VESTLAND BERHAD

PRO FORMA STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2022

2. LISTING SCHEME (CONT'D)

2.2 Pro Forma II: Proposed Utilisation of Proceeds from the Listing (cont'd)

(b) Performance Bonds and/or Cash Deposits for Construction Projects (cont'd)

* *The Group has yet to enter into any other contractual binding agreement for its future projects to provide performance bonds and/or cash deposits for the remaining RM5,825,000. Accordingly, the remaining RM5,825,000 earmarked for performance bonds and/or cash deposits for construction projects is not reflected in the Pro Forma Statements of Financial Position.*

(c) Working Capital

The proceeds which are earmarked for working capital purposes are estimated to be used for the payment for subcontractor services and for the payment to suppliers for purchases of construction materials. The allocation is in the manner as set out below:-

	RM
Payment for subcontractor services	25,000,000
Payment to suppliers for purchases of construction materials	8,498,000
Total	**33,498,000**

As at 28 November 2022, being the latest practicable date prior to the date of the Prospectus, the Group has yet to enter into any other contractual binding agreements or issue any purchase order for the subcontractor services as well as for the purchase of construction materials. Accordingly, the utilisation of proceeds earmarked for working capital purposes is not reflected in the Pro Forma Statements of Financial Position.

(d) Estimated Listing Expenses

The estimated listing expenses comprise the following:-

	RM
Professional fees	2,390,000
Fees to authorities	85,000
Underwriting, placement and brokerage fees	1,510,000
Printing, advertising and other incidental charges relating to the Listing	315,000
Total	**4,300,000**

The listing expenses is estimated to be RM4,300,000. As at 30 June 2022, RM828,700 has been charged to the profit or loss account and the said amount has been fully paid. The remaining estimated listing expenses of RM3,471,300 will be set off against the share capital and profit or loss accordingly. The apportionment is disclosed in Notes 3.10 and 3.12 respectively.

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VESTLAND BERHAD AND ITS SUBSIDIARY

PRO FORMA STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2022 (CONT'D)

3. NOTES TO PRO FORMA STATEMENTS OF FINANCIAL POSITION

3.01 PROPERTY, PLANT AND EQUIPMENT

The movements of property, plant and equipment are as follows:-

	Amount RM
At 30 June 2022/As per Pro Forma I/II	11,218,259

3.02 RIGHT-OF-USE ASSETS

The movements of right-of-use assets are as follows:-

	Amount RM
At 30 June 2022/As per Pro Forma I/II	1,169,675

3.03 INVESTMENT PROPERTIES

The movements of investment properties are as follows:-

	Amount RM
At 30 June 2022/As per Pro Forma I/II	12,100,000

3.04 CASH AND CASH EQUIVALENTS

The movements of cash and cash equivalents are as follows:-

	Amount RM
At 30 June 2022	38,315,592
Pursuant to Proposed Listing Scheme	56,100,000
As per Pro Forma I	94,415,592
Pursuant to Utilisation of Proceeds	
- Acquisition of new head office/refinancing of borrowings for acquisition of new head office	(7,502,000)
- Performance bonds and/or cash deposits for construction projects	(4,975,000)
- Estimated listing expenses	(3,471,300)
As per Pro Forma II	78,467,292
Represented by:-	
Non-current	13,645,858
Current	64,821,434
	78,467,292

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VESTLAND BERHAD AND ITS SUBSIDIARY

PRO FORMA STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2022 (CONT'D)

3. NOTES TO PRO FORMA STATEMENTS OF FINANCIAL POSITION (CONT'D)

3.05 DEFERRED TAX ASSETS

The movements of deferred tax assets are as follows:-

	Amount RM
At 30 June 2022/As per Pro Forma I/II	11,000

3.06 TRADE RECEIVABLES

The movements of trade receivables are as follows:-

	Amount RM
At 30 June 2022/As per Pro Forma I/II	102,168,905

3.07 OTHER RECEIVABLES

The movements of other receivables are as follows:-

	Amount RM
At 30 June 2022/As per Pro Forma I	22,254,726
Pursuant to Utilisation of Proceeds	
- Performance bonds and/or cash deposits for construction projects	4,975,000
As per Pro Forma II	27,229,726

3.08 CONTRACT ASSETS

The movements of contract assets are as follows:-

	Amount RM
At 30 June 2022/As per Pro Forma I/II	18,767,690

3.09 ASSETS CLASSIFIED AS HELD-FOR-SALE

The movements of assets classified for held-for-sale are as follows:-

	Amount RM
At 30 June 2022/As per Pro Forma I/II	3,262,018

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VESTLAND BERHAD AND ITS SUBSIDIARY

PRO FORMA STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2022 (CONT'D)

3. NOTES TO PRO FORMA STATEMENTS OF FINANCIAL POSITION (CONT'D)

3.10 SHARE CAPITAL

The movements of the issued share capital are as follows:-

	Number of Shares Unit	Amount RM
At 30 June 2022	774,308,700	46,458,616
Pursuant to Proposed Listing Scheme	170,000,000	56,100,000
As per Pro Forma I	944,308,700	102,558,616
Pursuant to Utilisation of Proceeds		
- Estimated listing expenses	-	(2,040,000)
As per Pro Forma II	944,308,700	100,518,616

3.11 MERGER DEFICIT

The movements of merger deficit are as follows:-

	Amount RM
At 30 June 2022/As per Pro Forma I/II	(44,708,516)

3.12 RETAINED EARNINGS

The movements of retained earnings are as follows:-

	Amount RM
At 30 June 2022/As per Pro Forma I	55,364,872
Pursuant to Utilisation of Proceeds	
- Estimated listing expenses	(1,431,300)
As per Pro Forma II	53,933,572

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VESTLAND BERHAD AND ITS SUBSIDIARY

PRO FORMA STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2022 (CONT'D)

3. NOTES TO PRO FORMA STATEMENTS OF FINANCIAL POSITION (CONT'D)

3.13 BORROWINGS

The movements of borrowings are as follows:-

	Amount RM
At 30 June 2022/As per Pro Forma I	43,175,241
Pursuant to Utilisation of Proceeds	
- Acquisition of new head office/refinancing of borrowings for acquisition of new head office	(5,711,990)
As per Pro Forma II	37,463,251
Represented by:-	
Non-current	15,437,492
Current	22,025,759
	37,463,251

3.14 LEASE LIABILITIES

The movements of lease liabilities are as follows:-

	Amount RM
At 30 June 2022/As per Pro Forma I/II	922,966
Represented by:-	
Non-current	487,811
Current	435,155
	922,966

3.15 TRADE PAYABLES

The movements of trade payables are as follows:-

	Amount RM
At 30 June 2022/As per Pro Forma I/II	77,714,829

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VESTLAND BERHAD AND ITS SUBSIDIARY

PRO FORMA STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2022 (CONT'D)

3. NOTES TO PRO FORMA STATEMENTS OF FINANCIAL POSITION (CONT'D)

3.16 OTHER PAYABLES

The movements of other payables are as follows:-

	Amount RM
At 30 June 2022/As per Pro Forma I	12,697,452
Pursuant to Utilisation of Proceeds	
- Acquisition of new head office/refinancing of borrowings for acquisition of new head office	(1,790,010)
As per Pro Forma II	10,907,442

3.17 CONTRACT LIABILITIES

The movements of contract liabilities are as follows:-

	Amount RM
At 30 June 2022/As per Pro Forma I/II	13,062,457

3.18 TAX PAYABLE

The movements of tax payable are as follows:-

	Amount RM
At 30 June 2022/As per Pro Forma I/II	4,579,948

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VESTLAND BERHAD
(Registration No: 202101037563 (1437863 – M))
(Incorporated in Malaysia)

ACCOUNTANTS' REPORT
FOR THE FINANCIAL YEARS/PERIOD ENDED 31 DECEMBER 2019, 31 DECEMBER 2020, 31 DECEMBER 2021 AND 30 JUNE 2022

GRANT THORNTON MALAYSIA PLT

CHARTERED ACCOUNTANTS

Member Firm of Grant Thornton International Ltd.

GrantThornton

Date: 30 November 2022

Grant Thornton Malaysia PLT
Level 11, Sheraton Imperial Court
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The Board of Directors
Vestland Berhad
D-08-03, Menara Mitraland
No.13A, Jalan PJU 5/1
Kota Damansara PJU 5
47810 Petaling Jaya
Selangor Darul Ehsan

Dear Sirs,

Reporting Accountants' Opinion on The Financial Statements (as defined herein) Contained In The Accountants' Report of Vestland Berhad ("the Company" or "Vestland")

Opinion

We have audited the financial statements of Vestland Berhad and its subsidiary (collectively known as "the Group" or "Vestland Group") which comprises the statements of financial position of the Group as at 31 December 2019, 31 December 2020, 31 December 2021 and 30 June 2022, the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group for the financial years/period ended 31 December 2019, 31 December 2020, 31 December 2021 and 30 June 2022 and a summary of significant accounting policies and other explanatory notes, as set out on pages 4 to 73.

In our opinion, the accompanying financial statements give a true and fair view of the statements of financial position of the Group as at 31 December 2019, 31 December 2020, 31 December 2021 and 30 June 2022 and of its financial performance and cash flows for the financial years/period then ended in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

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 *Reporting Accountants' Responsibilities for the Audit of the Financial Information* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group 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.

Audit | Tax | Advisory

Chartered Accountants
Grant Thornton Malaysia PLT (201906003682 (LLP0022494-LCA) & AF 0737) is a Limited Liability Partnership and is a member firm of Grant Thornton International Ltd (GTIL), a private company limited by guarantee, incorporated in England and Wales.

Grant Thornton Malaysia PLT was registered on 1 January 2020 and with effect from that date, Grant Thornton Malaysia (AF 0737), a conventional partnership was converted to a Limited Liability Partnership.

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Responsibilities of the Directors for the Financial Statements

The Directors of the Group are responsible for the preparation of the financial statements of the Group that give a true and fair view in accordance with the Malaysian Financial Reporting Standards and International Financial Reporting Standards. 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 that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group, the Directors are responsible for assessing the Group'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 to cease operations, or have no realistic alternative but to do so.

Reporting Accountants' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group as a whole are free from material misstatement, whether due to fraud or error, and to issue a reporting accountants' 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 judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group, 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.

- 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 internal control.

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

- 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 ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our reporting accountants' report to the related disclosures in the Financial Statements of the Group 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 report. However, future events or conditions may cause the Group to cease to continue as a going concern.

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Reporting Accountants' Responsibilities for the Audit of the Financial Statements (cont'd)

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

- Evaluate the overall presentation, structure and content of the financial statements of the Group, including the disclosures, and whether the financial statements of the Group represents the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial statements of the entity 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 communicated 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 identified during our audit.

Other Matters

1. The comparative information in respect of the statements of profit or loss and other comprehensive income, statements of cash flows and related notes to the financial statements for the financial period ended 30 June 2021 has not been audited.

2. This report has been prepared solely to comply with the Prospectus Guidelines – Equity issued by the Securities Commission Malaysia and for inclusion in the prospectus of Vestland in connection with the listing of and quotation for the entire enlarged issued share capital of Vestland on the ACE Market of Bursa Malaysia Securities Berhad and should not be relied upon for any other purposes. We do not assume responsibility to any other person for the content of this report.

