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 2023.

PRINCIPAL ACTIVITIES

The Company is an investment holding company. From 21 November 2023, the Company has commence the provision of management consultancy services. The principal activities of its subsidiaries are disclosed in Note 11 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'000	Company RM'000
Net profit for the financial year	148,112	76,810
Attributable to:		
Owners of the Company	148,325	
Non-controlling interest	(213)	
	148,112	

DIVIDENDS

As disclosed in the last year's report, 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, which was paid on 17 April 2023.

On 21 August 2023, 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 2023, amounting to RM25,119,816, which was paid on 25 September 2023.

On 28 February 2024, 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 2023, amounting to RM29,306,451. The entitlement date has been fixed on 18 April 2024, which is payable on 30 April 2024 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 2024.

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

Redeemable convertible preference shares ("RCPS")

As at 31 December 2023, the total number of RCPS remain unconverted amounted to 296,192,288.

The Company has not issued any shares and 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 Employee Share Option Scheme ("ESOS").

ESOS

The Company has granted a total of 87,050,000 share options under the ESOS plan which has a vesting period of five (5) years. 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 22(i) to the financial statements.

Date of offer	Exercise price RM	At the beginning of the year Unit'000	Granted Unit'000	Forfeiture Unit'000	At the end of the year Unit'000
25 October 2021	1.44	74,600	-	(23,900)	50,700
03 February 2022	1.17	12,450	-	(4,050)	8,400
		87,050	-	(27,950)	59,100

Details of ESOS granted to Directors and employees of the Group are disclosed in Note 22(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)	
Myrzela Binti Sabtu	Appointed on 27 February 2023
Dato' Mohamed Sharil Bin Mohamed Tarmizi	Appointed on 3 April 2023
Mohamad Ali Bin Ariffin	Resigned on 27 February 2023
Dato' Doh Jee Chai	Resigned on 3 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: -

Ha Siok Ching	
Sau Yong Kiat	
Surulhuda Binti Md Tasir	
Lau Kok Lian	Appointed on 1 April 2023
Alfiyan Bin Mohd Yunus	Appointed on 2 August 2023
Jasrinderjit Singh Dhillon	Appointed on 1 August 2023
Meera Bhai A/P Kalimuthu	Resigned on 31 March 2023
Lee Wei Jin	Resigned on 1 August 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 01.01.2023 Unit	Bought Unit	Sold Unit	At 31.12.2023 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	-	(34,816,573)	572,754,636

DIRECTORS' INTERESTS (Cont'd)

	<------------------------------ Number of RCPS		------------------------------>
	At 01.01.2023 Unit	**Bought Unit**	**Conversion Unit**	**At 31.12.2023 Unit**
Name of Directors				
The Company				
Indirect interest:				
- Dato' Doh Jee Ming ^	296,192,288	-	-	296,192,288

	<--------------- Number of options over ordinary shares		--------------->	
	At 01.01.2023 Unit	**Granted Unit**	**Forfeiture Unit**	**At 31.12.2023 Unit**
Name of Directors				
The Company				
Direct interest:				
- Dato' Doh Jee Ming	4,800,000	2,400,000	-	7,200,000

* *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 is deemed to have interest in the shares held by the Company over its subsidiaries by virtue of his 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'000	Subsidiaries RM'000
Fees	390	-
Salaries and other emoluments	1,278	840
Contributions to defined contribution plan	630	420
Share options	204	-
Others	1	1
Benefits-in-kind	25	-
Total fees and other benefits	2,528	1,261

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 5(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 29 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 no provision for doubtful debts was necessary; and

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

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

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

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

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

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

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

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

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

OTHER STATUTORY INFORMATION (Cont'd)

(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 5 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 35 to the financial statements.

EVENTS SUBSEQUENT TO THE END OF FINANCIAL YEAR

Details of events subsequent to the end of the financial year are disclosed in Note 36 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 15 April 2024.

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 105 to 184 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 2023 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 15 April 2024.

DATO' DOH JEE MING

DR. LIM PANG KIAM

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

I, Dato' Doh Jee Ming, being the Director primarily responsible for the financial management of the Company, do solemnly and sincerely declare that the financial statements as set out on pages 105 to 184 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 15 April 2024

DATO' DOH JEE MING

Before me,

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 2023 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 material accounting policy information, as set out on pages 105 to 184

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 2023, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

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

Independence and Other Ethical Responsibilities

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

Key Audit Matter

Key audit matter 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.

Property development revenue and cost recognition

Revenue and cost from property development activities recognised during the financial year as disclosed in Notes 3 and 4 to the financial statements amounted to RM688,721,000 and RM408,229,000 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 includes 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 costs 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 Matter

<u>Property development revenue and cost recognition</u> (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.

We have determined that there are no key audit matters to communicate in our report which arose from the audit of the financial statements of the Company.

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.

The Annual Report is expected to be made available to us after the date of this Auditors' Report.

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 is therefore the key audit matter. 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.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 11 to the financial statements.

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
02963/07/2025 J
Chartered Accountant

Petaling Jaya, Selangor
Date: 15 April 2024

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Note	Group 2023 RM'000	Group 2022 RM'000	Company 2023 RM'000	Company 2022 RM'000
Revenue	3	**834,874**	866,940	**82,800**	78,000
Cost of sales	4	**(532,572)**	(547,171)	**-**	-
Gross profit		**302,302**	319,769	**82,800**	78,000
Other income		**18,978**	28,986	**11,856**	14,333
Administrative expenses		**(57,820)**	(52,275)	**(14,581)**	(12,688)
Selling and marketing expenses		**(31,174)**	(27,144)	**-**	-
Other expenses		**(3,769)**	(2,582)	**-**	-
Profit from operations		**228,517**	266,754	**80,075**	79,645
Finance costs	5	**(18,299)**	(15,298)	**(2,472)**	(7,963)
Share of results of a joint venture, net of tax	12	**2,338**	45	**-**	-
Profit before tax	5	**212,556**	251,501	**77,603**	71,682
Income tax expense	6	**(64,444)**	(73,275)	**(793)**	(1,306)
Profit net of tax,representing total/ comprehensive income for the financial year		**148,112**	178,226	**76,810**	70,376
Total comprehensive income attributable to: -					
Owners of the Company		**148,325**	178,257	**76,810**	70,376
Non-controlling interests	11(b)	**(213)**	(31)	**-**	-
		148,112	178,226	**76,810**	70,376
Earnings per ordinary share attributable to Owners of the Company (RM):					
- Basic	7	**0.18**	0.21		
- Diluted	7	**0.13**	0.16		

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

	Note	Group 2023 RM'000	Group 2022 RM'000	Company 2023 RM'000	Company 2022 RM'000
ASSETS					
Non-current assets					
Property, plant and equipment	8	**41,934**	17,227	**4,189**	3,787
Investment properties	9	**73,321**	23,652	**-**	-
Goodwill	10	**25,576**	25,576	**-**	-
Investments in subsidiaries	11	**-**	-	**832,173**	779,303
Investment in a joint venture	12	**2,883**	545	**500**	500
Other investment	14	**13,500**	-	**13,500**	-
Inventories	15	**529,985**	203,849	**-**	-
		687,199	270,849	**850,362**	783,590
Current assets					
Inventories	15	**700,881**	472,042	**-**	-
Trade receivables	16	**193,045**	245,413	**-**	-
Other receivables	17	**50,525**	68,630	**31,278**	54,870
Contract assets	18	**290,352**	277,800	**-**	-
Tax recoverable		**-**	-	**630**	599
Cash and cash equivalents	19	**321,466**	441,796	**12,794**	26,989
		1,556,269	1,505,681	**44,702**	82,458
TOTAL ASSETS		**2,243,468**	1,776,530	**895,064**	866,048
EQUITY AND LIABILITIES					
Equity					
Ordinary shares	20	**333,171**	333,171	**636,006**	636,006
Redeemable convertible preference shares ("RCPS")	21	**-**	-	**164,519**	164,519
Other reserves	22	**(16,829)**	(8,630)	**12,887**	11,645
Retained earnings		**785,507**	691,608	**27,810**	5,426
Equity attributable to Owners of the Company		**1,101,849**	1,016,149	**841,222**	817,596
Non-controlling interests	11(b)	**(204)**	9	**-**	-
Total Equity		**1,101,645**	1,016,158	**841,222**	817,596

		Group		Company	
	Note	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Liabilities					
Non-current liabilities					
Redeemable convertible preference shares ("RCPS")	21	**-**	-	**38,330**	45,336
Borrowings	23	**111,978**	188,605	**-**	-
Lease liabilities	24	**4,466**	4,469	**691**	406
Deferred tax liabilities	25	**1,632**	1,121	**70**	71
Trade payables	26	**7,504**	-	**-**	-
		125,580	194,195	**39,091**	45,813
Current liabilities					
Trade payables	26	**553,202**	178,811	**-**	-
Other payables	27	**259,630**	186,915	**14,488**	2,472
Contract liabilities	18	**4,284**	3,053	**-**	-
Borrowings	23	**190,388**	190,704	**-**	-
Lease liabilities	24	**2,794**	2,424	**263**	167
Tax payable		**5,945**	4,270	**-**	-
		1,016,243	566,177	**14,751**	2,639
Total Liabilities		**1,141,823**	760,372	**53,842**	48,452
TOTAL EQUITY AND LIABILITIES		**2,243,468**	1,776,530	**895,064**	866,048

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

		<--------------- Attributable to Owners of the Company --------------->					
		<------- Non-distributable ------->					
	Note	Ordinary shares RM'000	Other Reserves RM'000	Distributable Retained Earnings RM'000	Equity attributable to Owners of the Company RM'000	Non-Controlling Interest RM'000	Total Equity RM'000
Group							
2023							
At 1 January 2023		**333,171**	**(8,630)**	**691,608**	**1,016,149**	**9**	**1,016,158**
Profit net of tax, representing total comprehensive income for the financial year		**-**	**-**	**148,325**	**148,325**	**(213)**	**148,112**
Transactions with Owners of the Company:							
Share options granted	22(i)	**-**	**1,242**	**-**	**1,242**	**-**	**1,242**
RCPS dividend paid/payable during the year	21,22	**-**	**(9,439)**	**-**	**(9,439)**	**-**	**(9,439)**
Dividend paid to shareholders	28	**-**	**-**	**(54,426)**	**(54,426)**	**-**	**(54,426)**
Foreign currency translation reserve		**-**	**(2)**	**-**	**(2)**	**-**	**(2)**
Total transactions with Owners of the Company		**-**	**(8,199)**	**(54,426)**	**(62,625)**	**-**	**(62,625)**
At 31 December 2023		**333,171**	**(16,829)**	**785,507**	**1,101,849**	**(204)**	**1,101,645**

		<------------- Attributable to Owners of the Company ------------->					
		<------- Non-distributable ------->					
	Note	Ordinary shares RM'000	Other Reserves RM'000	Distributable Retained Earnings RM'000	Equity attributable to Owners of the Company RM'000	Non-Controlling Interest RM'000	Total Equity RM'000
Group (Cont'd)							
2022							
At 1 January 2022		314,551	(1,700)	567,778	880,629	(5)	880,624
Profit net of tax, representing total comprehensive income for the financial year		-	-	178,257	178,257	(31)	178,226
Transactions with Owners of the Company:							
Subscription of shares in a subsidiary by non-controlling interest	11(a)	-	-	-	-	45	45
Share options granted	22(i)	-	2,552	-	2,552	-	2,552
RCPS dividend paid/payable during the year	21,22	-	(9,482)	-	(9,482)	-	(9,482)
Dividend paid to shareholders	28	-	-	(54,427)	(54,427)	-	(54,427)
Conversion of Warrant B	20(ii)	18,620	-	-	18,620	-	18,620
Total transactions with Owners of the Company		18,620	(6,930)	(54,427)	(42,737)	45	(42,692)
At 31 December 2022		333,171	(8,630)	691,608	1,016,149	9	1,016,158

	Note	Ordinary shares RM'000	RCPS (Note 21) RM'000	Other Reserves (Note 22) RM'000	Distributable Retained Earnings RM'000	Total Equity RM'000
		<-------------- Attributable to Owners of the Company -------------->				
		<------------------ Non-distributable ------------------>				
Company						
2023						
At 1 January 2023		**636,006**	**164,519**	**11,645**	**5,426**	**817,596**
Profit net of tax, representing total comprehensive income for the financial year		**-**	**-**	**-**	**76,810**	**76,810**
Transactions with Owners of the Company						
Share options granted	22(i)	**-**	**-**	**1,242**	**-**	**1,242**
Dividend paid to shareholders	28	**-**	**-**	**-**	**(54,426)**	**(54,426)**
Total transactions with Owners of the Company		**-**	**-**	**1,242**	**(54,426)**	**(53,184)**
At 31 December 2023		**636,006**	**164,519**	**12,887**	**27,810**	**841,222**

