act to issue and allot shares in the Company up to an amount not exceeding 10% of the total number of issued shares (excluding treasury shares) of the Company and this mandate had not being exercised by the Company.

The proposed Ordinary Resolution 8 is a renewal mandate of the general mandate for the issuance of shares by the Company under Sections 75 and 76 of the Act. Pursuant to Section 85 of the Act and Article 57 of the Company's Constitution, shareholders have pre-emptive rights to be offered any new shares in the Company which rank equally to the existing issued shares in the Company. This Ordinary Resolution 8, if passed, will exclude the shareholders' pre-emptive right to be offered new shares to be issued by the Company.

This authority, unless revoked or varied by the Company in a general meeting, will expire at the conclusion of the next AGM of the Company. This mandate would provide the Company the flexibility to raise fund, including but not limited to placing of shares to finance future investment(s), project(s), acquisition(s) and/or working capital without having to convene a general meeting.

Ordinary Resolution 9 - Proposed shareholders' mandate for recurrent related party transactions of a revenue or trading nature

The proposed Ordinary Resolution 9, if passed, will give the authority for the Company and/or its subsidiary companies to enter into recurrent related party transactions of a revenue or trading nature are undertaken in the ordinary course of business which are necessary for the day-today operations on arm's length basis, on normal commercial terms which are not more favourable to the related party than those generally available to the public and are not to the detrimental to the minority shareholders of the Company and shall lapse at the conclusion of the next AGM unless authority for its renewal is obtained from shareholders of the Company at the next general meeting. Please refer to the Circular to Shareholders dated 28 April 2023 for further information.

Ordinary Resolution 10 - Proposed share buy-back

This resolution will empower the Directors of the Company to purchase the Company's shares up to ten per centum (10%) of the total number of issued shares of the Company by utilising the funds allocated which shall not exceed the total retained profits of the Company. This authority, unless revoked or varied at a general meeting, will expire at the conclusion of the next AGM of the Company. Further information on the proposed share buy-back is set out in the Share Buy-Back Statement dated 28 April 2023.

PERSONAL DATA PRIVACY

By submitting a Form of Proxy or an instrument appointing a representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the Purposes), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

(Pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad)

Details of individuals who are standing for election as Directors

No individual is seeking election as a Director (excluding Directors standing for re-election) at the 22nd AGM of the Company.

The profiles of the Directors who are standing for re-election as per Ordinary Resolutions 3 to 6 of the Notice of 22nd AGM are stated in the section on the Profile of Directors in this Annual Report.

Statement relating to general mandate for issue of securities in accordance with Paragraph 6.03(3) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad

The Company will seek shareholders' approval on the general mandate for issue of securities in accordance with Paragraph 6.03(3) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. Please refer to the Proposed Ordinary Resolution 8 as stated in the Notice of the 22nd AGM of the Company for details.

LAGENDA PROPERTIES BERHAD
Registration No: 200101000008 (535763-A)
(Incorporated in Malaysia)

ADMINISTRATIVE GUIDE FOR SHAREHOLDERS

22ND ANNUAL GENERAL MEETING

Dear The Shareholders of Lagenda

We are pleased to invite you to participate in the 22nd AGM of the Company which will be conducted on a fully virtual basis through live streaming and online remote voting via Remote Participation and Voting Facilities ("RPV Facilities"):

Date	:	Wednesday, 28 June 2023
Time	:	10.30 a.m. or at any adjournment thereof
Meeting Venue	:	https://web.vote2u.my
Domain Registration Number with MYNIC	:	D6A471702

We strongly encourage our shareholders whose names appear on the Record of Depositors as at 19 June 2023 and holders of proxy for those shareholders to participate in the virtual AGM and vote remotely at this AGM. In line with Practice 13.3 of the Malaysian Code on Corporate Governance 2021, this virtual AGM will facilitate greater shareholder's participation (including posting questions to the Board of Directors and/or Management of the Company) and vote at the AGM without being physically present at the venue. For shareholders who are unable to participate in this virtual AGM, you may appoint a proxy(ies) or the Chairman of the Meeting as your proxy to attend and vote on your behalf at the AGM.

Kindly note that the quality of the live streaming is highly dependent on the bandwidth and stability of the internet connection of the participants (shareholders and proxies). Hence, you are to ensure that internet connectivity throughout the duration of the meeting is maintained while using RPV Facilities provided by Agmo Digital Solutions Sdn Bhd ("**AGMO**") via its **Vote2U Online** website at https://web.vote2u.my

PROCEDURES TO PARTICIPATE IN RPV

Please follow the Procedure to Participate in RPV as summarized below:

BEFORE AGM DAY

A: REGISTRATION

Individual Shareholders

	Description	Procedure
i.	Shareholders to register with Vote2U online	The registration will open from the day of notice a. Access website at https://web.vote2u.my. b. Click "***Sign Up***" to sign up as a user. c. Read the 'Privacy Policy' and 'Terms & Conditions' and indicate your acceptance of the 'Privacy Policy' and 'Terms & Conditions' on a small box☐. Then click "***Next***". d. *Fill-in your details (note: create your own password). Then click "***Continue***". e. Upload softcopy of your identification card (MYKAD) (front only) (for Malaysian) or Passport (for non-Malaysian). f. Click "***Submit***" to complete the registration. g. Your registration will be verified and an email notification will be sent to you. Please check your email. Note: If you have registered as a user with Vote2U Online previously, you are not required to register again. *Check your email address is keyed in correctly. *Remember the password you have keyed-in.