GRANT THORNTON MALAYSIA PLT
(201906003682 & LLP0022494-LCA)
CHARTERED ACCOUNTANTS (AF 0737)

LUI LEE PING
(NO: 03334/1?/2023 (J))
CHARTERED ACCOUNTANT

Kuala Lumpur

VESTLAND BERHAD
(Incorporated in Malaysia)

STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2019, 31 DECEMBER 2020, 31 DECEMBER 2021 AND 30 JUNE 2022

	Note	31.12.2019 RM	31.12.2020 RM	31.12.2021 RM	30.6.2022 RM
ASSETS					
Non-current assets					
Property, plant and equipment	4	16,350,608	13,362,927	8,994,496	11,218,259
Right-of-use assets	5	1,868,262	1,666,450	2,080,219	1,169,675
Investment properties	6	5,352,004	3,934,374	15,950,048	12,100,000
Investment in associates	7	1,140,000	-	-	-
Cash and cash equivalents	8	3,449,991	-	10,846,449	13,645,858
Deferred tax assets	9	101,000	151,000	97,000	11,000
Total non-current assets		28,261,865	19,114,751	37,968,212	38,144,792
Current assets					
Trade receivables	10	40,356,934	57,589,968	79,252,207	102,168,905
Other receivables	11	17,460,888	20,658,951	28,731,476	22,254,726
Contract assets	12	12,604,658	6,007,016	17,082,723	18,767,690
Cash and cash equivalents	8	12,489,057	14,047,099	3,889,014	24,669,734
Total current assets		82,911,537	98,303,034	128,955,420	167,861,055
Assets classified as held-for-sale	13	-	3,703,333	1,828,445	3,262,018
TOTAL ASSETS		111,173,402	121,121,118	168,752,077	209,267,865
EQUITY AND LIABILITIES					
EQUITY					
Equity attributable to the owners of the Company					
Share capital	14	1,750,000	1,750,000	1,750,100	46,458,616
Merger deficit	15	-	-	-	(44,708,516)
Retained earnings		27,054,953	34,064,070	44,699,442	55,364,872
Total equity		28,804,953	35,814,070	46,449,542	57,114,972
LIABILITIES					
Non-current liabilities					
Borrowings	16	4,508,492	17,281,552	19,192,397	20,970,161
Lease liabilities	17	1,301,370	923,926	1,108,959	487,811
Total non-current liabilities		5,809,862	18,205,478	20,301,356	21,457,972

VESTLAND BERHAD
(Incorporated in Malaysia)

STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2019, 31 DECEMBER 2020, 31 DECEMBER 2021 AND 30 JUNE 2022 (CONT'D)

	Note	31.12.2019 RM	31.12.2020 RM	31.12.2021 RM	30.6.2022 RM
EQUITY AND LIABILITIES (CONT'D)					
LIABILITIES (CONT'D)					
Current liabilities					
Trade payables	18	36,593,306	37,521,111	68,272,337	77,714,829
Other payables	19	20,632,690	7,564,895	20,684,792	12,697,452
Contract liabilities	12	9,310,882	3,478,914	2,823,905	13,062,457
Amount due to Directors	20	14,847	51,903	-	-
Borrowings	16	8,741,340	14,907,669	6,914,165	22,205,080
Lease liabilities	17	875,007	1,109,014	1,031,980	435,155
Tax payable		390,515	2,468,064	2,274,000	4,579,948
Total current liabilities		76,558,587	67,101,570	102,001,179	130,694,921
Total liabilities		82,368,449	85,307,048	122,302,535	152,152,893
TOTAL EQUITY AND LIABILITIES		111,173,402	121,121,118	168,752,077	209,267,865

The accompanying notes form an integral part of the financial statements.

VESTLAND BERHAD
(Incorporated in Malaysia)

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEARS/PERIODS ENDED 31 DECEMBER 2019, 31 DECEMBER 2020, 31 DECEMBER 2021, 30 JUNE 2022 AND 30 JUNE 2021

	Note	1.1.2019 to 31.12.2019 RM	1.1.2020 to 31.12.2020 RM	1.1.2021 to 31.12.2021 RM	1.1.2022 to 30.6.2022 RM	Unaudited 1.1.2021 to 30.6.2021 RM
Revenue	21	98,707,242	97,124,340	171,081,040	139,913,852	66,524,963
Cost of sales		(86,198,473)	(82,794,809)	(147,556,023)	(119,877,918)	(56,392,692)
Gross profit		12,508,769	14,329,531	23,525,017	20,035,934	10,132,271
Other income		1,056,961	866,747	369,960	855,991	112,345
Finance income		101,942	177,838	153,919	142,717	30,167
Administrative and operating expenses		(3,644,813)	(4,533,990)	(7,723,060)	(5,193,040)	(3,752,715)
Finance costs		(653,047)	(1,221,399)	(1,732,464)	(770,894)	(722,535)
Profit before tax	22	9,369,812	9,618,727	14,593,372	15,070,708	5,799,533
Tax expense	23	(2,205,075)	(2,609,610)	(3,958,000)	(4,405,278)	(1,597,000)
Profit for the financial years/periods		7,164,737	7,009,117	10,635,372	10,665,430	4,202,533
Other comprehensive income, net of tax		-	-	-	-	-
Total comprehensive income for the financial years/periods		7,164,737	7,009,117	10,635,372	10,665,430	4,202,533
Earnings per share:						
Basic and diluted (sen)	24	0.76	0.74	1.13	1.13	0.45

The accompanying notes form an integral part of the financial statements.

VESTLAND BERHAD
(Incorporated in Malaysia)

STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL YEARS/PERIODS ENDED 31 DECEMBER 2019, 31 DECEMBER 2020, 31 DECEMBER 2021, 30 JUNE 2022 AND 30 JUNE 2021

		← Non-distributable	→	Distributable	
	Note	Share capital RM	Merger deficit RM	Retained earnings RM	Total RM
At 1 January 2019		1,750,000	-	22,140,216	23,890,216
Transaction with owners:-					
Dividends paid to owners	25	-	-	(2,250,000)	(2,250,000)
Total comprehensive income for the financial year		-	-	7,164,737	7,164,737
At 31 December 2019		1,750,000	-	27,054,953	28,804,953
Total comprehensive income for the financial year		-	-	7,009,117	7,009,117
At 31 December 2020		1,750,000	-	34,064,070	35,814,070
Issuance of ordinary shares		100	-	-	100
Total comprehensive income for the financial year		-	-	10,635,372	10,635,372
At 31 December 2021		1,750,100	-	44,699,442	46,449,542
Transactions with owners:-					
Acquisition of a subsidiary		(1,750,000)	1,750,000	-	-
Issuance of ordinary shares pursuant to acquisition of a subsidiary		46,458,516	(46,458,516)	-	-
Total transactions with owners		44,708,516	(44,708,516)	-	-
Total comprehensive income for the financial period		-	-	10,665,430	10,665,430
At 30 June 2022		46,458,616	(44,708,516)	55,364,872	57,114,972

VESTLAND BERHAD
(Incorporated in Malaysia)

STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL YEARS/PERIODS ENDED 31 DECEMBER 2019, 31 DECEMBER 2020, 31 DECEMBER 2021, 30 JUNE 2022 AND 30 JUNE 2021 (CONT'D)

		← Non-distributable	→	Distributable	
	Note	Share capital RM	Merger deficit RM	Retained earnings RM	Total RM
Unaudited					
At 1 January 2021		1,750,000	-	34,064,070	35,814,070
Total comprehensive income for the financial period		-	-	4,202,533	4,202,533
At 30 June 2021		1,750,000	-	38,266,603	40,016,603

The accompanying notes form an integral part of the financial statements.

VESTLAND BERHAD
(Incorporated in Malaysia)

STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEARS/PERIODS ENDED 31 DECEMBER 2019, 31 DECEMBER 2020, 31 DECEMBER 2021, 30 JUNE 2022 AND 30 JUNE 2021

	1.1.2019 to 31.12.2019 RM	1.1.2020 to 31.12.2020 RM	1.1.2021 to 31.12.2021 RM	1.1.2022 to 30.6.2022 RM	**Unaudited** 1.1.2021 to 30.6.2021 RM
OPERATING ACTIVITIES					
Profit before tax	9,369,812	9,618,727	14,593,372	15,070,708	5,799,533
Adjustments for:					
Amortisation of investment properties	96,100	117,113	84,326	7,027	42,163
Depreciation of property, plant and equipment	952,523	794,359	730,754	381,346	355,865
Depreciation of right-of-use assets	462,130	734,598	906,755	338,357	435,377
Interest expenses	717,098	1,380,188	1,817,349	789,433	757,012
Interest income	(101,942)	(177,838)	(153,919)	(142,717)	(30,167)
Impairment loss on assets held-for-sale	-	332,042	-	-	-
Loss on disposal of investment in an associate	-	639,999	-	-	-
Loss on disposal of investment property	-	-	-	31,003	-
Gain on disposal of assets held-for-sale, net of Real Property Gain Tax	(629,295)	-	(30,167)	(91,555)	-
(Gain)/Loss on disposal of property, plant and equipment	(35,500)	(1,609)	-	32,263	-
Property, plant and equipment written off	-	-	20,323	-	18,242
Gain on early termination of right-of-use assets	-	-	(4,750)	-	-
Operating profit before working capital changes	10,830,926	13,437,579	17,964,043	16,415,865	7,378,025

VESTLAND BERHAD
(Incorporated in Malaysia)

STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEARS/PERIODS ENDED 31 DECEMBER 2019, 31 DECEMBER 2020, 31 DECEMBER 2021, 30 JUNE 2022 AND 30 JUNE 2021 (CONT'D)

	1.1.2019 to 31.12.2019 RM	1.1.2020 to 31.12.2020 RM	1.1.2021 to 31.12.2021 RM	1.1.2022 to 30.6.2022 RM	Unaudited 1.1.2021 to 30.6.2021 RM
OPERATING ACTIVITIES (CONT'D)					
Operating profit before working capital changes	10,830,926	13,437,579	17,964,043	16,415,865	7,378,025
Changes in working capital:					
Receivables	7,619,595	(19,773,671)	(34,837,402)	(21,928,044)	(24,294,821)
Payables	(4,181,136)	(247,131)	38,881,723	5,467,260	15,406,994
Contract assets	(1,467,519)	6,438,853	(11,160,592)	(1,703,506)	(8,136,891)
Contract liabilities	(6,552,074)	(5,831,968)	(655,009)	10,238,552	(770,285)
Domestic recourse factoring	(1,437,250)	-	-	-	-
Cash generated from/(used in) operations	4,812,542	(5,976,338)	10,192,763	8,490,127	(10,416,978)
Tax paid	(1,506,268)	(582,061)	(4,098,064)	(2,013,330)	(400,000)
Net cash from/ (used in) operating activities	3,306,274	(6,558,399)	6,094,699	6,476,797	(10,816,978)

VESTLAND BERHAD
(Incorporated in Malaysia)

STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEARS/PERIODS ENDED 31 DECEMBER 2019, 31 DECEMBER 2020, 31 DECEMBER 2021, 30 JUNE 2022 AND 30 JUNE 2021 (CONT'D)