	Note	<------------- Attributable to Owners of the Company -------------> <----------------- Non-distributable -----------------> Ordinary shares RM'000	RCPS (Note 21) RM'000	Other Reserves (Note 22) RM'000	(Accumulated Losses)/ Retained Earnings RM'000	Total Equity RM'000
Company (Cont'd)						
2022						
At 1 January 2022		617,386	164,519	9,093	(10,523)	780,475
Profit net of tax, representing total comprehensive income for the financial year		-	-	-	70,376	70,376
Transactions with Owners of the Company:						
Conversion of Warrant B	20(ii)	18,620	-	-	-	18,620
Share options granted	22(i)	-	-	2,552	-	2,552
Dividend paid to shareholders	28	-	-	-	(54,427)	(54,427)
Total transactions with Owners of the Company		18,620	-	2,552	(54,427)	(33,255)
At 31 December 2022		636,006	164,519	11,645	5,426	817,596

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

		Group		Company	
	Note	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Cash flows from operating activities					
Profit before tax:		**212,556**	251,501	**77,603**	71,682
Adjustments for:					
Accretion of interest income on deferred other receivable		**-**	(656)	**-**	(656)
Bargain purchase on acquisition of a subsidiary		**-**	(7,750)	**-**	-
Depreciation of property, plant and equipment		**4,988**	3,427	**602**	302
Dividend income		**-**	-	**(82,800)**	(78,000)
Fair value adjustment of: -					
- investment properties		**-**	(730)	**-**	-
- derivative contract		**(3,482)**	2,141	**-**	-
Gain on disposal of:-					
- property, plant and equipment		**(166)**	(139)	**-**	-
- other investment		**-**	(1,462)	**-**	-
Gain on remeasurement of deferred other receivable		**-**	(219)	**-**	(219)
Gain on termination of lease contract					
- derecognition of right-of-use assets		**8**	-	**-**	-
- derecognition of lease liabilities		**(9)**	-	**-**	-
Interest expense		**18,299**	15,298	**2,472**	7,963
Interest income		**(5,734)**	(3,500)	**(2,965)**	(5,769)
Loss on remeasurement of financial liabilities		**-**	48	**-**	-
Share of results of a joint venture, net of tax		**(2,338)**	(45)	**-**	-
Share based payment expenses		**1,242**	2,552	**372**	921
Balance carried forward		**225,364**	260,466	**(4,716)**	(3,776)

	Note	Group 2023 RM'000	Group 2022 RM'000	Company 2023 RM'000	Company 2022 RM'000
Cash flows from operating activities (Cont'd)					
Balance brought forward		**225,364**	260,466	**(4,716)**	(3,776)
Adjustments for: (cont'd)					
Unrealised loss/(gain) on foreign exchange		**3,672**	(3,569)	**-**	-
Lease incentive		**(60)**	-	**-**	-
Written off on: -					
- property, plant and equipment		**92**	-	**-**	-
- trade receivables		**4**	1	**-**	-
Written down on inventories		**-**	392	**-**	-
Operating profit/(loss) before changes in working capital		**229,072**	257,290	**(4,716)**	(3,776)
Changes in working capital:					
Inventories		**(564,107)**	(39,633)	**-**	-
Receivables		**73,765**	33,311	**(2,613)**	(606)
Payables		**441,152**	20,671	**(1,033)**	(16,326)
Contract assets/liabilities		**(11,321)**	(54,778)	**-**	-
Cash generated from/(used in) operations		**168,561**	216,861	**(8,362)**	(20,708)
Interest paid		**(17,702)**	(15,298)	**(39)**	(5,187)
Interest received		**5,734**	3,500	**2,921**	493
Income tax paid		**(62,318)**	(87,224)	**(885)**	(1,487)
Income tax refund		**60**	-	**60**	-
Net cash from/(used in) operating activities		**94,335**	117,839	**(6,305)**	(26,889)
Cash flows from investing activities					
Direct acquisition ofsubsidiaries, net of cash and cash equivalent acquired"	11(a)	**-**	(17,572)	**-**	-
(Advances to)/Repayment from subsidiaries		**-**	-	**(24,762)**	63,349
Balance carried forward		**-**	(17,572)	**(24,762)**	63,349

	Note	Group 2023 RM'000	Group 2022 RM'000	Company 2023 RM'000	Company 2022 RM'000
Cash flows from investing activities (Cont'd)					
Balance brought forward		**-**	(17,572)	**(24,762)**	63,349
Advances to a joint venture		**(956)**	(1,419)	**(990)**	(1,385)
Repayment from a former associate		**-**	12,329	**-**	12,329
Dividend income received		**-**	-	**82,800**	128,500
Investment in:-					
- subsidiaries	11	**-**	-	**-**	(750)
- a joint venture	12	**-**	(500)	**-**	(500)
- other investment	14	**(2,025)**	-	**(2,025)**	-
Purchase of property,plant and equipment	8(ii)	**(17,541)**	(4,986)	**(424)**	(3,191)
Purchase of investment properties	9	**(49,669)**	-	**-**	-
Proceeds from disposal of: -					
- property, plant and equipment		**370**	146	**-**	-
- other investment		**-**	2,500	**-**	-
Deposits paid for lands held for future development		**(1,000)**	(33,020)	**-**	-
Proceeds from subscription of shares in a subsidiary by non-controlling interest		**-**	45	**-**	-
Net cash (used in)/from investing activities		**(70,821)**	(42,477)	**54,599**	198,352
Cash flows from financing activities					
Dividend paid to: -					
- RCPS holder	21	**(7,864)**	(7,903)	**(7,864)**	(7,903)
- shareholders	28	**(54,426)**	(54,427)	**(54,426)**	(54,427)
Advances from Directors' related companies	(iii)	**2,089**	429	**-**	285
Increase in fixed deposits pledged		**(44,008)**	(28,564)	**-**	-
(Repayment)/Drawdown of borrowings	(iii)	**(80,752)**	182,880	**-**	(112,313)
Repayment of principal portion of lease liabilities	(ii)(iii)	**(2,891)**	(2,529)	**(199)**	(171)
Proceeds from conversion of Warrant B	20(ii)	**-**	18,620	**-**	18,620
Net cash (used in)/from financing activities		**(187,852)**	108,506	**(62,489)**	(155,909)
Net movement in cash and cash equivalents		**(164,338)**	183,868	**(14,195)**	15,554
Cash and cash equivalents at beginning of financial year		**409,646**	225,778	**26,989**	11,435
Cash and cash equivalents at end of financial year	(i)	**245,308**	409,646	**12,794**	26,989

Note:

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

	Note	Group 2023 RM'000	Group 2022 RM'000	Company 2023 RM'000	Company 2022 RM'000
Cash and bank balances	19	**209,481**	266,255	**12,770**	20,189
Short term investments	19	**35,447**	117,328	**24**	6,800
Fixed deposits with licensed banks	19	**76,538**	58,213	**-**	-
		321,466	441,796	**12,794**	26,989
Less:					
- Fixed deposits pledged	19(ii)	**(76,158)**	(32,150)	**-**	-
		245,308	409,646	**12,794**	26,989

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

	Group 2023 RM'000	Group 2022 RM'000
Included in net cash from/(used in) operating activities		
Payment relating to short term lease rental	**(1,759)**	(1,222)
Interest paid in relation to lease liabilities	**(438)**	(309)
Included in net cash (used in)/from financing activities		
Payment for the principal portion of lease liabilities	**(2,891)**	(2,529)
	(5,088)	(4,060)

	Company 2023 RM'000	Company 2022 RM'000
Included in net cash from/(used in) operating activities		
Payment relating to short term lease rental	**(1,537)**	(1,157)
Interest paid in relation to lease liabilities	**(39)**	(24)
Included in net cash (used in)/from financing activities		
Payment for the principal portion of lease liabilities	**(199)**	(171)
	(1,775)	(1,352)

Note: (Cont'd)

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

	Note	Lease liabilities RM'000	Borrowings RM'000	Amounts due to Directors' related companies RM'000
Group				
2023				
At beginning of the financial year		**6,893**	**379,309**	**478**
Payment for the principal portion of lease liabilities		**(2,891)**	**-**	**-**
Drawdown		**-**	**279,447**	**-**
Advances from		**-**	**-**	**7,367**
Repayment		**-**	**(360,199)**	**(5,278)**
Net changes in cash flow from financing activities		**(2,891)**	**(80,752)**	**2,089**
Addition of new lease	8(ii)	**3,327**	**-**	**-**
Lease incentive		**(60)**	**-**	**-**
Termination of lease contract		**(9)**	**-**	**-**
Unrealised loss on foreign exchange		**-**	**3,482**	**-**
Interest payable		**-**	**327**	**-**
Net changes in cash flow from operating activities		**-**	**-**	**2**
At end of the financial year		**7,260**	**302,366**	**2,569**
2022				
At beginning of the financial year		4,801	199,998	49
Payment for the principal portion of lease liabilities		(2,529)	-	-
Advances from		-	320,597	429
Repayment to		-	(137,717)	-
Net changes in cash flow from financing activities		(2,529)	182,880	429
Addition of new lease	8(ii)	4,621	-	-
Unrealised gain on foreign exchange		-	(3,569)	-
At end of the financial year		6,893	379,309	478

Note: (Cont'd)

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

	Note	Lease liabilities RM'000	Borrowings RM'000	Amounts due to Directors' related companies RM'000
Company				
2023				
At beginning of the financial year		**573**	**-**	**285**
Payment for the principal portion of lease liabilities		**(199)**	**-**	**-**
Advances from		**-**	**-**	**273**
Repayment to		**-**	**-**	**(273)**
Net changes in cash flow from financing activities		**(199)**	**-**	**-**
Net changes in cash flow from operating activities		**-**	**-**	**(12)**
Addition of new lease	8(ii)	**580**	**-**	**-**
At end of the financial year		**954**	**-**	**273**
2022				
At beginning of the financial year		181	112,313	-
Payment for the principal portion of lease liabilities		(171)	-	-
Advances from		-	-	285
Repayment to		-	(112,313)	-
Net changes in cash flow from financing activities		(171)	(112,313)	285
Addition of new lease	8(ii)	563	-	-
At end of the financial year		573	-	285

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. From 21 November 2023, the Company has commence the provision of management consultancy services. The principal activities of its subsidiaries are disclosed in Note 11. 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 15 April 2024.

2. BASIS OF PREPARATION

(a) Statement of compliance

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

The Group and the Company have considered the 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: -

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
Amendments to MFRS 112	International Tax Reform – Pillar Two Model Rules

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

The Group and the Company adopted amendments to MFRS 101 *Presentation of Financial Statements* and MFRS Practice Statement 2 *Disclosures of Accounting Policies* from 1 January 2023. The amendments require the disclosure of "material", rather than "significant" accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements.

Although the amendments did not result in any changes to the Group's and to the Company's accounting policies, it impacted the accounting policy information disclosed in the financial statements. The material accounting policy information is disclosed in the respective notes to the financial statements where relevant.

2. BASIS OF PREPARATION (Cont'd)

(a) Statement of compliance (Cont'd)

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

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

Effective for financial periods beginning on or after 1 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
Amendments to MFRS 107 and MFRS 7	Supplier Finance Arrangements

Effective for financial periods beginning on or after 1 January 2025

Amendments to MFRS 121	Lack of Exchangeability

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

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

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

2. BASIS OF PREPARATION (Cont'd)

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

(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 11.