B: REGISTER PROXY

Individual Shareholder / Corporate Shareholder / Nominees Company

	Description	Procedure
i.	Submit Form of Proxy (hardcopy)	a. *Fill-in details on the hardcopy Form of Proxy and ensure to provide the following information: • MYKAD (for Malaysian) / Passport (for non-Malaysian) number of the Proxy • *Email address of the Proxy b. Submit/Deposit the hardcopy Form of Proxy to **Level 4, No. 131, Persiaran PM2/1, Pusat Bandar Seri Manjung Seksyen 2, 32040 Seri Manjung, Perak Darul Ridzuan.** Note: After verification, an email notification will be sent to the Proxy and will be given a temporary password. The Proxy could use the temporary password to log in to Vote2U. *Check the email address of Proxy is written down correctly.

	Description	Procedure
ii.	Electronic Lodgement of Proxy Form (e-Proxy Form) For individual shareholders only	a. Individual shareholders to log in to Vote2U with your email address and password that you have registered with Vote2U. b. Click "***Register Proxy Now***" for e-Proxy registration. c. Select the general meeting event that you wish to attend. d. Select/add your Central Depository System ("CDS") account number and number of shares. e. Select "***Appoint Proxy***". f. Fill-in the details of your proxy(ies) – ensure proxy(ies) email address(es) is/are valid. g. Indicate your voting instruction should you prefer to do so. h. Thereafter, select "***Submit***". i. Your submission will be verified. j. After verification, proxy(ies) will receive email notification with temporary credentials, i.e. email address & password, to log in to Vote2U. Note: You need to register as a shareholder before you can register a proxy and submit the e-Proxy form. Please refer above 'A: Registration' to register as shareholder.

Shareholders who appoint Proxy(ies) to participate in the virtual AGM must ensure that the hardcopy Form of Proxy or e-Proxy Form is submitted not less than 48 hours before the time for holding the meeting or any adjourned meeting at which the person named in the instrument proposes to vote and in default, the instrument of proxy shall not be treated as valid.

ON AGM DAY

A: WATCH LIVE STREAMING

Individual Shareholders & Proxies

	Description	Procedures
i.	Login to virtual meeting portal - Vote2U Online & watch Live Streaming.	The Vote2U online portal will open for log in starting from **9.30 a.m., Wednesday, 28 June 2023**, one (1) hour before the commencement of the AGM. a. Login with your email and password b. Select the General Meeting event (for example, "LAGENDA 22nd AGM"). c. Check your details. d. Click "***Watch Live***" button to view the live streaming.

B: ASK QUESTION

Individual Shareholders & Proxies

	Description	Procedures
i.	Ask Question during AGM (real-time)	Questions submitted online using typed text will be moderated before being forwarded to the Chairman to avoid repetition. Every question and message will be presented with the full name of the shareholder or proxy raising the question. Click "***Ask Question***" button to post question(s). Type in your question and click "***Submit***". The Chairman / Board of Directors will endeavor to respond to questions submitted by remote shareholders and proxies during the AGM.

C: VOTING REMOTELY

Individual Shareholders & Proxies

	Description	Procedures
i.	Online Remote Voting	Once the Chairman announces the opening of remote voting: a. Click "***Confirm Details & Start Voting***". b. To vote, select your voting choice from the options provided. A confirmation screen will appear to show your selected vote. Click "***Next***" to continue voting for all resolutions. c. To change your vote, click "***Back***" and select another voting choice. d. After you have completed voting, a Voting Summary page appears to show all the resolutions with your voting choices. Click "***Confirm***" to submit your vote. [Please note that you are not able to change your voting choices after you have confirmed and submitted your votes.]

ADDITIONAL INFORMATION

Voting Procedure

Pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, voting at the AGM will be conducted by poll. Poll administrator and Independent Scrutineers will be appointed to conduct the polling process and verify the results of the poll respectively.

No Door Gift or e-Voucher or Food Voucher

There will be no door gift or e-Voucher or food voucher given at this AGM.