	Note	1.1.2019 to 31.12.2019 RM	1.1.2020 to 31.12.2020 RM	1.1.2021 to 31.12.2021 RM	1.1.2022 to 30.6.2022 RM	Unaudited 1.1.2021 to 30.6.2021 RM
INVESTING ACTIVITIES						
Subscription of shares in associates		(440,000)	-	-	-	-
Interest received		101,942	177,838	153,919	142,717	30,167
Purchase of property, plant, and equipment	A	(119,179)	(45,327)	(1,047,878)	(344,305)	(114,305)
Proceeds from disposal of assets held-for-sale		2,962,750	-	2,233,500	1,920,000	-
Proceeds from disposal of investment property		-	-	-	550,000	-
Proceeds from disposal of property, plant, and equipment		35,500	5,400	-	5,000	-
Proceeds from disposal of investment in an associate		-	1	-	-	-
Purchase of investment properties		(1,213,948)	-	-	-	-
Purchase of right-of-use assets	B	-	-	(104,585)	-	(56,294)
(Advances to)/ Repayment from companies in which certain Directors have interest		(1,499,273)	(3,632,289)	79,502	4,188,096	-
(Advances to)/ Repayment from associates		(578,874)	2,300,304	-	-	(660,652)
(Advances to)/ Repayment from third parties		(2,634,309)	674,559	5,023,136	1,300,000	2,703,740
Net cash (used in)/ from investing activities		(3,385,391)	(519,514)	6,337,594	7,761,508	1,902,656

VESTLAND BERHAD
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STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEARS/PERIODS ENDED 31 DECEMBER 2019, 31 DECEMBER 2020, 31 DECEMBER 2021, 30 JUNE 2022 AND 30 JUNE 2021 (CONT'D)

	1.1.2019 to 31.12.2019 RM	1.1.2020 to 31.12.2020 RM	1.1.2021 to 31.12.2021 RM	1.1.2022 to 30.6.2022 RM	Unaudited 1.1.2021 to 30.6.2021 RM
FINANCING ACTIVITIES					
Advances from/ (Repayment to) Directors	14,847	37,056	(51,903)	-	(18,820)
(Placement)/Withdrawal of fixed deposits	(955,644)	3,449,991	(3,028,919)	(1,932,447)	(3,794,120)
Placement of bank balance pledged	-	-	(7,817,530)	(866,962)	-
Drawdown of term loans	2,584,250	13,055,729	4,779,826	-	4,756,250
Interest paid	(653,047)	(993,110)	(1,701,464)	(770,894)	(749,085)
Repayment of term loans	(90,526)	(10,672,075)	(2,883,137)	(3,869,359)	(504,497)
Drawdown of revolving credit	-	-	5,542,872	15,200,050	10,923,380
Repayment of lease liabilities	(439,768)	(676,223)	(1,215,753)	(1,217,973)	(597,438)
Advances from/ (Repayment to) third parties	3,210,380	(1,305,380)	(1,905,000)	-	(90,000)
Proceeds from issuance of shares	-	-	100	-	-
Dividends paid	(2,250,000)	-	-	-	-
Net cash from/(used in) financing activities	1,420,492	2,895,988	(8,280,908)	6,542,415	9,925,670

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STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEARS/PERIODS ENDED 31 DECEMBER 2019, 31 DECEMBER 2020, 31 DECEMBER 2021, 30 JUNE 2022 AND 30 JUNE 2021 (CONT'D)

	Note	1.1.2019 to 31.12.2019 RM	1.1.2020 to 31.12.2020 RM	1.1.2021 to 31.12.2021 RM	1.1.2022 to 30.6.2022 RM	Unaudited 1.1.2021 to 30.6.2021 RM
CASH AND CASH EQUIVALENTS						
Net changes		1,341,375	(4,181,925)	4,151,385	20,780,720	1,011,348
Brought forward		2,578,179	3,919,554	(262,371)	3,889,014	(262,371)
Carried forward	C	3,919,554	(262,371)	3,889,014	24,669,734	748,977

NOTES TO THE STATEMENTS OF CASH FLOWS

A. PURCHASE OF PROPERTY, PLANT AND EQUIPMENT

	31.12.2019 RM	31.12.2020 RM	31.12.2021 RM	30.6.2022 RM	Unaudited 30.6.2021 RM
Total purchase of property, plant and equipment	12,119,179	45,327	8,698,528	2,070,185	114,305
Less: Other payables	(12,000,000)	-	(7,650,650)	(1,725,880)	-
Cash payment	119,179	45,327	1,047,878	344,305	114,305

B. PURCHASE OF RIGHT-OF-USE ASSETS

	31.12.2019 RM	31.12.2020 RM	31.12.2021 RM	30.6.2022 RM	Unaudited 30.6.2021 RM
Total purchase of right-of-use assets	1,321,000	532,786	1,499,685	-	789,293
Future lease payment included in lease liabilities	-	(532,786)	-	-	-
Acquired under lease arrangements	(1,321,000)	-	(1,395,100)	-	(732,999)
	-	-	104,585	-	56,294

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STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEARS/PERIODS ENDED 31 DECEMBER 2019, 31 DECEMBER 2020, 31 DECEMBER 2021, 30 JUNE 2022 AND 30 JUNE 2021 (CONT'D)

NOTES TO THE STATEMENTS OF CASH FLOWS (CONT'D)

C. CASH AND CASH EQUIVALENTS

	31.12.2019 RM	31.12.2020 RM	31.12.2021 RM	30.6.2022 RM	**Unaudited** 30.6.2021 RM
Cash and bank balances	12,489,057	14,047,099	11,706,544	33,354,226	12,605,870
Fixed deposits with licensed banks	3,449,991	-	3,028,919	4,961,366	3,794,120
	15,939,048	14,047,099	14,735,463	38,315,592	16,399,990
Less:					
Bank overdraft	(8,569,503)	(14,309,470)	-	-	(11,856,893)
Bank balance pledged with a licensed bank	-	-	(7,817,530)	(8,684,492)	-
Fixed deposits pledged with licensed banks	(3,449,991)	-	(3,028,919)	(4,961,366)	(3,794,120)
	3,919,554	(262,371)	3,889,014	24,669,734	748,977

The bank balance and fixed deposits with licensed banks of the Group amounted to RM8,684,492 and RM4,961,366 (31.12.2021: RM7,817,530 and RM3,028,919, 31.12.2020: Nil, 31.12.2019: Nil and RM3,449,991 and unaudited 30.6.2021: Nil and RM3,794,120) respectively have been pledged as security for banking facility granted to the Group and hence, are not available for general use.

VESTLAND BERHAD
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NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2019, 31 DECEMBER 2020, 31 DECEMBER 2021 AND 30 JUNE 2022

1. GENERAL INFORMATION

1.1 Introduction

This report has been prepared solely to comply with the Prospectus Guidelines issued by the Securities Commission Malaysia and for inclusion in the prospectus of Vestland Berhad ("Vestland") in connection with the listing of and quotation for the entire enlarged issued share capital of the Group on the ACE Market of Bursa Malaysia Securities Berhad ("Bursa Securities") (hereinafter defined as "the Listing") and should not be relied upon for any other purposes.

1.2 Background

Vestland Sdn Bhd was incorporated on 10 November 2021 as a private limited liability company incorporated and domiciled in Malaysia. Vestland Sdn Bhd converted into a public limited liability company on 28 April 2022 and assumed its current name of Vestland Berhad. The registered office is located at Unit 30-01, Level 30 Tower A, Vertical Business Suite Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur. The principal place of business of the Group is located at D-08-03, Menara Mitraland, No.13A, Jalan PJU 5/1, Kota Damansara PJU 5, 47810 Petaling Jaya, Selangor Darul Ehsan.

1.3 Principal Activities

The Company is principally engaged in investment holding.

The subsidiary of Vestland as of the date of this report are as follows:-

Name of company	Effective ownership	Principal activities	Date of incorporation	Principal place of business/Country of incorporation
Vestland Resources Sdn Bhd	100%	Builders and contractors for construction works	26 January 2011	Malaysia

There was no significant change in the nature of the principal activities of Vestland and its subsidiary since their respective dates of incorporation.

1.4 Acquisition

<u>Vestland Group</u>

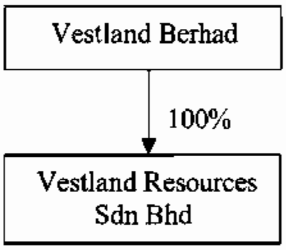
The Vestland Group formed pursuant to the completion of acquisition of Vestland Resources Sdn Bhd by Vestland prior to the listing and quotation on the ACE Market of Bursa Malaysia Securities Berhad.

On 20 April 2022, Vestland acquired the entire issued share capital of Vestland Resources Sdn Bhd comprising 1,750,000 ordinary shares for a purchase consideration of RM46,458,516 which was wholly satisfied via issuance of 774,308,600 new Vestland shares at an issue price of RM0.06 per share.

1. GENERAL INFORMATION (CONT'D)

1.4 Acquisition (cont'd)

Following the completion of the acquisition by Vestland, the group structure of is as follows:-



The Group is regarded as a continuing entity resulting from the acquisition since the management of all the entity which took major part in the acquisition which were controlled by the Directors and substantially under same major shareholders before and immediately after the acquisition. Consequently, immediately after the acquisition, there was a continuation of the control over entities' financial and operating policy decisions and risks and benefits to the ultimate shareholders that existed prior to the acquisition. The acquisition has been accounted for as an acquisition under common control in a manner similar to pooling of interests. Accordingly, the financial statements for the financial years/period ended ("FYE")/("FPE") 31 December 2019, 31 December 2020, 31 December 2021 and 30 June 2022 have been prepared comprise the financial statements of the combining entity which were under common control of the ultimate shareholders that existed prior to the acquisition during the relevant periods or since their respective dates of incorporation.

No financial statements of Vestland Berhad was included for the financial years ended 31 December 2019 and 31 December 2020 as Vestland Berhad was only incorporated on 10 November 2021.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

2.1 Statement of Compliance and Basis of Preparation

The financial statements have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs") and International Financial Reporting Standards ("IFRSs") based on the Guidance Note on 'Financial Statements' issued by the Malaysian Institute of Accountants in relation to the Listing.

The financial statements consist of the financial statements of the Group, which were under common control throughout the reporting years/periods by virtue of common controlling shareholders.

The financial statements have been prepared using financial statements obtained from the records of the Group during the reporting years/periods.

The financial information as presented in the financial statements do not correspond to the financial statements of the Group, as the financial statements reflect business combinations under common control for the purpose of the Listing. Consequently, the financial statements do not purport to predict the financial positions, results of operations and cash flows of the Group during the reporting years/periods.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONT'D)

2.2 Basis of Measurement

The financial statements of the Group are prepared under the historical cost convention, unless otherwise indicated in the summary of significant accounting policies.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of an asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure for value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to their fair value measurement as a whole:-

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
Level 2 - Valuation techniques for which the lowest level input that is significant to their fair value measurement is directly or indirectly observable.
Level 3 - Valuation techniques for which the lowest level input that is significant to their fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to their fair value measurement as a whole) at the end of each reporting years/period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of fair value hierarchy as explained above.

2.3 Functional and Presentation Currency

The financial statements are presented in Ringgit Malaysia ("RM"), which is the Group's functional currency and all values are rounded to the nearest RM except when otherwise stated.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONT'D)

2.4 MFRSs

2.4.1 Adoption of New Standards/Amendments/Improvements to MFRSs

The Group has consistently applied the accounting policies set out in Note 3 to all periods presented in these financial statements.