3. REVENUE

		Group		Company	
	Note	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Revenue from contracts with customers					
Property development	(i)	**688,721**	644,891	**-**	-
Furniture and fittings		**-**	1,763	**-**	-
Sales ofcompleted properties		**21,132**	59,342	**-**	-
Construction contract	(ii)	**11,135**	26,338	**-**	-
Trading of building materials		**112,363**	134,591	**-**	-
Food and beverages		**13**	15	**-**	-
Sales of land		**1,390**	-	**-**	-
Dividend income		**-**	-	**82,800**	78,000
Lease revenue	(iii)	**120**	-	**-**	-
		834,874	866,940	**82,800**	78,000
Timing of revenue recognition:					
Point in time		**134,898**	195,711	**82,800**	78,000
Over time		**699,976**	671,229	**-**	-
		834,874	866,940	**82,800**	78,000

<u>Unsatisfied long-term contracts</u>

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

(i) Property development revenue

	Group	
	2023 RM'000	2022 RM'000
Total contracted revenue, net	**2,289,286**	2,015,172
Less: Property development revenue recognised, net	**(1,087,564)**	(983,346)
Less: Completed during the year	**(584,503)**	(559,934)
Aggregate amount of the transaction price allocated to property development revenue that are partially or fully unsatisfied as at 31December	**617,219**	471,892

3. REVENUE (Cont'd)

Unsatisfied long-term contracts (Cont'd)

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

(ii) Construction contract revenue

	Group	
	2023 **RM'000**	**2022** **RM'000**
Total contracted revenue	**442,849**	431,886
Less: Construction revenue recognised, net	**(9,087)**	(429,838)
Less: Completed during the year	**(431,886)**	-
Aggregate amount of the transaction price allocated to construction revenue that are partially or fully unsatisfied as at 31 December	**1,876**	2,048

(iii) Lease revenue

	Group	
	2023 **RM'000**	**2022** **RM'000**
Total contracted revenue	**3,848**	-
Less: Lease revenue recognised, net	**(120)**	-
Aggregate amount of the transaction price allocated to lease revenue that are partially or fully unsatisfied as at 31 December	**3,728**	-

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

(i) Property development revenue

	Group	
	2023 **RM'000**	**2022** **RM'000**
Within 1 year	**406,828**	305,860
Between 1 and 3 years	**210,391**	166,032
	617,219	471,892

(ii) Construction contract revenue

	Group	
	2023 **RM'000**	**2022** **RM'000**
Within 1 year	**1,876**	2,048

3. REVENUE (Cont'd)

Unsatisfied long-term contracts (Cont'd)

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

(iii) Lease revenue

	Group	
	2023 RM'000	2022 RM'000
Within 1 year	**1,590**	-
Between 1 and 3 years	**2,138**	-
	3,728	-

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

Property development revenue

Revenue from property development 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.

The Group also estimates total contract costs in applying the input method to recognise revenue over time. In estimating the total costs to complete, the Group considers the completeness and accuracy of its costs estimation, including its obligations to contract variations, claims and cost contingencies.

Furniture and fittings revenue

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

Sale of completed properties

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

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.

3. REVENUE (Cont'd)

The Group has identified its Performance Obligation ("PO") towards its customers as follows: - (Cont'd)

Trading of building materials and hardware

Revenue from sale 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 expected to be entitled in exchange for those goods, net of indirect taxes and discounts. Payment is generally due within 30 to 90 days from the date when PO is satisfied. Revenue is recognised at a point in time when customers have acknowledged the receipt of goods sold.

Sale of food and beverages

Revenue from sale of food and beverages 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.

Sale of land

Revenue from the sale of land is measured at fair value of the consideration received or receivable, net of returns and allowances and trade discounts. Revenue is recognised at a point in time upon signing of the sale and purchase agreement and the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, and there is no continuing management involvement with the land. Payment is generally due within 90 days after the sales and purchase agreement is signed.

Lease revenue

Revenue from lease of investment properties is recognised over the period of the tenancy agreement by reference to the agreements entered. The aggregate cost of incentives provided to lessee is recognised as a reduction of lease revenue.

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.

4. COST OF SALES

	Group	
	2023 RM'000	**2022 RM'000**
Property development costs	**408,229**	348,738
Furniture and fittings	**-**	2,080
Cost from sales of completed properties	**11,314**	46,497
Construction costs	**8,907**	23,651
Trading of building material costs	**103,627**	126,150
Clubhouse expenses	**146**	55
Sales of land costs	**305**	-
Lease expenses	**44**	-
	532,572	547,171

5. PROFIT BEFORE TAX

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

		Group		Company	
	Note	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Auditors' remuneration:-					
- statutory audit		**389**	362	**76**	76
- other services		**54**	73	**12**	40
Accretion of interest on deferred other receivables		**-**	(656)	**-**	(656)
Bargain purchase on acquisition of a subsidiary		**-**	(7,750)	**-**	-
Depreciation of property, plant and equipment		**4,988**	3,427	**602**	302
Directors' remuneration	(i)	**4,935**	4,178	**2,503**	2,917
Employee benefits expense	(ii)	**29,462**	25,017	**7,051**	5,650
Finance costs: -					
- accretion of interest on contingent consideration		**-**	421	**-**	421
- accretion of interest on RCPS liability portion		**-**	-	**2,433**	2,777
- accretion of interest on deferred landowner's entitlement		**270**	203	**-**	-
- banker's acceptance		**319**	394	**-**	-
- lease liabilities		**438**	309	**39**	24
- term loan		**10,732**	10,904	**-**	4,467
- revolving credit		**6,540**	3,067	**-**	274
Fair value adjustment on: -					
- investment properties		**-**	(730)	**-**	-
- derivative contract		**(3,482)**	2,141	**-**	-
Gain on: -					
- disposal ofproperty, plant and equipment		**(166)**	(139)	**-**	-
- other investment		**-**	(1,462)	**-**	-
- remeasurement of deferred other receivable		**-**	(219)	**-**	(219)
Gain on termination of lease contract					
- derecognition of right-of-use assets		**8**	-	**-**	-
- derecognition of lease liabilities		**(9)**	-	**-**	-
Inventories written down		**-**	392	**-**	-
Interest income from: -					
- financial institution		**(5,337)**	(3,500)	**(333)**	(493)
- advances to subsidiaries		**-**	-	**(2,632)**	(5,276)
- buyer		**(397)**	-	**-**	-
Late payment charges		**(74)**	(651)	**-**	-
Loss on remeasurement of financial liabilities		**-**	48	**-**	-

5. PROFIT BEFORE TAX (Cont'd)

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

		Group		Company	
	Note	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Lease incentive		**(60)**	-	**-**	-
Management fee income		**-**	-	**(7,877)**	(6,889)
Rental income		**(2,313)**	(2,743)	**(1,005)**	(790)
Unrealised loss/(gain) on foreign exchange		**3,672**	(3,569)	**-**	-
Short term lease for: -					
- office space		**1,610**	1,194	**1,537**	1,157
- equipment		**149**	28	**-**	-
Wages subsidy		**-**	(74)	**-**	-
Written off on: -					
- property, plant and equipment		**92**	-	**-**	-
- trade receivables		**4**	1	**-**	-

(i) Directors' remuneration

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Directors' remuneration				
Directors' fee	**524**	310	**390**	310
Salaries and other emoluments	**3,003**	2,130	**1,278**	1,290
Contribution to defined contribution plan	**1,153**	1,050	**630**	630
Share based payment	**248**	686	**204**	686
Others	**7**	2	**1**	1
	4,935	4,178	**2,503**	2,917
Estimated money value of benefits in-kind ("BIK")	**47**	25	**25**	25
Total including estimated money value of BIK	**4,982**	4,203	**2,528**	2,942

5. PROFIT BEFORE TAX (Cont'd)

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

(ii) Employee benefits expense

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Staff costs				
Salaries and other emoluments	**25,344**	20,400	**6,149**	4,792
Contribution to defined contribution plan	**2,805**	2,507	**679**	585
Share based payment	**994**	1,866	**168**	235
Others	**319**	244	**55**	38
	29,462	25,017	**7,051**	5,650
Estimated money value of benefits-in-kind ("BIK")	**24**	148	**9**	-
Total including estimated moneyvalue of BIK	**29,486**	25,165	**7,060**	5,650

Material accounting policy information

(i) Interest income

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

6. INCOME TAX EXPENSE

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Income tax:				
Current financial year	**61,856**	77,058	**697**	459
Under/(over)provision in prior financial year	**2,077**	(3,982)	**97**	776
	63,933	73,076	**794**	1,235
Deferred tax (Note 25):				
Origination/(Reversal) of temporary differences	**325**	234	**(1)**	56
Under/(Over)provision in prior financial year	**186**	(35)	**-**	15
	511	199	**(1)**	71
Total income tax expense for the financial year	**64,444**	73,275	**793**	1,306

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (2022: 24%) of the estimated assessable profit for the year.

6. INCOME TAX EXPENSE (Cont'd)

The reconciliations from the tax amount at statutory income tax rate to the Group's and to the Company's tax expense are as follows: -

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Profit before tax	**212,556**	251,501	**77,603**	71,682
Tax at the Malaysian statutory income tax rate of 24%	**51,014**	60,360	**18,625**	17,204
Prosperity tax of 33%	**-**	9,050	**-**	-
Tax effect on share of results of a joint venture	**561**	11	**-**	-
Income not subject to tax	**(2,632)**	(1,404)	**(20,126)**	(18,878)
Expenses not deductible for tax purpose	**13,288**	9,216	**2,197**	2,189
(Utilisation of previously unrecognised deferred tax assets)/Deferred tax assets not recognised	**(50)**	59	**-**	-
Under/(over)provision in prior financial year				
- income tax	**2,077**	(3,982)	**97**	776
- deferred tax	**186**	(35)	**-**	15
Income tax expense for the financial year	**64,444**	73,275	**793**	1,306

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

	Group	
	2023 RM'000	Restated 2022 RM'000
Unutilised tax losses	**261**	482
Unabsorbed capital allowances	**41**	236
	302	718

The comparative figures have been restated to reflect the actual carried forward unutilised tax losses and unabsorbed capital allowances. The availability of tax losses will be subject to Inland Revenue Board discretion and approval to offset against future taxable profit.

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

7. 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	
	2023	**2022**
Profit after tax attributable to Owners of the Company (RM'000)	**148,325**	178,257
Weighted average number of ordinary shares:		
Number of ordinary shares in issue at beginning of the financial year	**837,327**	822,431
Effect of weighted average number of ordinary shares issued during the financial year	**-**	14,190
	837,327	836,621
Basic earnings per share (RM)	**0.18**	0.21

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	
	2023	**2022**
Profit after tax attributable to Owners of the Company (RM'000) [Note (i)]	**148,325**	178,257
Weighted average number of ordinary shares:		
Issued ordinary shares at end of the financial year	**837,327**	836,621
Effect of dilutive potential ordinary shares ("RCPS")	**296,192**	296,192
Effect of dilutive potential ordinary shares ("ESOS 2")	**2,347**	2,838
	1,135,866	1,135,651
Diluted earnings per share (RM)	**0.13**	0.16

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 21.