Enquiry

a. For enquiries relating to the AGM Administrative Guide for Shareholders, please email your enquiries or contact our Investor Relation during office hours (9.00 a.m. to 5.00 p.m.) on Mondays to Fridays (except public holidays) as follows:

   Email: ir@lagendaprops.com
   Tel No: +605 6887179

b. For enquiries relating to RPV facilities or issues encountered during registration, log in, connecting to the live streaming and online voting facilities, please contact Vote2U helpdesk during office hours (9.00 a.m. to 5.00 p.m.) on Mondays to Fridays (except public holidays) as follows:

   Tel No: +603 76648520 / +603 76648521
   Email: vote2u@agmostudio.com

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PROXY FORM

LAGENDA PROPERTIES BERHAD
Registration No: 200101000008 (535763-A)
(Incorporated in Malaysia)

No of Ordinary Share(s) Held		
CDS Account No.		
If more than one proxy is appointed, please specify the proportion of your vote in percentage represented by each proxy:	Proxy 1 %	Proxy 2 %

I/We*____
(Full Name In Block Letters)

NRIC / Passport No.* ______________________ of ____

____
(Address)

being a member of Lagenda Properties Berhad hereby appoint:

Proxy 1

Full name (Block Letters)	NRIC / Passport No.*	Email Address	Contact No.
Full Address			

and/or* failing him/her*

Proxy 2

Full name (Block Letters)	NRIC / Passport No.*	Email Address	Contact No.
Full Address			

or failing him/her*, the Chairman of the Meeting as my/our* proxy, to vote for me/us* on my/our* behalf at the Twenty-Second Annual General Meeting ("22nd AGM") of the Company to be held on a fully virtual basis through live streaming and online remote voting via the online meeting platform at https://web.vote2u.my (Domain Registration No with MYNIC: D6A471702) on Wednesday, 28 June 2023 at 10.30 a.m. or any adjournment thereof.

** delete as appropriate*

(Please indicate with an "X" in the boxes provided how you wish your vote to be cast. If you do not do so, the proxy will vote or abstain from voting at his/her discretion.)

	Ordinary Resolutions	For	Against
1.	To approve the payment of Directors' fees for the financial year ending 31 December 2023.		
2.	To approve the payment of Directors' benefits (excluding Directors' fees) for the financial year ending 31 December 2023.		
3.	To re-elect Dato' Doh Jee Ming who retires by rotation pursuant to Article 95 of the Constitution of the Company.		
4.	To re-elect Dr Lim Pang Kiam who retires by rotation pursuant to Article 95 of the Constitution of the Company.		
5.	To re-elect Myrzela Binti Sabtu who was appointed as Director during the year and retires pursuant to Article 102 of the Constitution of the Company.		
6.	To re-elect Dato' Mohamed Sharil Bin Mohamed Tarmizi who was appointed as Director during the year and retires pursuant to Article 102 of the Constitution of the Company.		
7.	To re-appoint Messrs Moore Stephens Associates PLT as Auditors and to authorise Directors to fix their remuneration.		
8.	Authority to Issue Shares pursuant to Sections 75 and 76 of the Companies Act 2016.		
9.	Proposed New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature.		
10.	Proposed Share Buy-Back.		

Dated this ....day of ...., 2023.

....
Signature(s) / Common Seal of Member

Notes:

1. Only members whose names appear on the Record of Depositors on 19 June 2023 ("General Meeting Record of Depositors") shall be entitled to attend, speak and vote at the 22nd AGM.
2. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend, speak and vote in his/her stead. A proxy may but need not be a member of the Company.
3. A member shall be entitled to appoint not more than two proxies to attend and vote at the 22nd AGM. Where a member appoints more than one proxy, the appointment shall be invalid unless the member specifies the proportions of his/her holdings to be represented by each proxy.
4. Where a member of the Company is an exempt authorized nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorized nominee may appoint in respect of each omnibus account it holds. An exempt authorized nominee refers to an authorized nominee defined under Securities Industry (Central Depositories) Act, 1991 ("SICDA") which is exempted from compliance with the provisions of subsection 25A(1) of SICDA.
5. The instrument appointing a proxy shall be in writing under the hand of the appointor or his/her attorney duly authorized in writing or, if the appointor is a corporation, either under its Common Seal or under the hand of an officer or attorney duly authorized in writing.
6. Pursuant to Paragraph 8.29A of the Listing Requirements of Bursa Securities, all resolutions at the 22nd AGM shall be put by way of poll.
7. The instrument appointing a proxy and the power of attorney or other authority (if any), under which it is signed or a notarially certified copy thereof, must be deposited at the business address of the Company at Level 4, No. 131, Persiaran PM 2/1, Pusat Bandar Seri Manjung Seksyen 2, 32040 Seri Manjung, Perak Darul Ridzuan not less than 48 hours before the time of holding the 22nd AGM or any adjournment thereof. Alternatively, the form of proxy may also be lodged electronically via the Vote2U Online at https://web.vote2u.my. Kindly refer to the Administrative Guide for the 22nd AGM for further information on the electronic lodgement of proxy form.

PERSONAL DATA PRIVACY

By submitting a Form of Proxy or an instrument appointing a representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of 22nd AGM dated 28 April 2023.

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Stamp

THE COMPANY SECRETARY
LAGENDA PROPERTIES BERHAD
Level 4, No.131, Persiaran PM 2/1
Pusat Bandar Seri Manjung Seksyen 2
32040 Seri Manjung
Perak Darul Ridzuan

Please fold here

www.lagendaproperties.com

LAGENDA PROPERTIES BERHAD
Registration No: 200101000008 (535763-A)

Level 4, No. 131, Persiaran PM2/1
Pusat Bandar Seri Manjung Seksyen 2,
32040 Seri Manjung, Perak Darul Ridzuan

Tel: 605-688 7179 Fax: 605-688 8822