At the beginning of the current financial years/period, the Group adopted new standards/amendments/ improvements to MFRSs which are mandatory for the financial periods beginning on or after 1 April 2021.

The initial application of the new standards/amendments/improvements to the standards did not have material impact on the financial statements.

2.4.2 Standards Issued but Not Yet Effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

Amendments to MFRSs Effective for Financial Period Beginning On or After 1 January 2022:-

Amendments to MFRS 3	Business Combinations: Reference to the Conceptual Framework
Amendments to MFRS 116	Property, Plant and Equipment: Proceeds before Intended Use
Amendments to MFRS 137	Provisions, Contingent Liabilities and Contingent Assets: Onerous Contracts – Cost of Fulfilling a Contract
Annual Improvements to MFRS standards 2018 – 2020	

MFRSs and Amendments to MFRS Effective for Financial Period Beginning On or After 1 January 2023:-

MFRS 17*	Insurance Contracts
Amendments to MFRS 17*	Insurance Contracts
Amendments to MFRS 17*	Insurance Contracts: Initial Application of MFRS 17 and MFRS 9 – Comparative Information
Amendments to MFRS 4*	Insurance Contracts: Extension of the Temporary Exemption from Applying MFRS 9
Amendments to MFRS 101	Presentation of Financial Statements: Classification of Liabilities as Current or Non-current
Amendments to MFRS 101	Presentation of Financial Statements: Disclosure of Accounting Policies
Amendments to MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates
Amendments to MFRS 112	Income Taxes: Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction

Amendments to MFRSs Effective for Financial Period Beginning On or After 1 January 2024:-

Amendments to MFRS 16	Leases: Lease Liability in a Sale and Leaseback

Amendments to MFRSs – Effective Date Deferred Indefinitely

Amendments to MFRS 10 and MFRS 128	Consolidated Financial Statements and Investments in Associate and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

* Not applicable to the Group's operation

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONT'D)

2.4 MFRSs (cont'd)

2.4.2 Standards Issued but Not Yet Effective (cont'd)

The initial application of the above standards and amendments are not expected to have any material financial impact to the financial statements.

2.5 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 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 the management, and will seldom equal the estimated results.

2.5.1 Key Sources of Estimation Uncertainty

Information about significant judgements, estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses are discussed below.

Useful Lives of Depreciable Assets

Management estimates the useful lives of the property, plant and equipment, right-of-use assets and investment properties to be 3 to 93 years and reviews the useful lives of depreciable assets at each reporting date. The management assesses that the useful lives represent the expected utility of the assets to the Group. Actual results, however, may vary due to change in the expected level of usage and developments, which may result in an adjustment to the Group's assets.

The carrying amount of the Group's property, plant and equipment, right-of-use assets and investment properties at the reporting date is disclosed in Notes 4, 5 and 6 to the financial statements.

The management expects that the expected useful lives of the property, plant and equipment, right-of-use assets and investment properties would not have material difference from the management's estimation hence it would not result in material variance in Group's profit for the financial years/period.

Impairment of Non-financial Assets

An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. To determine the recoverable amount, management estimates expected future cash flows from each cash-generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows.

In the process of measuring expected future cash flows, management makes assumptions about future operating results. The actual results may vary, and may cause significant adjustments to the Group's assets within the next financial year.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONT'D)

2.5 Significant Accounting Estimates and Judgements (cont'd)

2.5.1 Key Sources of Estimation Uncertainty (cont'd)

Impairment of Non-financial Assets (cont'd)

In most cases, determining the applicable discount rate involves estimating the appropriate adjustment to market risk and the appropriate adjustment to asset-specific risk factors.

Classification Between Investment Properties and Owner-occupied Properties

The Group determines whether a property qualifies as an investment property, and has developed criteria in making that judgement. Investment property is a property held to earn rentals or for capital appreciation or both. Therefore, the Group considers whether a property generates cash flows largely independently of the other assets held by the Group.

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. The Group accounts for the portions separately if the portions could be sold separately (or leased out separately under a finance lease). If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes.

Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as an investment property.

Provision for Expected Credit Losses of Trade Receivables and Contract Assets

The Group uses a provision matrix to calculate expected credit losses ("ECLs") for trade receivables and contract assets. The provision rates are based on the repayment pattern of the customers, customers type and coverage by letters of credit.

The provision matrix is initially based on the Group's historical default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with the forward-looking information. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

Income Taxes

Significant judgement is required in determining the capital allowances and deductibility of certain expenses during the estimation of provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognised tax liabilities based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax and deferred tax provisions in the period in which such determination is made.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONT'D)

2.5 Significant Accounting Estimates and Judgements (cont'd)

2.5.1 Key Sources of Estimation Uncertainty (cont'd)

Deferred Tax Assets (cont'd)

Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which all the deductible temporary differences can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

Assumptions about generation of future taxable profits depend on the management's estimates of future cash flows. These depend on estimates of future production and sales volume, operating costs, capital expenditure, dividends and other capital management transactions. Judgement is also required about application of income tax legislation. These judgements and assumptions are subject to risks and uncertainties, hence there is a possibility that changes in circumstances will alter expectations, which may impact the amount of deferred tax assets recognised in the statements of financial position and and unrecognised temporary differences.

Revenue from Contracts with Customers

Revenue is recognised when or as the control of the asset is transferred to our customers and, depending on the terms of the contract and the applicable laws governing the contract, control of the asset may transfer over time or at a point in time. If control of the asset transfers over time, revenue is recognised over the period of the contract by reference to the progress, based on the physical proportion of contract work-to-date certified by the Group and the customers.

Significant judgement is required in determining progress based on the certified work-to-date corroborated by the level of completion of the construction and installation based on actual costs incurred to-date over the estimated total constriction and installation costs. The total estimated costs are based on approval budgets, which require assessments and judgements to be made on changes in, for example, work scope, changes in costs and costs to completion. In making these judgements, management relies on past experience and the work of specialists. A change in estimates will directly affect the revenue to be recognised.

2.5.2 Significant Management Judgements

The following are significant management judgements in applying the accounting policies of the Group that have the most significant effect on the financial statements.

Deferred Tax Assets

The assessment of the probability of future taxable income in which deferred tax assets can be utilised is based on the Group's latest approved budget forecast, which is adjusted for significant non-taxable income and expenses and specific limits to the use of any unused tax loss or credit. If a positive forecast of taxable income indicates the probable use of a deferred tax asset, especially when it can be utilised without a time limit, that deferred tax asset is usually recognised in full. The recognition of deferred tax assets that are subject to certain legal or economic limits or uncertainties is assessed individually by management based on the specific facts and circumstances.

3. SIGNIFICANT ACCOUNTING POLICIES

The Group applies the significant accounting policies, as summarised below, consistently throughout all periods presented in the financial statements, unless otherwise stated.

3.1 Business Combination

3.1.1 Subsidiaries

Subsidiaries are entities, including structured entities, controlled by the Company. Control exists when the Company is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Potential voting rights are considered when assessing control only when such rights are substantive. Besides, Company considers it has de facto power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return.

Investment in subsidiaries is stated at cost less any impairment losses in the Company's statement of financial position, unless the investment is held for sale or distribution. The cost of investments included transaction costs. Where an indication of impairment exists, the carrying amount of the subsidiary is assessed and written down immediately to their recoverable amount.

Upon the disposal of investment in a subsidiary, the difference between the net disposal proceeds and its carrying amounts is included in the profit or loss.

3.1.2 Basis of Business Combination

Merger method

A business combination involving entity under common control is a business combination in which all the combining entity or business are ultimately controlled by same party or parties both before or after the business combination, and that control is not transitory. The acquisition of Vestland Resources Sdn Bhd resulted in a business involving common control entity since the management of all the entity which took part in the acquisition were controlled by common Directors and under common shareholders before and immediately after the acquisition, and accordingly the accounting treatment is outside the scope of MFRS 3. For such common control business combinations, the merger accounting principles are used to include the assets, liabilities, results, equity changes and cash flows of the combining entity in the financial statements. The merger method of accounting on a retrospective basis and restated its comparative as if the consolidation had taken place before the state of the earliest period presented in the financial statements.

Under the merger method of accounting, the results of subsidiary are presented as if the merger had been effected throughout the current year. The assets and liabilities combined are accounted for based on the carrying amounts from the perspective of the common control shareholders at the date of transfer. On consolidation, the cost of the merger is cancelled with the values of the shares received. Any resulting credit difference is classified as equity and regarded as a non-distributable reserve. Any resulting debit difference is adjusted against any suitable reserve. Any reserves which are attributable to share capital of the merged entity, to the extent that they have not been capitalised by a debit difference, are reclassified and presented as movement in other capital reserves.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.1.3 Loss of Control

Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interest and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss.

If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently it is accounted for as equity accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

3.1.4 Elimination on Combination

Intra-group balances and transactions, and any unrealised gains and losses arising from intra-group transactions, are eliminated in preparing the financial statements.

3.1.5 Associates

Associates are entities in which the Group has significant influence, but no control, over their financial and operating policies.

The Group's investment in associates is accounted for using the equity method. Under the equity method, investment in an associate is carried in the statements of financial position at cost plus post-acquisition changes in the Group's share of net assets of the associate since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment.

The share of the result of an associate is reflected in the profit or loss. This is the profit attributable to equity holders of the associate and therefore is the profit after tax and non-controlling interests in the subsidiaries of the associate. When the Group's share of losses exceeds its interest in an associate, the carrying amount of that interest including any long-term investment is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the associate.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in its associates. The Group determines at each end of the reporting period whether there is any objective evidence that the investment in the associates are impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associates and their carrying value, then recognise the amount in the share of profit of an equity-accounted associate in the profit or loss.

Upon loss of significant influence over an associate, the Group measures and recognises any retaining investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retaining investment and proceeds from disposal is recognised in the profit or loss.

Investment in associates is stated at cost less impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in the profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.2 Non-current Assets Held-for-Sale

Non-current assets that are expected to be recovered primarily through sale rather than through continuing use, are classified as held-for-sale.

Classification of the asset as held for sale occurs only when the asset is available for immediate sale in its present condition subject only to terms that are usual and customary and the sale must be highly probable. Management must be committed to a plan to sell the assets which are expected to qualify for recognition as a completed sale within one year from the date of classification. Action required to complete the plan should indicate that it is unlikely that significant changes to the plan will be made or the plan will be withdrawn.

Immediately before classification as held for sale, the assets are remeasured in accordance with the Group's accounting policies. Thereafter generally the assets are measured at the lower of their carrying amount and fair value less costs to sell. Property, plant and equipment, right-of-use assets and investment properties once classified as held-for-sale are not amortised or depreciated.

3.3 Property, Plant and Equipment

Property, plant and equipment are initially stated at cost.

All property, plant and equipment are subsequently stated at cost less accumulated depreciation and less any impairments losses. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

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

Properties under construction consist of buildings under construction for intended use as Group's office and staff's hostel.

Depreciation is recognised on the straight line method in order to write off the cost of each asset over its estimated useful lives. The annual rate of depreciation based on the estimated useful lives of the various classes of depreciable assets are as follows:-

Buildings	2%
Office equipment	20% - 33%
Furniture and fittings	20%
Electrical installation	20%
Machinery and equipment	20%
Motor vehicles	20%
Renovation	33%

Property under construction is not depreciated as it is not ready to use.