8. PROPERTY, PLANT AND EQUIPMENT

	Freehold properties RM'000	Warehouse RM'000	Machinery RM'000	Furniture and fittings RM'000	Office equipment RM'000	Motor vehicles RM'000	Office renovation RM'000	Leased properties RM'000	Total RM'000
Group									
2023									
Cost									
At 1 January	2,976	8	491	657	580	13,380	5,994	2,647	26,733
Additions	10,756	-	5,012	394	228	2,462	919	1,097	20,868
Transfer from inventories [Note 15]	9,131	-	-	-	-	-	-	-	9,131
Termination of lease contract	-	-	-	-	-	-	-	(67)	(67)
Expiry of lease contract	-	-	-	-	-	-	-	(283)	(283)
Disposal	(132)	-	-	-	(24)	(193)	(22)	-	(371)
Written off	-	-	-	-	-	-	(127)	-	(127)
At 31 December	22,731	8	5,503	1,051	784	15,649	6,764	3,394	55,884
Accumulated depreciation									
At 1 January	263	3	123	65	190	6,596	1,095	1,171	9,506
Charge for the financial year	228	-	291	114	71	2,567	706	1,011	4,988
Termination of lease contract	-	-	-	-	-	-	-	(59)	(59)
Expiry of lease contract	-	-	-	-	-	-	-	(283)	(283)
Disposals	(7)	-	-	-	(1)	(153)	(6)	-	(167)
Written off	-	-	-	-	-	-	(35)	-	(35)
At 31 December	484	3	414	179	260	9,010	1,760	1,840	13,950
Net carrying amount									
At 31 December	22,247	5	5,089	872	524	6,639	5,004	1,554	41,934

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

	Freehold properties RM'000	Warehouse RM'000	Machinery RM'000	Furniture and fittings RM'000	Office equipment RM'000	Motor vehicles RM'000	Office renovation RM'000	Leased properties RM'000	Total RM'000
Group (Cont'd)									
2022									
Cost									
At 1 January	2,976	8	37	136	362	10,173	2,909	1,210	17,811
Additions	-	-	413	517	225	3,930	3,085	1,437	9,607
Reclassification	-	-	41	4	-	(45)	-	-	-
Disposals	-	-	-	-	(7)	(678)	-	-	(685)
At 31 December	2,976	8	491	657	580	13,380	5,994	2,647	26,733
Accumulated depreciation									
At 1 January	203	3	18	14	140	5,154	674	551	6,757
Charge for the financial year	60	-	82	50	50	2,144	421	620	3,427
Reclassification	-	-	23	1	-	(24)	-	-	-
Disposals	-	-	-	-	-	(678)	-	-	(678)
At 31 December	263	3	123	65	190	6,596	1,095	1,171	9,506
Net carrying amount									
At 31 December	2,713	5	368	592	390	6,784	4,899	1,476	17,227

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

	Leased properties RM'000	Motor vehicles RM'000	Office equipment, furniture and fittings and renovation RM'000	Total RM'000
Company				
2023				
Cost				
At 1 January	**134**	**775**	**3,231**	**4,140**
Additions	**219**	**396**	**389**	**1,004**
At 31 December	**353**	**1,171**	**3,620**	**5,144**
Accumulated depreciation				
At 1 January	**28**	**195**	**130**	**353**
Charge for the financial year	**93**	**168**	**341**	**602**
At 31 December	**121**	**363**	**471**	**955**
Net carrying amount				
At 31 December	**232**	**808**	**3,149**	**4,189**
2022				
Cost				
At 1 January	-	345	41	386
Additions	134	430	3,190	3,754
At 31 December	134	775	3,231	4,140
Accumulated depreciation				
At 1 January	-	47	4	51
Charge for the financial year	28	148	126	302
At 31 December	28	195	130	353
Net carrying amount				
At 31 December	106	580	3,101	3,787

(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 RM616,000 (2022: RM630,000) have been pledged to licensed bank as securities for credit facilities granted to the Group as disclosed in Note 23.

(ii) Acquisition of property, plant and equipment

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Cash purchase of property, plant and equipment	**17,541**	4,986	**424**	3,191
Financed by lease arrangement	**3,327**	4,621	**580**	563
Total acquisition of property, plant and equipment	**20,868**	9,607	**1,004**	3,754

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

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

	Motor vehicles RM'000	Leased properties RM'000	Total RM'000
Group			
2023			
Cost			
At 1 January	**11,272**	**2,647**	**13,919**
Additions	**2,447**	**1,097**	**3,544**
Termination of lease contract	**-**	**(67)**	**(67)**
Expiry of lease contract	**-**	**(283)**	**(283)**
Disposals	**(186)**	**-**	**(186)**
At 31 December	**13,533**	**3,394**	**16,927**
Accumulated depreciation			
At 1 January	**5,609**	**1,171**	**6,780**
Charge for the financial year	**2,220**	**1,011**	**3,231**
Termination of lease contract	**-**	**(59)**	**(59)**
Expiry of lease contract	**-**	**(283)**	**(283)**
Disposals	**(152)**	**-**	**(152)**
At 31 December	**7,677**	**1,840**	**9,517**
Net carrying amount			
At 31 December	**5,856**	**1,554**	**7,410**
2022			
Cost			
At 1 January	8,766	1,210	9,976
Additions	3,184	1,437	4,621
Disposal	(678)	-	(678)
At 31 December	11,272	2,647	13,919
Accumulated depreciation			
At 1 January	4,435	551	4,986
Charge for the financial year	1,852	620	2,472
Disposal	(678)	-	(678)
At 31 December	5,609	1,171	6,780
Net carrying amount			
At 31 December	5,663	1,476	7,139

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

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

	Motor vehicles RM	Leased properties RM	Total RM
Company			
2023			
Cost			
At 1 January	**680**	**134**	**814**
Additions	**396**	**219**	**615**
At 31 December	**1,076**	**353**	**1,429**
Accumulated depreciation			
At 1 January	**167**	**28**	**195**
Charge for the financial year	**127**	**93**	**220**
At 31 December	**294**	**121**	**415**
Net carrying amount			
At 31 December	782	232	1,014
2022			
Cost			
At 1 January	250	-	250
Additions	430	134	564
At 31 December	680	134	814
Accumulated depreciation			
At 1 January	38	-	38
Charge for the financial year	129	28	157
At 31 December	167	28	195
Net carrying amount			
At 31 December	513	106	619

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

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Depreciation of right-of-use assets	**3,231**	2,472	**220**	157
Interest expense of lease liabilities	**438**	309	**39**	24
Short-term leases	**1,759**	1,222	**1,537**	1,157
	5,428	4,003	**1,796**	1,338

(iv) Property ownership

As at the reporting date, the title of the freehold properties of RM10,738,000 is in the process of being registered in the name of the Group. On 19 March 2024, it has been successfully registered in the name of the Group.

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

Material accounting policy information

(a) Recognition and measurement

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

(b) Depreciation

Property, plant and equipment are depreciated based on the estimated useful lives of the assets as follows:

Freehold properties	50 years
Warehouse	50 years
Machinery	4 – 10 years
Furniture and fittings	5 – 10 years
Motor vehicles	5 years
Office equipment	5 – 10 years
Office renovation	10 years, or over the lease terms
Leased properties	2 – 20 years

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.

(c) Recognition exemption – Right-of-use assets

The Group and the Company have elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group and the Company recognise the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

9. INVESTMENT PROPERTIES

	Freehold land RM'000	Freehold properties RM'000	Leasehold land RM'000	Capital work in progress RM'000	Total RM'000
Group					
Fair value/cost					
2023					
At 1 January	**7,892**	**15,760**	**-**	**-**	**23,652**
Addition	**-**	**43,366**	**6,289**	**14**	**49,669**
At 31 December	**7,892**	**59,126**	**6,289**	**14**	**73,321**
Fair value					
2022					
At 1 January	7,707	15,215	-	-	22,922
Fair value adjustments	185	545	-	-	730
At 31 December	7,892	15,760	-	-	23,652

(i) Remaining leasehold period

The leasehold land has a remaining unexpired lease period of 871 years.

(ii) Property ownership

As at the reporting date, the title of the freehold properties of RM43,366,000 is in the process of being registered in the name of the Group. On 19 March 2024, it has been successfully registered in the name of the Group.

(iii) Assets pledged as security

The investment properties with total net carrying amount of RM9,042,000 (2022: RM8,967,000) have been pledged to a licensed bank for the banking facilities granted to the Group as disclosed in Note 23.

(iv) The following are recognised in profit or loss in respect of investment properties: -

	Group	
	2023 RM'000	2022 RM'000
Rental income	**2,074**	2,506
Direct expenses		
- Repair and maintenance	**(27)**	(19)
- Quit rent and assessment	**(50)**	(4)

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 lands 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.

9. INVESTMENT PROPERTIES (Cont'd)

Material accounting policy information

(a) Recognition and measurement

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.

Capital work-in-progress is stated at cost less any accumulated impairment losses and includes borrowing cost incurred during the period of development.

(b) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific investment properties to which it relates. All other expenditure is recognised in profit or loss as incurred.

Capital work-in-progress is tested for impairment annually and whenever there is an indication that they may be impaired.

10. GOODWILL

	Group	
	2023 RM'000	2022 RM'000
Cost		
At 1 January/31 December	**25,576**	25,576

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.

Impairment review on goodwill

Goodwill arising from business combinations has been allocated to four (2022: four) individual cash-generating units ("CGUs") for impairment testing and the breakdown of goodwill allocated to each CGU is as follows: -

	LPB Group RM'000	RUSB RM'000	YWT RM'000	SBNH RM'000	Total RM'000
Group					
2023/2022					
Goodwill	4,690	11,182	8,634	1,070	25,576

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) Industry discount rates of 7.83% (2022: 13.97%);
(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.

10. GOODWILL (Cont'd)

Impairment review on goodwill (Cont'd)

Property development segment (LPB Group) (Cont'd)

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 RM4.18 million (2022: RM6.15 million).

- An increase of 3 percentage point in the gross development costs would have reduced the recoverable amount by approximately RM9.23 million.

Building construction segment (RUSB)

The recoverable amounts of the CGU were based on fair value less costs of disposal calculations. The calculations were determined using projected cash flows for its secured construction contracts covered during its construction period to derive its adjusted net assets.

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

(i) Industry discount rates of 9.06% (2022: 13.88%);
(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 RM0.52 million (2022: RM0.87 million).

- An increase of 3 percentage point in the gross development costs would have reduced the recoverable amount by approximately RM5.93 million (2022: RM11.84 million).

Trading of building materials and hardware segment (YWT)

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 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) Industry discount rates of 9.48% (2022: 13.43%);
(ii) There will be no material changes in the structure and principal activities of the subsidiary;
(iii) Projected revenue growth rate of 20% (2022: 15%) 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 and cost growth rate would have reduced the recoverable amount by approximately RM18.53 million (2022: RM4.25 million).

- A decrease of 1 percentage point (2022: 0.5 percentage point) in the budgeted gross margin would have reduced the recoverable amount by approximately RM49.68 million (2022: RM8.64 million).

- An increase of 1 percentage point in the discount rate would have reduced the recoverable amount by approximately RM11.68 million (2022: RM3.75 million).

10. GOODWILL (Cont'd)

Impairment review on goodwill (Cont'd)

Trading of building materials and hardware segment (SBNH)

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 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) Industry discount rates of 9.12% (2022: 14.69%);
(ii) There will be no material changes in the structure and principal activities of the subsidiary;
(iii) Projected revenue growth rate of 12% (2022: 20%) 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 and cost growth rate would have reduced the recoverable amount by approximately RM3.22 million (2022: RM1.53 million).

- A decrease of 1 percentage point in the budgeted gross margin would have reduced the recoverable amount by approximately RM3.45 million (2022: RM2.14 million).

- An increase of 1 percentage point in the discount rate would have reduced the recoverable amount by approximately RM1.67 million (2022: RM0.34 million).

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

Based on the above sensitivity analyses, the adverse situations contemplated would not cause the carrying values of the remaining CGUs to materially exceed their recoverable amounts, other than changes in prevailing operating environments, of which the impact is not ascertainable.

Material accounting policy information

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.

11. INVESTMENTS IN SUBSIDIARIES

	Company	
	2023 RM'000	2022 RM'000
Unquoted shares		
At cost		
At beginning of the financial year	**773,093**	772,343
Addition	**52,000**	750
At end of the financial year	**825,093**	773,093
Capital contribution to subsidiaries		
At beginning of the financial year	**6,210**	4,580
Addition	**870**	1,630
At end of the financial year	**7,080**	6,210
Net carrying amount		
At end of the financial year	**832,173**	779,303

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

The details of the subsidiaries are as follows: -

Name of Subsidiaries	Country of Incorporation	Principal Activities	Effective Equity Interest 2023	Effective Equity Interest 2022
LPB Development Sdn. Bhd. ("LPBD")	Malaysia	Property development	100%	100%
LPB Construction Sdn. Bhd. ("LPBC")	Malaysia	Building construction	100%	100%
Blossom Eastland Sdn. Bhd. ("BESB") *	Malaysia	Property development	100%	100%
Rantau Urusan (M) Sdn. Bhd. ("RUSB") *	Malaysia	Building construction	100%	100%
Lagenda Harta Sdn. Bhd. ("LHSB")	Malaysia	Property investment	100%	-
Lagenda Sentral Sdn. Bhd. ("LSSB")	Malaysia	Intended to engage in property investment	100%	-
Yik Wang Trading Sdn. Bhd. ("YWT") *	Malaysia	Trading of building materials and hardware	100%	100%
Lagenda International Sdn. Bhd. ("LINTSB") ^	Malaysia	Investment holding	100%	-
<u>Held through LINTSB</u>				
Lagenda Perth Pty Ltd. ("LPPL") ^	Australia	Proprietary company	100%	-
<u>Held through YWT</u>				
Sitiawan Bolts and Nuts Hardware Sdn. Bhd. ("SBNH")	Malaysia	Trading of building materials and hardware	100%	100%

11. INVESTMENTS IN SUBSIDIARIES (Cont'd)

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

Name of Subsidiaries	Country of Incorporation	Principal Activities	Effective Equity Interest 2023	Effective Equity Interest 2022
Held through BESB				
Taraf Nusantara Sdn. Bhd. ("TNSB")	Malaysia	Property development and construction works	100%	100%
Triprise Sdn. Bhd. ("TSB")	Malaysia	Property development, property management and other business management activities	100%	100%
Maxitanah Sdn. Bhd. ("MTSB")	Malaysia	Property development	100%	100%
Opti Vega Sdn. Bhd. ("OVSB")	Malaysia	Property development	100%	100%
Held through TNSB				
Lagenda Tapah Sdn. Bhd. ("LTSB")	Malaysia	Property development	100%	100%
Held through LPBD				
Lagenda Mersing Sdn. Bhd. ("LMSB")	Malaysia	Property development	70%	70%

^ *The management accounts are reviewed by Moore Stephens Associates PLT for consolidation purposes. LINTSB and LPPL was newly incorporated on 16 November 2023 and 21 November 2023 respectively.*

* *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 23. As at 31 December 2023, the Company has fully settled the outstanding facilities and currently pending the securities to be discharged.*

(a) Additions to investment in subsidiaries

2023

(i) Incorporation of subsidiaries

On 13 June 2023, the Company subscribed for 1 ordinary share representing an equity interest of 100% in both LHSB and LSSB for a total cash consideration of RM1, respectively.