The residual values, useful lives and depreciation method are reviewed at least annually to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.3 Property, Plant and Equipment (cont'd)

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

3.4 Investment Properties

Investment properties which are held to earn rentals or for capital appreciation or both, are measured initially at its cost. Transaction costs are included in the initial measurement.

After initial recognition as investment properties, investment properties are carried at cost value less accumulated amortisation and any accumulated impairment losses.

The principal annual amortisation rate used is as follows:-

Long leasehold land	93 years
Buildings	2%
Shoplots	2%

Properties under construction consist of buildings under construction for intended use as for rental.

Depreciation of an investment property begins when it is ready for its intended use.

An investment property is derecognised on disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal. Any gain or loss arising from derecognition, determined as the difference between any net disposal proceeds and the carrying amounts of the investment property, and is recognised in statements of profit or loss.

3.5 Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

3.5.1 As A Lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

<u>Right-of-use Assets</u>

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.5 Leases (cont'd)

3.5.1 As A Lessee (cont'd)

Right-of-use Assets (cont'd)

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:-

Long leasehold land	81 years
Motor vehicles	20%
Machinery and equipment	20%
Store	50%

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. Refer to the accounting policy in Note 3.7 to the financial statements.

Lease Liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

As a practical expedient, MFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Group has used this practical expedient.

COVID-19 - Related Rent Concessions

The amendments to MFRS 16 provide relief to lessees from applying MFRS 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the COVID-19 pandemic. As a practical expedient, a lessee may elect not to assess whether the COVID-19 - related rent concessions from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from COVID-19 - related rent concessions the same way it would account for the change under MFRS 16, if the change were not a lease modification.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.5 Leases (cont'd)

3.5.1 As A Lessee (cont'd)

COVID-19 - Related Rent Concessions (cont'd)

During the financial year, the Group elects to account for a COVID-19 - related rent concessions that meets all of the following conditions in the same way as they would if they were not lease modification:

- the change in lease payments results in revised consideration for the lease that is substantially the same as or less than, the consideration for the lease immediately preceding the change;
- any reduction in lease payments affects only payments due on or before 30 June 2022; and
- there is no substantive change to other terms and conditions of the lease.

The Group accounts for such COVID-19 - related rent concessions in which the event or condition that triggers the reduced payment occurs. The Group presents the impacts of rent concessions within other income.

Short-term Leases and Leases of Low-value Assets

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

3.5.2 As A Lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in other income in the statements of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

3.6 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

3.6.1 Financial Assets

Initial Recognition and Measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income ("FVTOCI"), and fair value through profit or loss ("FVTPL").

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.6 Financial Instruments (cont'd)

3.6.1 Financial Assets (cont'd)

Initial Recognition and Measurement (cont'd)

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price.

In order for a financial asset to be classified and measured at amortised cost or FVTOCI, it needs to give rise to cash flows that are 'solely payments of principal and interest ("SPPI")' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at FVTOCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent Measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- financial assets at amortised cost (debt instruments);
- financial assets at FVTOCI with recycling of cumulative gains and losses (debt instruments);
- financial assets designated at FVTOCI with no recycling of cumulative gains and losses upon derecognition (equity instruments); and
- financial assets at FVTPL.

The Group only has financial assets at amortised costs on its statements of financial position.

Financial Assets at Amortised Cost

Financial assets at amortised cost are subsequently measured using the effective interest ("EIR") method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired. The Group's financial assets at amortised cost includes trade and most of other receivables, cash and cash equivalents.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.6 Financial Instruments (cont'd)

3.6.1 Financial Assets (cont'd)

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's statements of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its right to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.6 Financial Instruments (cont'd)

3.6.1 Financial Assets (cont'd)

Impairment (cont'd)

The Group considers a financial asset in default when contractual payments are past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

3.6.2 Financial Liabilities

Initial Recognition and Measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Subsequent Measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- financial liabilities at fair value through profit or loss; or
- financial liabilities at amortised cost.

The Group only has financial liabilities at amortised cost on its statements of financial position.

Financial Liabilities at Amortised Cost

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statements of profit or loss. The Group's financial liabilities include trade and most of other payables, amount due to Directors and borrowings.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statements of profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.6 Financial Instruments (cont'd)

3.6.3 Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statements of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

3.7 Impairment of Non-financial Assets

The Group assesses at each reporting date whether there is an indication that an asset maybe impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is higher of an asset's or cash-generating unit's ("CGU") fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

The Group bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Group's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses are recognised in the profit or loss.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss has been recognised for asset in prior years. Such reversal is recognised in the profit or loss.

3.8 Cash and Cash Equivalents

Cash and cash equivalents comprise cash in hand, bank balances, short term placement, fixed deposits with licensed banks and bank overdraft which are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Bank overdraft is shown in current liabilities in the statements of financial position.

For the purpose of the statements of financial position, cash and cash equivalents restricted to be used to settle a liability of 12 months or more after the end of the reporting period are classified as non-current asset.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.8 Cash and Cash Equivalents (cont'd)

For the purpose of the statements of cash flows, cash and cash equivalents are presented net of bank overdraft, pledged deposits and Escrow account.

3.9 Equity, Reserves and Distributions to Owners

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

Retained earnings include all current and prior periods' profits.

Interim dividends are simultaneously proposed and declared, because the articles of association of the Company grants the Directors the authority to declare interim dividends. Consequently, interim dividends are recognised directly as a liability when they are proposed and declared.

Final dividends proposed by the Directors are not accounted for in shareholders' equity as an appropriation of retained earnings, until they have been approved by the shareholders in a general meeting. When these dividends have been approved by the shareholders and declared, they are recognsied as a liability.

All transactions with owners of the Company are recorded separately within equity.

3.10 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statements of profit or loss net of any reimbursement.

If the effect of the time of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

3.11 Contingencies

3.11.1 Contingent Liabilities

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is not recognised in the statements of financial position and is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.11 Contingencies (cont'd)

3.11.2 Contingent Assets

When an inflow of economic benefit of an asset is probable where it arises from past events and where existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity, the asset is not recognised in the statements of financial position but is being disclosed as a contingent asset. When the inflow of economic benefit is virtually certain, then the related asset is recognised.

3.12 Borrowing Costs

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

All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that the Group incurred in connection with the borrowing of funds.

3.13 Employee Benefits

3.13.1 Short-term Employee Benefit

Short-term employee benefit obligations in respect of salaries, annual bonuses, paid annual leave and sick leave are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

3.13.2 Defined Contribution Plan

Defined contribution plan is post-employment benefit plans under which the Group pays fixed contribution into independent entities of funds and will have no legal or constructive obligation to pay further contribution if any of the funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years.

Such contribution is recognised as an expense in the profit or loss as incurred. As required by law, the Group makes such contribution to the Employees Provident Fund.

3.14 Revenue and Other Income

3.14.1 Revenue Recognition

Revenue from contracts with customers is recognised when or as a performance obligation in the contract with customer is satisfied, i.e. "control" of services underlying the particular performance obligation is transferred to the customer.

A performance obligation is a promise in a contract with a customer to transfer to the customer either:-

(a) goods or service (or a bundle of goods or service) that is distinct; or
(b) a series of distinct goods or service that are substantially the same and that have the same pattern of transfer to the customer.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.14 Revenue and Other Income (cont'd)

3.14.1 Revenue Recognition (cont'd)

Revenue from contracts with customers is measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring the promised service to the customers, excluding amounts collected on behalf of third parties such as sales tax or service tax. If the amount of consideration varies due to discounts, rebates, refunds, credits, incentives, penalties or other similar items, the Group estimates the amount of consideration to which it will be entitled based on the expected value or the most likely outcome.

If the contract with customer contains more than one performance obligation, the amount of consideration is allocated to each performance obligation based on the relative standalone selling prices of the goods or service promised in the contract.

The amount of variable consideration is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

The control of the promised goods or service may be transferred over time or at a point in time. Revenue for performance obligation that is not satisfied over time is recognised at the point in time at which the customer obtains control of the promised goods or services. The control over the goods or service is transferred over time and revenue is recognised over time if:

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

3.14.2 Construction Contracts

Contract costs comprise costs related directly to the specific contract and those that are attributable to the contract activity in general and can be allocated to the contract and such other costs that are specifically chargeable to the customers under the terms of the contract.

When the outcome of a construction contract can be estimated reliably, contract revenue and contract costs are recognised over the period of contract as revenue and expenses respectively by reference to the percentage of completion of the contract activity at the end of the reporting period. The Group uses the percentage of completion method to determine the appropriate amount of revenue and costs to be recognised in a period of the contract by reference to the proportion that contract costs incurred for work performed to date bear to the estimated total contract cost.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that is probably recoverable and contract costs are recognised as expenses in the period in which they are incurred.

When it is probable that the total contract cost will exceed the contract revenue, the expected loss is recognised as an expense immediately.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.14 Revenue and Other Income (cont'd)

3.14.2 Construction Contracts (cont'd)

Contract revenue comprises the initial amount of revenue agreed in the contract and variations in contract work, claims and incentive payments to the extent that it is probably that they will result in revenue and they are capable of being reliably measured.

The aggregate of the costs incurred and the profit or loss recognised on each contract is compared against the progress billings up to the financial year end. Where costs incurred and recognised profits (less recognised losses) exceed progress billings, the balance is shown as contract assets under current assets. Where progress billings exceed costs incurred plus recognised profits (less recognised losses), the balance is shown as contract liabilities under current liabilities.

Contract Costs

The incremental costs of obtaining a contract are those costs that the Group incurs to obtain a contract with a customer that it would not have incurred if the contract had not been obtained (for example, a sales commission). These costs are recognised in contract assets if the Group expects to recover those costs.

Contract Assets

A contract asset is the right to consideration in exchange for goods or service transferred to the customer. If the Group performs by transferring goods or service to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Contract Liabilities

A contract liability is the obligation to transfer goods or service to a customer for which the Group has received consideration (or an amount of consideration is due) from customer. If a customer pays consideration before the Group transfers goods or service to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

3.14.3 Other Income

Interest Income

Interest income is recognised in the profit or loss on time proportion basis taking into account the principal outstanding and the effective rate over the period to maturity, when it is determined that such income will accrue to the Group.

Rental Income

Rental income is accounted for on a straight-line basis over the lease terms. The aggregate costs of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.15 Tax Expense

Tax expense comprises current tax and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or other comprehensive income.

3.15.1 Current Tax

Current tax is the expected tax payable or receivable on the taxable profit or loss for the financial year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous financial years.

Current tax for current and prior periods are recognised in the statements of financial position as a liability (or an asset) to the extent that it is unpaid (or refundable).

3.15.2 Deferred Tax

Deferred tax is recognised using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities in the statements of financial position and their tax bases. Deferred tax is not recognised for the temporary differences arising from the initial recognition of goodwill, the initial recognition of assets and liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at the end of each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Unutilised reinvestment allowance and investment tax allowance, being tax incentives that is not a tax base of an asset, is recognised as a deferred tax asset to the extent that it is probable that the future taxable profits will be available to offset against the unutilised tax incentive credit.

3.16 Earnings per Ordinary Share

The Group presents basic and diluted earnings per share for its ordinary shares ("EPS").

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year, adjusted for own shares held.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.17 Related Parties

A related party is a person or entity that is related to the Group. A related party transaction is a transfer of resources, services or obligations between the Group and its related party, regardless of whether a price is charged.