On 16 November 2023, the Company subscribed for 2 ordinary shares representing an equity interest of 100% in LINTSB for a total cash consideration of RM2.

On 21 November 2023, the Company via LINTSB subscribed for 2 ordinary shares representing an equity interest of 100% in LPPL for a total cash consideration of AUD2.

(ii) Additional investment a subsidiary

On 29 December 2023, the Company had further subscribed 2,000,000 ordinary shares and 50,000,000 Redeemable Preference Shares ("RPS") in LHSB by way of capitalisation of debts of RM52,000,000 as disclosed in Note 17(iii). No changes to the Company's effective equity interest of 100% in LHSB.

11. INVESTMENTS IN SUBSIDIARIES (Cont'd)

(a) Additions to investment in subsidiaries (Cont'd)

2022

(i) Additional investments in subsidiaries

On 04 June 2022, the Company had further subscribed 749,999 ordinary shares in LPBC for a cash consideration of RM750,000. 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 RM17,597,000. The details of total consideration have been disclosed in Note 13. For accounting purposes, 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'000
LTSB	
Inventories	25,444
Cash and cash equivalents	25
Other payables	(122)
Fair value of net identifiable assets acquired	25,347

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

	RM'000
Net cash flow arising from acquisition of a subsidiary	
Cash consideration	17,597
Less: Cash and cash equivalents from acquisition of a subsidiary	(25)
Net cash outflow on completion of acquisition of a subsidiary	17,572

The bargain purchase arising from the direct acquisition is as follows: -

	RM'000
Bargain purchase arising from direct acquisition	
Cash consideration	17,597
Less: Fair value of net identifiable assets acquired	(25,347)
Bargain purchase on consolidation (LTSB)	(7,750)

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 RM7,750,000 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".

11. INVESTMENTS IN SUBSIDIARIES (Cont'd)

(b) Non-controlling interests in a subsidiary

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

	LMSB
2023	
NCI percentage of ownership and voting interest (%)	**30**
Carrying amount of NCI (RM'000)	**(204)**
Loss allocated to NCI (RM'000)	**(213)**
2022	
NCI percentage of ownership and voting interest (%)	30
Carrying amount of NCI (RM'000)	9
Carrying amount of NCI (RM'000)	(31)

The summarised financial information before intra-group elimination of the subsidiary that has NCI as at the end of each reporting period are as follows: -

	LMSB RM'000
At 31 December 2023	
Current assets	496,621
Current liabilities	(497,303)
Net liabilities	(682)

	LMSB RM'000
For the financial period ended 31 December 2023	
Loss for the financial year	710
Total comprehensive income	710
Cash flows (used in)/from	
Operating activities	(38,124)
Investing activities	(238)
Financing activities	39,466
At 31 December 2022	
Total assets	89,844
Total liabilities	(89,816)
Net assets	28
For the financial year ended 31 December 2022	
Loss for the financial year	104
Total comprehensive income	104
Cash flows (used in)/from	
Operating activities	(75,421)
Investing activities	(7,965)
Financing activities	83,633

11. INVESTMENTS IN SUBSIDIARIES (Cont'd)

Material accounting policy information

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, 639,642,000 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.

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.

In the Company's separate financial statements, investments in subsidiaries are measured at cost less any impairment losses.

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

12. INVESTMENT IN A JOINT VENTURE

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Unquoted shares, at cost				
At beginning of the financial year	**545**	-	**500**	-
Addition	**-**	500	**-**	500
Share of post acquisition reserves	**2,338**	45	**-**	-
At end of the financial year	**2,883**	545	**500**	500

The details of the joint venture, which is incorporated in Malaysia are as follows: -

		Effective Equity Interest	
Name of Joint Venture	Principal Activity	2023	2022
Lagenda Inta Sdn. Bhd. ("LISB") *	Building construction	**50%**	50%

* *Not audited by Moore Stephens Associates PLT*

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.

	2023 RM'000	2022 RM'000
Assets and Liabilities:		
Total assets	**33,002**	10,981
Total liabilities	**(25,459)**	(9,526)
Net assets	**7,543**	1,455
	01.01.2023 to 31.12.2023 RM'000	**26.01.2022 to 31.12.2022 RM'000**
Results:		
Profit for the financial year/period	**6,088**	456
Total comprehensive income	**6,088**	455

12. INVESTMENT IN A JOINT VENTURE

2022 (Cont'd)

	Group	
	2023 RM'000	**2022 RM'000**
Reconciliation:		
Group's share of net assets	**3,772**	728
Elimination of unrealised profits	**(889)**	(183)
Carrying amount in the statement of financial position	**2,883**	545
Group's share of results, net of tax	**2,338**	45

Material accounting policy information

Joint arrangement

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.

13. INVESTMENT IN A JOINT OPERATION

The details of the joint operation, which is incorporated in Malaysia are as follows: -

Name of Joint Operation Company	Principal Activity	Effective Equity Interest 2023	Effective Equity Interest 2022
Held through LPBD			
BDB Lagenda Sdn. Bhd ("BDB")	Property development	**50%**	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 RM3,023,000 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.

13. INVESTMENT IN A JOINT OPERATION (Cont'd)

2022 (Cont'd)

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 RM17,597,000 as disclosed in Note 11(a). Consequently, LTSB became wholly-owned subsidiary of TNSB as disclosed in Note 11.

On 25 March 2022, the Company via LPBD had further subscribed 125,000 ordinary shares in BDB for a cash consideration of RM125,000. No changes to the Company's effective equity interest of 50% in BDB.

Material accounting policy information

Joint arrangement

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.

14. OTHER INVESTMENT

	Group/Company	
	2023 RM'000	2022 RM'000
Investment in unquoted shares, at fair value through profit or loss		
At beginning of the financial year	**-**	1,038
Addition	**13,500**	-
Disposal	**-**	(1,038)
At end of the financial year	**13,500**	-

2023

On 1 December 2023, the Group and the Company entered into a Share Sale and Purchase Agreement with third parties to invest 150,000 ordinary shares representing an equity interest of 15% for a total cash consideration of RM13,500,000. The investment is completed on 15 December 2023.

As at 31 December 2023, the Group and the Company has paid RM2,025,000 and the remaining outstanding amount is disclosed in Note 27(ii).

2022

In previous years, 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.

The Group and the Company designated the investment in unquoted shares as fair value through profit or loss as it represents an investment that the Group and the Company intend to hold for short-term strategic purposes.

Material accounting policy information

At initial recognition, the Group and the Company irrevocably elect to present subsequent changes in the fair value of the investments in profit or loss. This election is made in an investment-by-investment basis.

15. INVENTORIES

		Group	
	Note	2023 RM'000	2022 RM'000
Non-current asset			
At cost:			
Lands held for future property development		**508,980**	183,170
At net realisable value:			
Lands held for future property development		**21,005**	20,679
		529,985	203,849
Current assets			
At cost:			
Property development costs	(i)	**634,069**	438,041
Unsold completed units	(ii)	**42,787**	32,889
Building materials and hardware		**1,269**	1,109
Food and beverages		**2**	3
Land held for sale		**22,754**	-
		700,881	472,042
Recognised in profit or loss as cost of sales:		**408,229**	348,738
Property development costs		**11,314**	46,497
Sale of completed units		**103,627**	126,150
Building materials and hardware		**7**	5
Food and beverages		**305**	-
Sales of land costs		**523,482**	521,390

15. INVENTORIES (Cont'd)

(i) Property development costs

	Group	
	2023 RM'000	**2022 RM'000**
Cumulative property development costs		
At beginning of the financial year		
Land costs	**304,518**	257,030
Development costs	**638,952**	660,227
	943,470	917,257
Cost incurred during the financial year		
Land costs	**214,239**	88,723
Development costs	**455,271**	344,365
Addition through acquisition of subsidiaries [Note 11(a)]*	**-**	7,750
Less:		
Transfer to lands held for future development	**(12,156)**	(19,512)
Transfer to inventories (unsold completed units)	**(21,320)**	(17,132)
Transfer to inventories (land held for sale)	**(22,754)**	-
Transfer to property, plant and equipment	**(9,023)**	-
Adjustments to completed projects during the financial year	**(365,937)**	(377,981)
At end of the financial year	**1,181,790**	943,470
Cumulative costs recognised in statements of comprehensive income		
At beginning of the financial year	**(505,429)**	(534,672)
Recognised during the financial year	**(408,229)**	(348,738)
Less:		
Adjustments to completed projects during the financial year	**365,937**	377,981
At end of the financial year	**(547,721)**	(505,429)
Property development costs at end of financial year	**634,069**	438,041

* In the prior financial year, the carrying amount of RM7,750,000 represents the fair value contributed from its on-going development project sum. The remaining inventories costs of RM17,694,000 have been capitalised in previous years upon application of proportionate consolidation for the investment in joint operation.

(ii) Unsold completed units

During the financial year, an unsold completed unit (i.e., residential properties) of RM108,000 has been transferred to property, plant and equipment as disclosed in Note 8.

15. INVENTORIES (Cont'd)

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 and third parties ("Landowner") with full power of attorney obtained by the Group. The titles to the on-going development, unsold completed units and lands held for property development will be directly transferred from landowner to the property purchasers.

Land held for property development and on-going development of the Group with the total net carrying amount of RM138,699,000 (2022: RM105,874,000) have been pledged to licensed banks for the banking facilities granted to the subsidiaries as disclosed in Note 23.

Land costs with net carrying amount of RM697,000 (2022: RM4,195,000) represent entitlements of the landowner pursuant to Joint Development Agreement entered by the Group to undertake property development projects.

Land costs with the net carrying amount of RM46,516,000 (2022: RM30,074,000) represent entitlements of the landowner pursuant to Development Rights Agreement entered by the Group to undertake property development projects.

Land costs with the net carrying amount of RM396,358,000 (2022: RM Nil) are in the process of being registered in the name of the Group.

Material accounting policy information

Land held for property development

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

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

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

Property development costs

Property development costs not recognised as an expense are recognised as an asset measured at the lower of cost and net realisable value. The asset is subsequently credited over to profit or loss and recognised as an expense when the control of the asset is transferred to the customer. It comprises all costs that are directly attributable to the development activities or that can be allocated on a reasonable basis to such activities.

Unsold completed properties

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

Finished goods (construction materials and hardware)

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

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

Lands held for sale

The cost of lands held for sale is stated at the lower of cost and net realisable value. Cost includes the relevant cost of land and development expenditure.

Net realisable value

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

16. TRADE RECEIVABLES

	Note	Group 2023 RM'000	Group 2022 RM'000
Trade receivables			
- third parties		**157,179**	214,439
- Directors' related companies		**10,920**	13,501
- joint venture		**14,804**	2,593
- unbilled receivables	(i)	**8,780**	-
- retention sum	(ii)	**1,362**	14,880
		193,045	245,413

The normal credit term of trade receivables is 30 to 120 days (2022: 30 to 90 days).

(i) Unbilled receivables of the Group represent the amounts claimable for services rendered but are yet to be billed as at the reporting date.

(ii) Retention sum held by contract customers are due upon expiry of retention periods of 24 months after issuance of Certificate of Completion and Compliance.