(a) A person or a close member of that person's family is related to the Group if that person:-

- (i) Has control or joint control over the Group;
- (ii) Has significant influence over the Group; or
- (iii) Is a member of the key management personnel of the ultimate holding Group or the Group.

(b) An entity is related to the Group if any of the following conditions apply:-

- (i) The entity and the Group are members of the same group.
- (ii) The entity is an associate or joint venture of the Group.
- (iii) Both the Group and the entity are joint ventures of the same third party.
- (iv) The Group is a joint venture of a third entity and the entity is an associate of the same third entity.
- (v) The entity is a post-employment benefit plan for the benefits of employees of either the Group or an entity related to the Group.
- (vi) The entity is controlled or jointly-controlled by a person identified in (a) above.
- (vii) A person identified in (a)(i) above has significant influence over the entity or is a member of the key management personnel of the ultimate holding Group or the entity.
- (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Group.

3.18 Operating Segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. Operating segment results are reviewed regularly by the chief operating decision maker, which in this case is the Managing Director of the Group, to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

4. PROPERTY, PLANT AND EQUIPMENT

	Long leasehold land RM	Buildings RM	Office equipment RM	Furniture and fittings RM	Electrical installation RM	Machinery and equipment RM	Motor vehicles RM	Renovation RM	Properties under construction RM	Total RM
Cost										
At 1.1.2019	126,633	2,088,272	664,566	967,461	79,368	2,567,343	2,717,168	465,903	531,525	10,208,239
Additions	-	-	8,399	-	-	10,780	-	-	12,100,000	12,119,179
Transfer to right-of-use assets	(126,633)	-	-	-	-	-	(1,646,994)	-	-	(1,773,627)
Disposal	-	-	-	-	-	-	(429,000)	-	-	(429,000)
At 31.12.2019	-	2,088,272	672,965	967,461	79,368	2,578,123	641,174	465,903	12,631,525	20,124,791
Additions	-	-	19,167	-	-	26,160	-	-	-	45,327
Transfer to investment properties	-	-	-	-	-	-	-	-	(531,525)	(531,525)
Transfer to assets held-for-sale	-	(1,825,000)	-	-	-	-	-	-	-	(1,825,000)
Disposal	-	-	-	-	-	-	(24,155)	-	-	(24,155)
At 31.12.2020	-	263,272	692,132	967,461	79,368	2,604,283	617,019	465,903	12,100,000	17,789,438
Additions	-	-	125,763	4,110	-	804,401	49,000	64,604	7,650,650	8,698,528
Transfer to assets held-for-sale	-	(263,272)	-	-	-	-	-	-	-	(263,272)
Transfer to investment properties	-	-	-	-	-	-	-	-	(12,100,000)	(12,100,000)
Transfer from right-of-use assets	-	-	-	-	-	-	101,560	-	-	101,560
Written off	-	-	(122,904)	(112,995)	(79,368)	(95,050)	(8,000)	-	-	(418,317)
At 31.12.2021	-	-	694,991	858,576	-	3,313,634	759,579	530,507	7,650,650	13,807,937
Additions	-	-	15,087	-	-	162,818	166,400	-	1,725,880	2,070,185
Transfer from right-of-use assets	-	-	-	-	-	-	2,261,942	-	-	2,261,942
Disposal	-	-	(6,970)	-	-	(81,000)	-	(32,302)	-	(120,272)
At 30.6.2022	-	-	703,108	858,576	-	3,395,452	3,187,921	498,205	9,376,530	18,019,792

4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Long leasehold land RM	Buildings RM	Office equipment RM	Furniture and fittings RM	Electrical installation RM	Machinery and equipment RM	Motor vehicles RM	Renovation RM	Properties under construction RM	Total RM
Accumulated depreciation										
At 1.1.2019	9,380	80,260	389,042	636,946	49,611	763,624	1,728,624	357,408	-	4,014,895
Charge for the financial year	-	41,765	129,598	113,271	10,591	512,235	42,620	102,443	-	952,523
Transfer to right-of-use assets	(9,380)	-	-	-	-	-	(754,855)	-	-	(764,235)
Disposal	-	-	-	-	-	-	(429,000)	-	-	(429,000)
At 31.12.2019	-	122,025	518,640	750,217	60,202	1,275,859	587,389	459,851	-	3,774,183
Charge for the financial year	-	41,766	93,232	107,189	10,000	506,007	30,114	6,051	-	794,359
Transfer to assets held-for-sale	-	(121,667)	-	-	-	-	-	-	-	(121,667)
Disposal	-	-	-	-	-	-	(20,364)	-	-	(20,364)
At 31.12.2020	-	42,124	611,872	857,406	70,202	1,781,866	597,139	465,902	-	4,426,511
Charge for the financial year	-	5,266	72,952	91,338	9,166	526,596	23,658	1,778	-	730,754
Transfer to asset held-for-sale	-	(47,390)	-	-	-	-	-	-	-	(47,390)
Transfer from right-of-use assets	-	-	-	-	-	-	101,560	-	-	101,560
Written off	-	-	(121,850)	(94,754)	(79,368)	(94,022)	(8,000)	-	-	(397,994)
At 31.12.2021	-	-	562,974	853,990	-	2,214,440	714,357	467,680	-	4,813,441
Charge for the financial period	-	-	23,851	1,361	-	333,361	20,996	1,777	-	381,346
Transfer from right-of-use assets	-	-	-	-	-	-	1,689,755	-	-	1,689,755
Disposal	-	-	(232)	-	-	(81,000)	-	(1,777)	-	(83,009)
At 30.6.2022	-	-	586,593	855,351	-	2,466,801	2,425,108	467,680	-	6,801,533
Net carrying amount										
At 31.12.2019	-	1,966,247	154,325	217,244	19,166	1,302,264	53,785	6,052	12,631,525	16,350,608
At 31.12.2020	-	221,148	80,260	110,055	9,166	822,417	19,880	1	12,100,000	13,362,927
At 31.12.2021	-	-	132,017	4,586	-	1,099,194	45,222	62,827	7,650,650	8,994,496
At 30.6.2022	-	-	116,515	3,225	-	928,651	762,813	30,525	9,376,530	11,218,259

4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

The net carrying amount of property, plant and equipment pledged as security for banking facilities granted to the Group as stated in Note 16 to the financial statements are as follows:-

	31.12.2019 RM	31.12.2020 RM	31.12.2021 RM	30.6.2022 RM
Buildings	1,966,247	221,148	-	-
Properties under construction	-	-	-	7,650,650
	1,966,247	221,148	-	7,650,650

A motor vehicle with cost and net carrying amount of RM5,210 and Nil (31.12.2021, 31.12.2020 and 31.12.2019: RM5,210 and Nil) respectively was registered and held-in-trust by a Director of the Company.

5. RIGHT-OF-USE ASSETS

As a lessee

The Group has leases for long leasehold land, motor vehicles, machinery and equipment and store that run between 2 to 81 years.

The Group also has leases of premises and office equipment with lease terms of 12 months or less. The Group applies the 'short-term lease' recognition exemption for these leases.

	Long leasehold land RM	Motor vehicles RM	Machinery and equipment RM	Store RM	Total RM
At 1.1.2019	-	-	-	-	-
Transfer from property, plant, and equipment	117,253	892,139	-	-	1,009,392
Additions	-	56,000	1,265,000	-	1,321,000
Depreciation charge for the financial year	(1,564)	(334,066)	(126,500)	-	(462,130)
At 31.12.2019	115,689	614,073	1,138,500	-	1,868,262
Additions	-	-	-	532,786	532,786
Depreciation charge for the financial year	(1,563)	(280,240)	(253,000)	(199,795)	(734,598)
At 31.12.2020	114,126	333,833	885,500	332,991	1,666,450
Transfer to assets held-for-sale	(112,563)	-	-	-	(112,563)
Additions	-	1,499,685	-	-	1,499,685
Depreciation charge for the financial year	(1,563)	(385,799)	(253,000)	(266,393)	(906,755)
Early termination	-	-	-	(66,598)	(66,598)
At 31.12.2021	-	1,447,719	632,500	-	2,080,219
Transfer from property, plant, and equipment	-	(572,187)	-	-	(572,187)
Depreciation charge for the financial period	-	(211,857)	(126,500)	-	(338,357)
At 30.6.2022	-	663,675	506,000	-	1,169,675

5. RIGHT-OF-USE ASSETS (CONT'D)

As a lessee (cont'd)

The above motor vehicles, machinery and equipment are under lease arrangement.

The above long leasehold land is pledged as security for banking facilities granted to the Group as stated in Note 16 to the financial statements.

6. INVESTMENT PROPERTIES

	Long leasehold land RM	Buildings RM	Shoplots RM	Properties under construction RM	Total RM
Cost					
At 1.1.2019	827,333	3,325,445	800,000	-	4,952,778
Additions	-	1,213,948	-	-	1,213,948
At 31.12.2019	827,333	4,539,393	800,000	-	6,166,726
Transfer from property, plant and equipment	-	531,525	-	-	531,525
Transfer to assets held-for-sale	(827,333)	(1,654,667)	-	-	(2,482,000)
At 31.12.2020	-	3,416,251	800,000	-	4,216,251
Transfer from property, plant and equipment	-	-	-	12,100,000	12,100,000
At 31.12.2021	-	3,416,251	800,000	12,100,000	16,316,251
Disposal	-	(609,444)	-	-	(609,444)
Transfer to assets held-for-sale	-	(2,806,807)	(800,000)	-	(3,606,807)
At 30.6.2022	-	-	-	12,100,000	12,100,000
Accumulated amortisation					
At 1.1.2019	22,240	154,044	81,333	-	257,617
Charge during the financial year	8,896	71,204	16,000	-	96,100
At 31.12.2019	31,136	225,248	97,333	-	353,717
Charge during the financial year	8,896	92,217	16,000	-	117,113
Transfer to assets held-for-sale	(40,032)	(148,921)	-	-	(188,953)
At 31.12.2020	-	168,544	113,333	-	281,877
Charge during the financial year	-	68,326	16,000	-	84,326
At 31.12.2021	-	236,870	129,333	-	366,203
Charge during the financial period	-	5,694	1,333	-	7,027
Disposal	-	(28,441)	-	-	(28,441)
Transfer to assets held-for-sale	-	(214,123)	(130,666)	-	(344,789)
At 30.6.2022	-	-	-	-	-

6. INVESTMENT PROPERTIES (CONT'D)

	Long leasehold land RM	Buildings RM	Shoplots RM	Properties under construction RM	Total RM
Accumulated impairment					
At 1.1.2019/31.12.2019	-	461,005	-	-	461,005
Transfer to assets held-for-sale	-	(461,005)	-	-	(461,005)
At 31.12.2020/31.12.2021 /30.6.2022	-	-	-	-	-
Net carrying amount					
At 31.12.2019	796,197	3,853,140	702,667	-	5,352,004
At 31.12.2020	-	3,247,707	686,667	-	3,934,374
At 31.12.2021	-	3,179,381	670,667	12,100,000	15,950,048
At 30.6.2022	-	-	-	12,100,000	12,100,000
Fair value of investment properties					
At 31.12.2019	840,206	5,547,829	3,123,636	-	9,511,671
At 31.12.2020	-	4,296,476	954,086	-	5,250,562
At 31.12.2021	-	4,244,630	938,821	-	5,183,451
At 30.6.2022	-	-	-	-	-

The strata title of the buildings with the net carrying amount of Nil (31.12.2021: RM519,466, 31.12.2020: RM530,096 and 31.12.2019: RM1,613,383) is yet to issue by the relevant authorities.