17. OTHER RECEIVABLES

	Note	Group 2023 RM'000	Group 2022 RM'000	Company 2023 RM'000	Company 2022 RM'000
Current assets					
Other receivables					
- third parties		**22,151**	4,004	**7,098**	18
- Directors' related companies	(i)	**353**	2,644	**-**	-
- joint venture	(ii)	**2,375**	1,419	**2,375**	1,385
- subsidiaries	(iii)	**-**	-	**21,594**	49,970
Deposits	(iv)	**8,785**	46,571	**165**	2,405
Derivative assets	(v)	**1,341**	-		-
Contract costs: -					
- commission	(vi)	**10,986**	7,408	**-**	-
- direct acquisition of subsidiaries		**-**	1,544	**-**	-
Prepayments		**4,534**	5,040	**46**	1,092
		50,525	68,630	**31,278**	54,870

(i) These amounts represented rental income collectible on demand.

(ii) These amounts are non-trade in nature, unsecured, interest-free advances, which are collectible on demand.

(iii) Included in the amounts due from subsidiaries of the Company of RM7,744,000 (2022: RM35,595,000) are non-trade in nature, unsecured, with interest bearing at 5.50% (2022: 5.50%) per annum. The remaining balances represented balances not subject to interest and interest charged to subsidiaries which are collectible on demand. During the financial year, the Company has capitalised RM52,000,000 due from a subsidiary to investment in subsidiaries of the Company as disclosed in Note 11.

17. OTHER RECEIVABLES (Cont'd)

(iv) Included in deposits of the Group of RM4,200,000 (2022: RM40,513,000) were deposits paid for one (2022: four) 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 30.

Included in deposits of the Group of RM1,000,000 (2022: RM Nil) were deposits paid for the proposal to outright purchase/joint development of a development land and is refundable if the application is unsuccessful.

(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	
	2023 RM'000	**2022 RM'000**
Derivative at fair value through profit or loss		
- forward exchange contract	**1,341**	(2,141)

(vi) Contract costs represent costs to obtain contracts which relate to incremental salesperson 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 RM27,622,000 (2022: RM24,333,000).

18. CONTRACT ASSETS/(LIABILITIES)

		Group	
	Note	**2023 RM'000**	**2022 RM'000**
Property development	(i)	**290,352**	277,800
Construction	(ii)	**(86)**	(352)
Completed units	(iii)	**(4,172)**	(2,701)
Lease	(iv)	**(26)**	-
		286,068	274,747
Represented by:			
Contract assets		**290,352**	277,800
Contract liabilities		**(4,284)**	(3,053)
		286,068	274,747

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 and relates to the Group's obligation to render its services to the customers which had been entered into a contract as at the reporting date.

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

(i) Property development

	Group	
	2023 **RM'000**	**2022** **RM'000**
At beginning of the financial year	**277,800**	214,714
Revenue recognised during the financial year (Note 3)	**688,721**	644,891
Consideration paid on behalf/payable	**129,573**	114,690
Progress billings during the financial year	**(805,742)**	(696,495)
At end of the financial year	**290,352**	277,800

(ii) Construction

	Group	
	2023 **RM'000**	**2022** **RM'000**
At beginning of the financial year	**(352)**	7,957
Revenue recognised during the financial year (Note 3)	**11,135**	26,338
Progress billings during the financial year	**(10,869)**	(34,647)
At end of the financial year	**(86)**	(352)

(iii) Completed units

	Group	
	2023 **RM'000**	**2022** **RM'000**
At beginning of the financial year	**(2,701)**	(2,701)
Revenue recognised during the financial year (Note 3)	**21,132**	59,342
Progress billings during the financial year	**(22,603)**	(59,342)
At end of the financial year	**(4,172)**	(2,701)

(iv) Lease

	Group	
	2023 **RM'000**	**2022** **RM'000**
At beginning of the financial year	**-**	-
Revenue recognised during the financial year (Note 3)	**120**	-
Collection during the financial period	**(146)**	-
At end of the financial year	**(26)**	-

19. CASH AND CASH EQUIVALENTS

		Group		Company	
	Note	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Cash and bank balances	(i)	**209,481**	266,255	**12,770**	20,189
Fixed deposits with licensed banks	(ii)	**76,538**	58,213	**-**	-
Short term investments	(iii)	**35,447**	117,328	**24**	6,800
		321,466	441,796	**12,794**	26,989

(i) Included in the bank balances of the Group is amount of RM118,503,000 (2022: RM133,941,000) 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 1.60% - 3.95% (2022: 1.68% - 4.00%) per annum and had maturity period of 3 to 6 months (2022: 3 to 6 months).

Included in fixed deposits of the Group is an amount of RM76,158,000 (2022: RM32,150,000) pledged to licensed banks as security for banking facilities granted to the Group as disclosed in Note 23.

(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.

20. ORDINARY SHARES

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Issued and fully paid:				
At beginning of financial year	**333,171**	314,551	**636,006**	617,386
Conversion of Warrant B	**-**	18,620	**-**	18,620
At end of financial year	**333,171**	333,171	**636,006**	636,006

	Group/Company	
	2023 Unit'000	2022 Unit'000
Issued and fully paid:		
At beginning of financial year	**837,327**	822,431
Conversion of Warrant B	**-**	14,896
At end of financial year	**837,327**	837,327

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.

20. ORDINARY SHARES (Cont'd)

2022

During the financial year, the Company has increased its issued ordinary shares from RM617,386,000 to RM636,006,000 by way of the issuance of 14,896,000 new ordinary shares at an issue price of RM1.25 per share pursuant to the exercise of Warrants B 2017/2022 ("Warrants B").

(i) The value of the Group's ordinary shares differs from that of the Company as a result of Reverse Acquisition accounting.

(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 RM83,614,000.

(c) The Company's increased share capital of RM67,131,000 represents the purchase consideration of Blossom Group which was satisfied by the allotment and issuance of 89,509,000 units of ordinary shares of the Company measured at RM0.75 per ordinary share, together with 639,642,000 units of RCPS and 76,551,000 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.

(ii) 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 580,644,000 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 580,644,000 and the adjusted total number of warrants was 23,226,000.

In the prior financial year, 14,896,000 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 4,388,000 has expired and lapsed.

21. REDEEMABLE CONVERTIBLE PREFERENCE SHARES ("RCPS")

	Company	
	2023 RM'000	2022 RM'000
Equity		
At beginning/end of the financial year	**164,519**	164,519

The carrying amount of the liability component of RCPS of the Company at the initial recognition date is arrived as follow: -

	RM'000
Fair value of issued RCPS	470,180
Fair value of deferred RCPS	56,272
	526,452
Less: Equity component	(397,829)
Liability component at initial recognition	128,623

	Company	
	2023 RM'000	2022 RM'000
Liabilities		
At beginning of the financial year	**45,336**	52,041
Dividend paid/payable	**(9,439)**	(9,482)
Unwinding of discount recognised to profit or loss	**2,433**	2,777
At end of the financial year	**38,330**	45,336

The units of RCPS are as follows: -

	Company	
	2023 Unit'000	2022 Unit'000
At beginning/end of the financial year	**296,192**	296,192

No RCPS recognised by the Group as a result of reverse acquisition accounting as described in Note 11.

2023

During the financial year, the total RCPS of the Company has reduced from RM209,855,000 to RM202,849,000 due to incurrence of dividend paid or payable of RM9,439,000 and unwinding of discount recognised to statements of comprehensive income of RM2,433,000. No conversion of RCPS in the current financial year. As at 31 December 2023, the total number of RCPS remain unconverted amounted to 296,192,000.

2022

In the prior financial year, the total RCPS of the Company has reduced from RM216,561,000 to RM209,855,000 due to incurrence of dividend paid or payable of RM9,482,000 and unwinding of discount recognised to statements of comprehensive income of RM2,777,000. No conversion of RCPS in the current financial year. As at 31 December 2022, the total number of RCPS remain unconverted amounted to 296,192,000.

The effective interest rate of the liability component of the RCPS ranges from 4.61% to 6.89% (2022: 4.61% to 6.89%) per annum.

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

2022 (Cont'd)

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.

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.

22. OTHER RESERVES

		Group		Company	
	Note	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Share option reserve	(i)	**12,887**	11,645	**12,887**	11,645
RCPS dividend payable	(ii)	**(29,714)**	(20,275)	**-**	-
Foreign currency translation reserve	(iii)	**(2)**	-	**-**	-
		(16,829)	(8,630)	**12,887**	11,645

(i) Share option reserve

	Group/Company	
	2023 RM'000	2022 RM'000
Share options under ESOS: -		
At 1 January	**11,645**	9,093
ESOS granted during the year	**1,311**	3,510
Revision of probability of vesting condition	**(69)**	(958)
At 31 December	**12,887**	11,645

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

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

The salient features of the ESOS are as follows: -

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

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

- has attained the age of at least eighteen (18) years and is not an undischarged bankrupt; and

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

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

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

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

22. OTHER RESERVES (Cont'd)

(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.

22. 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'000	Granted Unit'000	Exercised Unit'000	Forfeiture Unit'000	At end of the year Unit'000
25.10.2021	25.10.2021	25.10.2026	1.44	74,600	-	-	(23,900)	50,700
03.02.2022	03.02.2022	03.02.2027	1.17	12,450	-	-	(4,050)	8,400

Information of ESOS

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.

On 25 October 2021, 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.

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%

22. OTHER RESERVES (Cont'd)

(i) Share option reserve (Cont'd)

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: -

	2023 Unit'000	2022 Unit'000
At beginning/end of the financial year	**12,000**	12,000

During the financial year, a cumulative 7,200,000 units (2022: 4,800,000 units) of options were vested and exercisable as the Director remained in service for three (3) years from the date of grant.

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

	2023 Unit'000	2022 Unit'000
At beginning of the financial year	**70,900**	74,600
Granted	**-**	12,450
Forfeiture	**(11,800)**	(16,150)
At end of the financial year	**59,100**	70,900

During the financial year, a cumulative 27,810,000 units (2022: 16,550,000 units) of options were vested and exercisable as the employees remained in service for three (3) years from the date of grant.

	2023 Unit'000	2022 Unit'000
At beginning of the financial year	**16,550**	6,970
Vested and exercisable	**13,040**	10,260
Forfeiture	**(1,780)**	(680)
At end of the financial year	**27,810**	16,550

(ii) RCPS dividend payable

	Group	
	2023 RM'000	2022 RM'000
RCPS dividend payable: -		
At 1 January	**(20,275)**	(10,793)
Dividend paid/payable during the financial year	**(9,439)**	(9,482)
At 31 December	**(29,714)**	(20,275)

As disclosed in Note 20(iv), other reserve was in relation to dividend paid/payable for unconverted RCPS and will be transferred to ordinary share capital upon conversion.

(iii) Foreign currency translation reserve

The exchange translation reserve is used to record foreign currency exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency. It is also used to record the exchange differences arising from monetary items which form part of the Group's net investment in foreign operations, where the monetary item is denominated in either the functional currency of the reporting entity or the foreign operation.

23. BORROWINGS, SECURED

		Group	
	Note	2023 RM'000	2022 RM'000
Secured			
Non-current liability			
Term loans	(i)	**111,978**	188,605
Current liabilities			
Banker's acceptance		**8,865**	5,391
Revolving credit		**119,913**	166,497
Term loans	(i)	**61,610**	18,816
		190,388	190,704
		302,366	379,309
Total borrowings			
Banker's acceptance		**8,865**	5,391
Revolving credit		**119,913**	166,497
Term loans	(i)	**173,588**	207,421
		302,366	379,309

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

	Group	
	2023 %	2022 %
Banker's acceptance	**2.28 - 4.52**	3.29 - 4.06
Revolving credit	**4.50 - 5.92**	4.50 - 6.81
Term loans	**3.92 - 7.92**	3.17 - 7.65

(i) Term loans

	Group	
	2023 RM'000	2022 RM'000
Repayble within one year (current)	**61,610**	18,816
Repayable between 1 and 5 years	**108,698**	169,602
Repayable more than 5 years	**3,280**	19,003
Repayable after 1 year (non-current)	**111,978**	188,605
	173,588	207,421

23. BORROWINGS, SECURED (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 19(ii);

(iii) Legal charge over lands held for property development and on-going development as disclosed in Note 15;

(iv) Legal charge over the Group's freehold land and properties as disclosed in Note 8(i);

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

(vi) Legal charge over the ordinary shares of subsidiaries owned by the Company as disclosed in Note 11. As at 31 December 2023, the Company has fully settled the outstanding facilities and currently pending the securities to be discharged.

24. LEASE LIABILITIES

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Non-current liabilities	**4,466**	4,469	**691**	406
Current liabilities	**2,794**	2,424	**263**	167
	7,260	6,893	**954**	573
Future minimum lease payments:				
Repayable within 1 year	**3,117**	2,736	**305**	193
Repayable between 1 and 5 years	**4,684**	4,680	**747**	437
Repayable more than 5 years	**384**	403	**-**	-
	8,185	7,819	**1,052**	630
Less: Future finance charges	**(925)**	(926)	**(98)**	(57)
Present value of lease liabilities:	**7,260**	6,893	**954**	573
Present value of lease liabilities:				
Repayable within 1 year	**2,794**	2,424	**263**	167
Repayable between 1 and 5 years	**4,307**	4,320	**691**	406
Repayable more than 5 years	**159**	149	**-**	-
	7,260	6,893	**954**	573

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

	Group		Company	
	2023 %	2022 %	2023 %	2022 %
Lease liabilities	**3.74 - 18.32**	3.74 - 18.32	**4.37 - 7.80**	4.42 - 7.80

25. DEFERRED TAX LIABILITIES

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
At beginning of the financial year	**1,121**	922	**71**	-
Recognised in profit or loss (Note 6)	**511**	199	**(1)**	71
At end of the financial year	**1,632**	1,121	**70**	71

25. DEFERRED TAX LIABILITIES (Cont'd)

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

	Investment properties RM'000	Property, plant and equipment RM'000	Rights-of-use assets RM'000	Unabsorbed capital allowances RM'000	Other temporary differences RM'000	Total RM'000
Group						
2023						
At beginning of the financial year	44	258	(5)	(44)	868	1,121
Recognised in profit or loss (Note 6)	6	332	(8)	(7)	188	511
At end of the financial year	50	590	(13)	(51)	1,056	1,632
2022						
At beginning of the financial year	36	260	-	(44)	670	922
Recognised in profit or loss (Note 6)	8	(2)	(5)	-	198	199
At end of the financial year	44	258	(5)	(44)	868	1,121
Company						
2023						
At beginning of the financial year	-	72	(1)		-	71
Recognised in profit or loss (Note 6)	-	-	(1)		-	(1)
At end of the financial year	-	72	(2)	-	-	70
2022						
At beginning of the financial year	-	-	-		-	-
Recognised in profit or loss (Note 6)	-	72	(1)		-	71
At end of the financial year	-	72	(1)	-	-	71

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	
	2023 RM'000	Restated 2022 RM'000
Unutilised tax losses	**261**	454
Unabsorbed capital allowances	**11**	25
	272	479

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.

26. TRADE PAYABLES

	Note	Group 2023 RM'000	Group 2022 RM'000
Non-current liability			
Landowner's entitlement	(i)	**7,504**	-
Current liabilities			
Landowner's entitlement	(i)	**15,791**	-
Third parties	(ii)	**497,473**	124,571
Joint venture		**-**	2,508
Directors' related companies		**2,071**	2,741
Retention sum on contracts	(iii)	**37,867**	48,991
		553,202	178,811

The normal credit terms granted to the Group range from 30 to 60 days (2022: 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 6.85% per annum.

	Group 2023 RM'000	Group 2022 RM'000
Future minimum payments:		
- Repayable within 1 year	**16,329**	-
- Repayable within 2 years	**7,680**	-
	24,009	-
Less: Future accretion of interest	**(714)**	-
	23,295	-
Present value of deferred payable:		
- Repayable within 1 year	**15,791**	-
- Repayable within 2 years	**7,504**	-
	23,295	-

In previous year, there is a mutual agreement entered by the Group and the landowner on the early settlement of the landowner's entitlement. Consequently, the Group recognised a loss on remeasurement of deferred trade payable of RM48,000 in the statements of comprehensive income.

(ii) Included in the trade payables is an amount of RM356,537,000 due to the vendor of two (2) parcels of vacant freehold agriculture lands located at Kulai, Johor, of which the acquisition is completed on 23 October 2023 and was settled in February 2024 via banking facilities granted by financial institutions.

Included in the trade payables is an amount of RM4,582,000 (2022: RM4,495,000), represented landowner's entitlement which will be contra with 31 units of completed residential property upon Certificate of Completion and Compliance.

(iii) Retention sums held by the Group are due upon expiry of retention periods of 24 months after issuance of Certificate of Completion and Compliance.

27. OTHER PAYABLES

	Note	Group 2023 RM'000	Group 2022 RM'000	Company 2023 RM'000	Company 2022 RM'000
Current liabilities					
Other payables: -					
- third parties		**1,782**	2,616	**222**	118
- Directors' related companies	(i)	**2,569**	478	**273**	285
- Joint Venture	(i)	**15**	-	**-**	-
Accruals	(ii)	**67,107**	49,410	**13,993**	2,069
Accrued contractor works	(iii)	**62,614**	30,236	**-**	-
Derivative liabilities	17(v)	**-**	2,141	**-**	-
Rental deposits received	(iv)	**808**	221	**-**	-
Refundable deposits received	(v)	**124,735**	101,813	**-**	-
		259,630	186,915	**14,488**	2,472

(i) These amounts are non-trade in nature, unsecured, interest free advances which are repayable on demand.

(ii) Included in accruals is an amount of RM10,626,000 (2022: RM19,035,000) which represent accrued professional fees for on-going development which pending billings from its professionals.

Included in accruals of the Group and of the Company is an amount of RM11,475,000 (2022: RM Nil) which represent accrued investment of shares in other investment which pending satisfaction of the progress payment term as stipulated in the Share Sale Agreement as disclosed in Note 14.

Included in accruals is an accrued landowner's entitlement pursuant to development right agreement to undertake property development project which amounting to RM14,569,000 (2022: RM20,534,000).

(iii) These amounts represent accrued construction costs for on-going development which are pending billings from its contractors.

(iv) Rental deposits received represent security deposits received from the tenants of the units on the investment properties and lands held for future development which is refundable upon termination of the lease arrangements.

(v) 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.

28. DIVIDENDS

	Group/ Company RM'000
2023	
Recognised during the financial year:	
- Interim single tier dividend for financial year ended 31 December 2022: 3.5 sen per ordinary share (paid on 17 April 2023)	**29,306**
- Interim single tier dividend for financial year ended 31 December 2023: 3.0 sen per ordinary share (paid on 25 September 2023)	**25,120**
	54,426
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)	29,307
- Interim single tier dividend for financial year ended 31 December 2022: 3.0 sen per ordinary share (paid on 26 September 2022)	25,120
	54,427

29. 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 jointly 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 personnels. The Company has related party relationship with its subsidiaries, a joint venture, Directors' related companies and key management personnels. 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 16, 17, 26 and 27. 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	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Subsidiaries				
Investing activities				
Non-trade related				
Advances to	**-**	-	**(136,284)**	(114,536)
Repayment from	**-**	-	**111,522**	177,885
Advances from	**-**	-	**-**	69,510
Repayment to	**-**	-	**-**	(69,510)
Operating activities				
Non-trade related				
Management fee income	**-**	-	**7,877**	6,889
Rental income	**-**	-	**(1,005)**	(790)
Late payment interest	**-**	-	**2,632**	5,276
Dividend income	**-**	-	**(82,800)**	(78,000)
Directors' related companies				
Operating activities				
Trade related				
Late payment charges	**14**	-	**-**	-
Trading of building materials revenue	**16,558**	-	**-**	-
Repayment from	**12,851**	-	**-**	-
Repayment to	**(1,084)**	-	**-**	-
Sales of completed properties	**6,490**	-	**-**	-

29. RELATED PARTY DISCLOSURES (Cont'd)

Related party transactions (Cont'd)

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Directors' related companies (Cont'd)				
Operating activities (Cont'd)				
Trade related (Cont'd)				
Property development cost	**(1,040)**	-	**-**	-
Non-trade related				
Operating activities				
Rental income	**1,645**	2,743	**-**	-
Rental expenses and deposits paid	**(2,017)**	(1,222)	**(1,632)**	(1,156)
Financing activities				
Non-trade related				
Advances from/ (Repayment to)	**2,089**	429	**-**	285
Joint venture				
Operating activities				
Trade-related				
Construction cost	**(52,670)**	-	**-**	-
Revenue	**29,800**	-	**-**	-
Repayment from	**17,589**	-	**-**	-
Repayment to	**(51,871)**	-	**-**	-
Non-trade related				
Investing activities				
Acquisition of property, plant and equipment	**2,990**	-	**-**	-
Repayment to	**(2,975)**	-	**-**	-
Advances to	**(956)**	(1,419)	**(990)**	(1,385)

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.

29. RELATED PARTY DISCLOSURES (Cont'd)

Compensation of key management personnel (Cont'd)

The remuneration of the Directors and other members of key management personnel during the financial year were as follows: -

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Directors				
Directors' fee	**524**	310	**390**	310
Salaries and other emoluments	**3,003**	2,130	**1,278**	1,290
Contribution to defined contribution plan	**1,153**	1,050	**630**	630
Share based payment	**248**	686	**204**	686
Others	**7**	2	**1**	1
	4,935	4,178	**2,503**	2,917
Estimated money value of benefits-in-kind ("BIK")	**47**	25	**25**	25
Total including estimated money value of BIK	**4,982**	4,203	**2,528**	2,942
Key senior management				
Salaries and other emoluments	**399**	511	**399**	511
Contribution to defined contribution plan	**39**	82	**39**	82
Share based payment	**-**	254	**-**	320
Others	**1**	2	**1**	2
	439	849	**439**	915

30. 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	
	2023 RM'000	2022 RM'000
Authorised and contracted for: -		
Acquisition of lands		
- vacant freehold lands	-	388,394
- vacant leasehold lands	37,800	108,137
Acquisition of motor vehicles		
- 2 units of commercial vehicle	-	2,365
	37,800	498,896

31. 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

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.

31. SEGMENTAL INFORMATION (Cont'd)

Information regarding the Group's total reportable segments are presented below: -

	Property development RM'000	Construction RM'000	Trading RM'000	Total reportable segment RM'000	Non-reportable segment RM'000	Elimination RM'000	Group RM'000
2023							
Revenue							
Sales to external customers	699,627	22,752	112,363	834,742	132	-	834,874
Inter-segment revenue	19,067	445,791	120,736	585,594	83,160	(668,754)	-
Total revenue	718,694	468,543	233,099	1,420,336	83,292	(668,754)	834,874
Segment profit before tax	280,657	28,977	8,692	318,326	77,615	(183,385)	212,556
Included in the measure of segment profit are:							
Cost of sales	450,582	432,352	220,118	1,103,052	191	(570,671)	532,572
Interest income	(13,213)	(3,423)	(196)	(16,832)	(3,138)	14,236	(5,734)
Interest expenses	25,342	1,117	1,156	27,615	2,472	(11,788)	18,299
Share of results of a joint venture	-	-	-	-	(2,338)	-	(2,338)
Unrealised loss on foreign exchange	3,482	-	-	3,482	190	-	3,672
Fair value adjustment on derivative	(3,482)	-	-	(3,482)	-	-	(3,482)
Depreciation of property, plant and equipment	3,395	596	371	4,362	608	18	4,988
Tax expenses	52,743	8,617	2,049	63,409	850	185	64,444
Segment assets	2,288,561	343,037	126,851	2,758,449	979,221	(1,494,202)	2,243,468

31. SEGMENTAL INFORMATION (Cont'd)

Information regarding the Group's total reportable segments are presented below: - (Cont'd)

	Property development RM'000	Construction RM'000	Trading RM'000	Total reportable segment RM'000	Non-reportable segment RM'000	Elimination RM'000	Group RM'000
2022							
Revenue							
Sales to external customers	696,114	36,220	134,591	866,925	15	-	866,940
Inter-segment revenue	29,930	299,014	8,983	337,927	78,090	(416,017)	-
Total revenue	726,044	335,234	143,574	1,204,852	78,105	(416,017)	866,940
Segment profit before tax	271,176	26,927	5,602	303,705	71,690	(123,894)	251,501
Included in the measure of segment profit are:							
Cost of sales	445,995	280,854	135,122	861,971	55	(314,855)	547,171
Interest income	(4,597)	(846)	(214)	(5,657)	(5,798)	7,955	(3,500)
Interest expenses	9,181	773	595	10,549	7,963	(3,214)	15,298
Depreciation of property, plant and equipment	2,539	276	308	3,123	304	-	3,427
Share of results of a joint venture	-	-	-	-	(45)	-	(45)
Gain on remeasurement of deferred other receivable	-	-	-	-	(219)	-	(219)
Unrealised gain on foreign exchange	(3,569)	-	-	(3,569)	-	-	(3,569)
Fair value adjustment on invesment properties	(655)	-	(75)	(730)	-	-	(730)
Tax expenses	64,060	6,915	1,440	72,415	1,311	(451)	73,275
Segment assets	1,683,847	230,873	75,804	1,990,524	866,814	(1,080,808)	1,776,530