The above long leasehold land meets the definition of right-of-use assets but does not required to be reclassified to right-of-use assets.

Expenses recognised in profit or loss:-

	1.1.2019 to 31.12.2019 RM	1.1.2020 to 31.12.2020 RM	1.1.2021 to 31.12.2021 RM	1.1.2022 to 30.6.2022 RM	Unaudited 1.1.2021 to 30.6.2021 RM
Revenue generated from investment properties	129,600	138,320	107,931	-	60,800
Direct operating expenses for investment properties:					
- revenue generating properties	73,666	72,446	63,389	-	32,934
- non-revenue generating properties	62,751	86,722	22,955	-	14,772

6. INVESTMENT PROPERTIES (CONT'D)

The net carrying amount of investment properties pledged as security for banking facilities granted to the Group as stated in Note 16 to the financial statements are as follows:-

	31.12.2019 RM	31.12.2020 RM	31.12.2021 RM	30.6.2022 RM
Long leasehold land	796,197	-	-	-
Buildings	2,239,757	1,666,850	3,179,382	-
Shoplot	702,667	686,667	670,666	-
Properties under construction	-	-	12,100,000	12,100,000
	3,738,621	2,353,517	15,950,048	12,100,000

Fair value of investment properties is estimated by Directors by reference to the published selling price for properties in vicinity locations. The long leasehold land, buildings and shoplots are classified as Level 3 in the fair value hierarchy.

The Directors have determined that the fair value of properties under construction are not reliably determinable without undue cost or effort but expects its fair value to be reliably determinable when construction is complete.

Impairment of assets

The impairment of building was derived using sales comparison approach. Sales price of comparable properties in close proximity are adjusted for differences in key attributes such as property size. The impairment was provided for as the net carrying amount of the building was below the market value of the said property at the end of the previous financial years.

7. INVESTMENT IN ASSOCIATES

	31.12.2019 RM	31.12.2020 RM	31.12.2021 RM	30.6.2022 RM
At cost				
Unquoted shares in Malaysia	1,140,000	500,000	-	-
Transfer to assets held-for-sale	-	(500,000)	-	-
	1,140,000	-	-	-

The details of the associates, which is incorporated and domiciled in Malaysia, are as follows:-

Name of companies	Effective equity interest 31.12.2019 %	31.12.2020 %	31.12.2021 %	30.6.2022 %	Principal activities
Grand Golden Development Sdn Bhd	20	-	-	-	Real property and housing developer
Le Garden Development Sdn Bhd	50	-	-	-	Investment holding

7. INVESTMENT IN ASSOCIATES (CONT'D)

The summarised financial information of the associates, not adjusted for the proportion of ownership interests held by the Group is as follow:-

	31.12.2019 RM
Assets and liabilities	
Non-current assets	2,891,394
Current assets	6,115,806
Current liabilities	(5,377,735)
	3,629,465
Results	
Loss for the financial year	(391,349)

Contingent Liabilities and Capital Commitments

The associates have no contingent liabilities and capital commitments as at the reporting date.

8. CASH AND CASH EQUIVALENTS

	31.12.2019 RM	31.12.2020 RM	31.12.2021 RM	30.6.2022 RM
Non-current				
Bank balance	-	-	7,817,530	8,684,492
Fixed deposits placed with licensed banks	3,449,991	-	3,028,919	4,961,366
	3,449,991	-	10,846,449	13,645,858
Current				
Cash and bank balance	12,489,057	14,047,099	3,889,014	24,669,734
	15,939,048	14,047,099	14,735,463	38,315,592

The bank balance of RM8,684,492 (31.12.2021: RM7,817,530, 31.12.2020 and 31.12.2019: Nil) which were held under Escrow account and pledged as securities for banking facilities granted to the Group as shown in Note 16 to the financial statements.

The fixed deposits placed with licensed banks of RM4,961,366 (31.12.2021: RM3,028,919, 31.12.2020: Nil and 31.12.2019: RM3,449,991) are pledged as securities for banking facilities granted to the Group as shown in Note 16 to the financial statements.

The effective interest rate for the fixed deposits is 1.70% (31.12.2021: 1.65%, 31.12.2020 and 31.12.2019: 1.95% to 6.00%) per annum with maturing period of 1 month (31.12.2021: 1 month, 31.12.2020 and 31.12.2019: 3 to 12 months).

9. DEFERRED TAX ASSETS

	31.12.2019 RM	31.12.2020 RM	31.12.2021 RM	30.6.2022 RM
Brought forward	285,000	101,000	151,000	97,000
Recognised in profit or loss	(184,000)	50,000	(54,000)	(86,000)
Carried forward	101,000	151,000	97,000	11,000

The components of recognised deferred tax assets are made up of temporary differences arising from:-

	31.12.2019 RM	31.12.2020 RM	31.12.2021 RM	30.6.2022 RM
Property, plant and equipment	62,000	90,000	101,000	(25,000)
Right-of-use assets	-	61,000	(4,000)	36,000
Income received in advance and deemed completed construction projects	39,000	-	-	-
	101,000	151,000	97,000	11,000

10. TRADE RECEIVABLES

	31.12.2019 RM	31.12.2020 RM	31.12.2021 RM	30.6.2022 RM
Trade receivables	21,017,872	42,508,673	57,619,941	73,387,822
Retention sum	19,339,062	15,081,295	21,632,266	28,781,083
	40,356,934	57,589,968	79,252,207	102,168,905

The credit terms granted to customers ranging from cash term to 90 days (31.12.2021, 31.12.2020 and 31.12.2019: cash term to 90 days). They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Included in trade receivables is an amount of RM12,662,733 and RM95,516 (31.12.2021: RM9,702,610 and RM672,250, 31.12.2020: RM3,056,918 and Nil and 31.12.2019: RM2,918,129 and RM651,737) due from a company (31.12.2021: a company, 31.12.2020 and 31.12.2019: companies) in which a Director has interest and a company in which a person connected to a Director has interest respectively. The amounts are unsecured, interest free and subject to normal trade term of 30 days.

Retention sum are due from the expiry of the defect liability period stated in the respective construction contracts. The defect liability period is 24 months and expected to be collected within 2 years after the end of the defect period.

11. OTHER RECEIVABLES

	31.12.2019 RM	31.12.2020 RM	31.12.2021 RM	30.6.2022 RM
Non-trade receivables	13,265,540	14,808,199	8,659,613	126,066
Deposits	3,997,188	5,789,907	19,786,977	20,673,682
Prepayments	198,160	60,845	284,886	1,454,978
	17,460,888	20,658,951	28,731,476	22,254,726

Included in non-trade receivables is an amount of Nil (31.12.2021: RM2,041,201 and Nil, 31.12.2020: RM7,031,650 and Nil, 31.12.2019: RM3,399,361 and RM2,300,304) due from companies in which certain Directors have interest and associates respectively. The said amounts are unsecured, interest free and repayable upon demand.

Included in non-trade receivables is an amount of Nil (31.12.2021: RM2,146,895, 31.12.2020 and 31.12.2019: Nil) due from companies in which a person connected to a Director has interest. The said amount is unsecured, interest free and repayable upon demand.

Included in the non-trade receivables is an amount of Nil (31.12.2021: RM1,300,000, 31.12.2020: RM5,119,396 and 31.12.2019: RM5,068,575) representing loans provided to third parties. The said amount is unsecured, interest free and repayable upon demand.

Included in the deposits is an amount of RM19,724,444 (31.12.2021: RM18,724,444, 31.12.2020: RM5,000,000 and 31.12.2019: RM3,000,000) representing performance bond provided to customers.

12. CONTRACT ASSETS/(LIABILITIES)

	31.12.2019 RM	31.12.2020 RM	31.12.2021 RM	30.6.2022 RM
Contract assets -				
Construction contracts	12,604,658	6,007,016	17,082,723	18,767,690
Contract liabilities -				
Construction contracts	9,310,882	3,478,914	2,823,905	13,062,457

Contract assets primarily relate to the Group's rights to consideration for work completed on construction contracts but not yet billed at the reporting date.

Contract liabilities consist of advance billing in excess of revenue recognised, typically resulting from the timing difference in revenue recognition and the milestone billings. The milestone billings are structured and/or negotiated with customers to reflect the physical completion of the contracts.

Significant changes to contract liabilities balances during the financial years/period as follows:-

	31.12.2019 RM	31.12.2020 RM	31.12.2021 RM	30.6.2022 RM
Contract liabilities at the beginning of the year recognised as revenue	15,862,956	9,310,882	3,478,914	2,823,905

12. CONTRACT ASSETS/(LIABILITIES) (CONT'D)

As at the reporting date, revenue expected to be recognised in the future relating to performance obligations that are unsatisfied (or partially unsatisfied) of the Group is RM629,263,929 (31.12.2021: RM669,550,905, 31.12.2020: RM163,495,406 and 31.12.2019: RM171,292,606). The Group expects to recognise this revenue over the next 12 to 24 months (31.12.2021, 31.12.2020 and 31.12.2019: 12 to 24 months).

13. ASSETS CLASSIFIED AS HELD-FOR-SALE

The net carrying amounts of the said assets are as follows:-

	Long leasehold land RM	Buildings RM	Investment in an associate RM	Total RM
At 1.1.2019	2,333,455	-	-	2,333,455
Disposal	(2,333,455)	-	-	(2,333,455)
At 31.12.2019	-	-	-	-
Transfer from investment in an associate	-	-	500,000	500,000
Transfer from property, plant and equipment	-	1,703,333	-	1,703,333
Transfer from investment properties	787,301	1,044,741	-	1,832,042
Impairment loss	(110,681)	(221,361)	-	(332,042)
At 31.12.2020	676,620	2,526,713	500,000	3,703,333
Transfer from property, plant and equipment	-	215,882	-	215,882
Transfer from right-of-use assets	112,563	-	-	112,563
Disposal	-	(1,703,333)	(500,000)	(2,203,333)
At 31.12.2021	789,183	1,039,262	-	1,828,445
Transfer from investment properties	-	3,262,018	-	3,262,018
Disposal	(789,183)	(1,039,262)	-	(1,828,445)
At 30.6.2022	-	3,262,018	-	3,262,018

FPE 30 June 2022

On 28 February 2022, the Group entered into Sale and Purchase Agreement with a purchaser to dispose of a building for a total consideration of RM470,000. The transaction has been completed on 27 July 2022.

On 15 March 2022, the Group entered into Sale and Purchase Agreement with a purchaser to dispose of a building for a total consideration of RM544,000. The transaction has been completed on 22 July 2022.

13. ASSETS CLASSIFIED AS HELD-FOR-SALE (CONT'D)

FPE 30 June 2022 (cont'd)

On 20 April 2022, the Group entered into Sale and Purchase Agreement with purchasers to dispose of buildings for a total consideration of RM2,045,000. The transaction has been completed on 3 August 2022, 24 August 2022 and 12 October 2022 respectively.

On 21 April 2022, the Group entered into Sale and Purchase Agreement with purchasers to dispose of buildings for a total consideration of RM950,000. The transaction is yet to be completed as at signing date.