31. SEGMENTAL INFORMATION (Cont'd)

Reconciliations of Group's reportable segment profit or loss and assets are presented as below:

	Group	
	2023 RM'000	2022 RM'000
Segment profit	**318,326**	303,705
Dividend income	**(82,800)**	(78,000)
Inter-segment profit	**(98,137)**	(48,903)
Interest income	**(14,236)**	(7,955)
Interest expenses	**11,788**	3,214
Bargain purchase on acquisition of a subsidiary	**-**	7,750
Other non-reportable segments	**77,615**	71,690
Profit before tax	**212,556**	251,501

	Group	
	2023 RM'000	2022 RM'000
Segment assets	**2,758,449**	1,990,524
Elimination of inter-segment transactions *	**(52,368)**	(9,282)
Inter-segment balances	**(581,252)**	(262,238)
Other non-reportable segments	**118,639**	57,526
Total assets	**2,243,468**	1,776,530

* *Mainly consist of inter-segment sale of land eliminated*

32. FINANCIAL INSTRUMENTS

Categories of financial instruments

The Group's and the Company's financial assets (excluding prepayment) and financial liabilities are all categorised as amortised costs respectively, except for other investment and derivative contract measured at fair value through profit or loss as disclosed in Note 14 and 17(v) respectively.

Financial Risk Management Objectives and Policies

The Group's financial risk management policy is to ensure that adequate financial resources are available for the development of the Group's operations whilst managing the financial risks, including credit risk, interest risk, 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.

32. FINANCIAL INSTRUMENTS (Cont'd)

Financial Risk Management Objectives and Policies (Cont'd)

(a) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises principally from its receivables (which consist of trade receivables and other receivables), contract assets and advances to a joint venture company. 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 2023, the Group has significant concentration of credit risk arising from the amount owing from 6 customers (2022: 6 customers) constituting 30% (2022: 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.

32. 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. 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.

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 Group 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.

32. FINANCIAL INSTRUMENTS (Cont'd)

Financial Risk Management Objectives and Policies (Cont'd)

(a) Credit risk (Cont'd)

Trade receivables and contract assets (Cont'd)

<u>Impairment losses</u>

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	
	2023 RM'000	**2022 RM'000**
Collateralised receivables		
Trade receivables		
Not past due	**56,887**	97,718
Past due but not impaired:		
1 day to 30 days	**21,511**	26,351
31 to 120 days	**16,898**	36,809
More than 120 days	**15,015**	1,626
	53,424	64,786
	110,311	162,504
Retention sum held by contract customers	**674**	14,594
Contract assets	**290,352**	277,800
	401,337	454,898
Non-collateralised receivables		
Trade receivables		
Not past due	**38,546**	37,927
Past due but not impaired:		
1 day to 30 days	**7,767**	3,710
31 days to 120 days	**14,830**	11,883
More than 120 days	**11,449**	14,509
	34,046	30,102
	72,592	68,029
Retention sum held by contract customers	**688**	286
Unbilled receivables	**8,780**	-
	82,060	68,315
	483,397	523,213

32. 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 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.

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.

Amounts due from subsidiaries 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 and a joint venture company. The Group and the Company monitor the ability of the subsidiaries 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 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.

Recognition and measurement of impairment loss

Amount due from subsidiaries 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.

The Group and the Company assume that there is a significant increase in credit risk when the subsidiaries' and a joint venture company's financial position deteriorates significantly. As the subsidiaries 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' and a joint venture company's loans and advances when it is payable, the Group and the Company consider subsidiaries' and a joint venture company's loan or advance to be credit impaired when the subsidiaries 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.

32. FINANCIAL INSTRUMENTS (Cont'd)

Financial Risk Management Objectives and Policies (Cont'd)

(a) Credit risk (Cont'd)

Amounts due from subsidiaries and a joint venture company (Cont'd)

Recognition and measurement of impairment loss (Cont'd)

As at year end, there were no indications of impairment loss in respect of amounts due from subsidiaries 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 RM304,653,000 (2022: RM379,309,000) 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.

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.

32. FINANCIAL INSTRUMENTS (Cont'd)

Financial Risk Management Objectives and Policies (Cont'd)

(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	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Floating rate instruments				
Financial asset: -				
Short term investment	**35,447**	117,328	**24**	6,800
Financial liabilities: -				
Banker's acceptance	**(8,865)**	(5,391)	**-**	-
Revolving credit	**(119,913)**	(166,497)	**-**	-
Term loans	**(173,588)**	(207,421)	**-**	-
	(266,919)	(261,981)	**24**	6,800

The Group and the Company are exposed to interest rate risk through the impact of rate changes in floating rate instruments. The changes in interest rates would not have material impact on the profit or loss and equity of the Group and of the Company.

(c) 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 the functional currency of the Group. The currency giving rise to this risk is primarily United States Dollar ("USD") and Australian Dollar ("AUD").

Foreign exchange exposures in transactional currency other than functional currency of the Group is kept to an acceptable level.

<u>Exposure to foreign currency risk</u>

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 AUD RM'000	in USD RM'000	Total RM'000
2023			
Other receivables	6,575	-	6,575
Borrowings	-	(79,913)	(79,913)
	6,575	(79,913)	(73,338)
2022			
Borrowings	-	(76,431)	(76,431)

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.

32. FINANCIAL INSTRUMENTS (Cont'd)

Financial Risk Management Objectives and Policies (Cont'd)

(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 the use of stand-by credit facilities. The unutilised credit facilities made available to the Group as at 31 December 2023 amount to RM887,269,656 (2022: RM305,217,000).

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.

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			------------------------>
	Carrying amount RM'000	Contractual cash flows RM'000	Within one year RM'000	Between 1 and 2 years RM'000	Between 2 and 5 years RM'000	More than 5 years RM'000
Group						
2023						
Trade payables	**560,706**	**561,420**	**519,318**	**11,787**	**30,315**	**-**
Other payables	**259,630**	**259,630**	**224,427**	**33,795**	**1,408**	**-**
Borrowings:-						
- Banker's acceptance	**8,865**	**8,889**	**8,889**	**-**	**-**	**-**
- Revolving credit	**119,913**	**121,097**	**121,097**	**-**	**-**	**-**
- Term loans	**173,588**	**237,504**	**73,461**	**53,252**	**107,302**	**3,489**
Lease liabilities	**7,260**	**8,185**	**3,117**	**2,191**	**2,493**	**384**
	1,129,962	**1,196,725**	**950,309**	**101,025**	**141,518**	**3,873**
2022						
Trade payables	178,811	178,811	128,065	13,525	37,221	-
Other payables	186,915	186,915	165,733	14,982	6,200	-
Borrowings:-						
- Banker's acceptance	5,391	5,589	5,589	-	-	-
- Revolving credit	166,497	168,156	168,156	-	-	-
- Term loans	207,421	287,874	29,831	62,570	174,510	20,963
Lease liabilities	6,893	7,819	2,736	2,108	2,572	403
	751,928	835,164	500,110	93,185	220,503	21,366

32. 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)

			<------------------------ Contractual cash flows	------------------------>		
	Carrying amount RM'000	Contractual cash flows RM'000	Within one year RM'000	Between 1 and 2 years RM'000	Between 2 and 5 years RM'000	More than 5 years RM'000
Company						
2023						
Other payables	**14,488**	**14,488**	**14,488**	**-**	**-**	**-**
Lease liabilities	**954**	**1,052**	**305**	**383**	**364**	**-**
Financial guarantee *	**304,653**	**304,653**	**304,653**	**-**	**-**	**-**
	320,095	**320,193**	**319,446**	**383**	**364**	**-**
2022						
Other payables	2,472	2,471	2,471	-	-	-
Lease liabilities	573	630	193	174	263	-
Financial guarantee *	379,309	379,309	379,309	-	-	-
	382,354	382,410	381,973	174	263	-

* *This liquidity risk exposure is included for illustration purpose only as the related financial guarantees have not crystallised.*

33. 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 9, 14 and 17(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.

34. 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 total debt-to-equity ratio which is the total debt divided by total equity. Total debt includes lease liabilities and loans and borrowings 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	
	2023 RM'000	**2022 RM'000**
Borrowings (Note 23)	**302,366**	379,309
Lease liabilities (Note 24)	**7,260**	6,893
Total debt	**309,626**	386,202
Total equity attributable to Owners of the Company	**1,101,849**	1,016,149
Debt-to-equity ratio (%)	**28%**	38%

34. CAPITAL MANAGEMENT (Cont'd)

	Company	
	2023 RM'000	**2022 RM'000**
Lease liabilities (Note 24)	**954**	573
Total debt	**954**	573
Total equity	**841,222**	817,596
Debt-to-equity ratio (%)	**0.11%**	0.07%

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 2023, the gearing ratio of respective subsidiaries that are subject to the loan covenant was as follows:-

(a) TNSB at 0.45 times (2022: 0.50 times);
(b) RUSB at 0.19 times (2022: 0.27 times); and
(c) BESB at 0.18 times (2022: 0.31 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 2023, the gearing ratio of the Group was at 0.28 times (2022: 0.38 times)

(iii) Tangible net worth shall not fall below RM770,000,000

The Company's tangible net worth is at RM841,222,000 (2022: RM817,596,000), which is above the stipulated tangible net worth of RM770,000,000.

(iv) Dividend declaration not more than 50% of current year profit after tax

The Group is in compliance with the externally imposed capital requirements as mentioned above.

35. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

Completion on acquisition of agriculture lands

On 09 August 2022, 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.

All condition precedents ("CPs") set forth in the above-mentioned agreement is satisfied on 16 January 2023, resulting the SPA being unconditional on even date.

On 31 March 2023, the balance purchase consideration of RM64.68 million pursuant to the acquisition has been paid in full, hence marking the completion of the Acquisition.

35. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR (Cont'd)

Acquisition of freehold agriculture lands

On 13 February 2023, LMSB entered into a conditional sale and purchase agreement with Seriemas Development Sdn. Berhad for the acquisition of 2 parcels of freehold vacant land located in Kelan Kechil, Mukim Senai, Daerah Kulai, Negeri Johor measuring 435.2334 hectares in aggregate for a total cash consideration of RM398,207,000. As at 11 August 2023, the parties mutually agreed to extend the Conditional Period of the SPA up to 13 November 2023 with the aim to accord the Parties an additional period of 3 months to fulfil the CPs. All condition precedents ("CPs") set forth in the above-mentioned agreement is satisfied on 23 October 2023, resulting the SPA being unconditional on even date.

On 19 February 2024, the balance purchase consideration of RM356,537,000 pursuant to the acquisition has been paid in full and the Vendor's solicitors has confirmed receipt of the same, hence marking the completion of the Acquisition.

Acquisition of 12-storey office building

On 05 September 2023, LHSB entered into a sale and purchase Agreement ("SPA") with MTrustee Berhad as the trustee of CapitaLand Malaysia Trust ("CLMT") for the purpose of acquiring a twelve-storey office building known as "3 Damansara Office Tower", for a total purchase price of RM52,000,000.

All condition precedents ("CPs") set forth in Schedule 2 of the above-mentioned agreement is satisfied on 4 December 2023, resulting the SPA being unconditional on even date.

36. EVENTS SUBSEQUENT TO THE END OF FINANCIAL YEAR

Development Rights Agreement

On 10 January 2024, the Company had entered into a Development Rights Agreement ("DRA") with a third party to undertake the development of the lands located in Mukim Ulu Sungai Selangor, Daerah Kota Tinggi, Johor for a total cash consideration of RM85,380,000, upon the terms and subject to the conditions set out in the DRA.

Second interim dividend

On 28 February 2024, 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 2023, amounting to RM29,306,000. The entitlement date has been fixed on 18 April 2024, which is payable on 30 April 2024 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 2024.