FYE 31 December 2021

On 6 December 2021, the Group entered into a Sales and Purchase Agreement with a purchaser to dispose of a leasehold land and building for a total consideration of RM420,000. The transaction has been completed on 25 April 2022.

FYE 31 December 2020

On 7 December 2020, the management has agreed to find property agent to look for potential buyer to dispose a building. Subsequently, the Group entered into the Sales and Purchase Agreement on 1 June 2021 with the purchaser for a total consideration of RM1,775,000. The transaction has been completed on 18 October 2021.

On 7 December 2020, the management has agreed to find property agent to look for potential buyer to dispose a leasehold land and building. Subsequently, the Group entered into the Sales and Purchase Agreement on 9 July 2021 with the purchaser for a total consideration of RM1,500,000 and resulting impairment loss of RM332,042 is recognised in profit or loss. The transaction has been completed on 21 February 2022.

On 18 December 2020, the management has decided to dispose of its investment in an associate, Le Garden Development Sdn Bhd. Subsequently, the Group entered into Share Sales Arrangement on 6 September 2021 for a total consideration of RM500,000. The transaction has been completed on 23 November 2021.

FYE 31 December 2019

On 8 November 2018, the Group had entered into Sales and Purchase Agreement to disposed off the leasehold land. The transaction has been completed on 31 October 2019.

The above long leasehold land and buildings are pledged as security for banking facility granted to the Group as stated in Note 16 to the financial statements.

14. SHARE CAPITAL

	Number of shares				Amount			
	31.12.2019	31.12.2020	31.12.2021	30.6.2022	31.12.2019	31.12.2020	31.12.2021	30.6.2022
	Unit	Unit	Unit	Unit	RM	RM	RM	RM
Issued and fully paid with no par value:-								
Brought forward	1,750,000	1,750,000	1,750,000	1,750,100	1,750,000	1,750,000	1,750,000	1,750,100
Issued during the financial years/period	-	-	100	-	-	-	100	-
Acquisition of a subsidiary	-	-	-	(1,750,000)	-	-	-	(1,750,000)
Issuance of ordinary shares pursuant to acquisition of a subsidiary	-	-	-	774,308,600	-	-	-	46,458,516
Carried forward	1,750,000	1,750,000	1,750,100	774,308,700	1,750,000	1,750,000	1,750,100	46,458,616

The holders of the ordinary shares are entitled to receive dividends as and when declared by the Group. All ordinary shares carry one vote per share without restrictions and rank equally with regard to the Group's residual assets.

15. MERGER DEFICIT

The merger deficit arises as and when the combination take place, it comprises the difference between the cost of merger and the nominal value of shares acquired in Vestland Resources Sdn Bhd.

The recognised merger deficit at the acquisition date is derived as follows:-

	30.6.2022
	RM
Total consideration	46,458,516
Less: Nominal value of subsidiary's share capital	(1,750,000)
Merger deficit	44,708,516

Impact of the acquisition on the statements of profit or loss and other comprehensive income

In the financial year when the merger took place, the subsidiary's profits are included in the Group's profits for the full financial year, regardless of the effective date of merger.

16. **BORROWINGS**

	31.12.2019 RM	31.12.2020 RM	31.12.2021 RM	30.6.2022 RM
Non-current				
Secured:-				
Term loans	4,508,492	17,281,552	19,192,397	20,970,161
Current				
Secured:-				
Term loans	171,837	598,199	1,371,293	1,462,158
Bank overdraft	8,569,503	14,309,470	-	-
Revolving credit	-	-	5,542,872	20,742,922
	8,741,340	14,907,669	6,914,165	22,205,080
Total borrowings	13,249,832	32,189,221	26,106,562	43,175,241
Repayable:				
- within 1 year	8,741,340	14,907,669	6,914,165	22,205,080
- more than 1 year but less than 5 years	737,502	3,357,413	6,027,358	6,019,366
- above 5 years	3,770,990	13,924,139	13,165,039	14,950,795
	4,508,492	17,281,552	19,192,397	20,970,161
	13,249,832	32,189,221	26,106,562	43,175,241

The term loans of the Group are secured by way of:-

(a) First legal charge over the Group's shoplots, leasehold land and buildings as stated in Notes 4, 5, 6 and 13 to the financial statements;
(b) Joint and several guarantee given by Directors of the Group and a person connected to a Director;
(c) Corporate guarantee by Syarikat Jaminan Pembiayaan Perniagaan Berhad; and
(d) Equitable assignment of rental proceeds.

The bank overdraft is secured by way of:-

(a) A pledge of fixed deposits of the Group; and
(b) Joint and several guarantee by Directors of the Company.

The revolving credit is secured by way of:-

(a) First legal party change over the investment properties as stated in Note 6;
(b) Charge over an Escrow account with upfront deposit;
(c) Joint and several guarantee by the Directors of the Company;
(d) Deed of assignment of contract benefits;
(e) Charge over Project Account-i opened; and
(f) Fist legal charge over the property held by a company in which Directors have interest.

The interest rates for the bank overdraft is Nil (31.12.2021: 6.35%, 31.12.2020: 6.65% and 31.12.2019: 7.97%) per annum.

The interest rates for the term loans are ranging from 0.89% to 6.49% (31.12.2021: 0.82% to 6.46%, 31.12.2020: 4.42% to 4.58% and 31.12.2019: 4.42% to 4.67%) per annum.

The interest rate for the revolving credit is ranging from 4.35% to 4.85% per annum (31.12.2021: 4.35% to 4.85%, 31.12.2020 and 31.12.2019: Nil).

17. LEASE LIABILITIES

	31.12.2019 RM	31.12.2020 RM	31.12.2021 RM	30.6.2022 RM
Current	875,007	1,109,014	1,031,980	435,155
Non-current	1,301,370	923,926	1,108,959	487,811
	2,176,377	2,032,940	2,140,939	922,966

The Group has leased for the motor vehicles, machinery and equipment and store. Future minimum lease payments as at years/period end are as follows:-

	31.12.2019 RM	31.12.2020 RM	31.12.2021 RM	30.6.2022 RM
Within 1 year	979,652	1,218,594	1,112,418	466,641
More than 1 year but not later than 5 years	1,414,270	963,068	1,181,158	511,173
More than 5 years	-	-	20,824	15,376
Total undiscounted lease liabilities	2,393,922	2,181,662	2,314,400	993,190

The expenses relating to payments not included in the measurement of lease liabilities is as follows:-

	1.1.2019 to 31.12.2019 RM	1.1.2020 to 31.12.2020 RM	1.1.2021 to 31.12.2021 RM	1.1.2022 to 30.6.2022 RM	**Unaudited** 1.1.2021 to 30.6.2021 RM
Short-term leases	5,078,414	3,118,170	6,307,618	7,609,372	2,161,879

The total cash outflows for leases amounted to RM8,876,993 (31.12.2021: RM7,655,846, 31.12.2020: RM3,973,831, 31.12.2019: RM6,053,385 and unaudited 30.6.2021: RM3,516,329).

The effective interest rates for the lease liabilities are ranging from 3.95% to 13.96% (31.12.2021: 3.95% to 13.96%, 31.12.2020: 4.63% to 13.96% and 2019: 1.48% to 13.52%) per annum.

Certain lease liabilities are secured by personal guarantee from Directors of the Group.

18. TRADE PAYABLES

	31.12.2019 RM	31.12.2020 RM	31.12.2021 RM	30.6.2022 RM
Trade payables	25,278,103	25,570,047	54,392,450	63,442,731
Retention sum	11,315,203	11,951,064	13,879,887	14,272,098
	36,593,306	37,521,111	68,272,337	77,714,829

The normal credit terms granted by the suppliers are cash term to 180 days (31.12.2021: cash term to 180 days, 31.12.2020 and 31.12.2019: cash term to 90 days). However, terms vary according to negotiation with the trade payables. Retention sum is repayable upon the expiry of the defect liability period stated in the respective construction contracts.

18. TRADE PAYABLES (CONT'D)

Included in the trade payables is an amount of Nil (31.12.2021: Nil, 31.12.2020: RM2,440,867 and 31.12.2019: RM2,747,412) due to companies in which certain Directors have interest. The said amount is unsecured and interest free.

Included in the trade payables is an amount of RM1,743,191(31.12.2021: RM739,249, 31.12.2020: RM534,983 and 31.12.2019: RM1,002,608) due to companies in which a person connected to a Director has interest. The said amount is unsecured and interest free.

19. OTHER PAYABLES

	31.12.2019 RM	31.12.2020 RM	31.12.2021 RM	30.6.2022 RM
Non-trade payables	15,852,708	4,833,341	8,656,545	1,402,062
Accruals	4,368,620	2,641,162	1,355,658	722,980
Deposits received	411,362	90,392	10,672,589	10,572,410
	20,632,690	7,564,895	20,684,792	12,697,452

Included in the non-trade payables is an amount of RM1,125,097 (31.12.2021: RM8,306,921, 31.12.2020: RM1,412,521 and 31.12.2019: RM12,000,000) due to the developer for purchase of properties.

Included in non-trade payables is an amount of Nil (31.12.2021: Nil, 31.12.2020: RM545,910 and 31.12.2019: Nil) due to a company in which a person connected to a Director has interest. The said amount is unsecured, interest free and repayable upon demand.

Included in non-trade payables amounting to RM5,737,988 (31.12.2021: RM756,250, 31.12.2020: RM10,587,479 and 31.12.2019: Nil) were repaid by way of term loan drawdowns.

Included in the deposits received is an amount of RM10,000,000 (31.12.2021: RM10,000,000, 31.12.2020 and 31.12.2019: Nil) representing advance payment received from a customer for the project awarded.

20. AMOUNT DUE TO DIRECTORS

The amount due to Directors are non-trade in nature, unsecured, interest free and repayable upon demand.

21. REVENUE

	1.1.2019 to 31.12.2019 RM	1.1.2020 to 31.12.2020 RM	1.1.2021 to 31.12.2021 RM	1.1.2022 to 30.6.2022 RM	Unaudited 1.1.2021 to 30.6.2021 RM
Major product and service line					
Contract revenue	97,073,114	95,666,954	170,114,485	139,543,319	66,072,733
Non-contract revenue	1,634,128	1,457,386	966,555	370,533	452,230
	98,707,242	97,124,340	171,081,040	139,913,852	66,524,963
Timing and recognition					
At a point in time	1,634,128	1,457,386	966,555	370,533	452,230
Overtime	97,073,114	95,666,954	170,114,485	139,543,319	66,072,733
	98,707,242	97,124,340	171,081,040	139,913,852	66,524,963

22. PROFIT BEFORE TAX

Profit before tax has been determined after charging/(crediting), amongst other items, the following:-

	1.1.2019 to 31.12.2019 RM	1.1.2020 to 31.12.2020 RM	1.1.2021 to 31.12.2021 RM	1.1.2022 to 30.6.2022 RM	Unaudited 1.1.2021 to 30.6.2021 RM
Auditors' remuneration	45,000	75,000	100,800	100,000	50,400
Directors' fee	-	-	-	38,500	-
Impairment loss on assets held-for-sale	-	332,042	-	-	-
Finance costs:					
- Bank overdraft interest	445,063	786,849	467,684	-	298,068
- Revolving credit interest	-	-	408,664	313,845	-
- Lease interest	49,886	20,649	47,590	31,109	20,385
- Term loans interest	158,098	413,901	808,526	425,940	404,082
Cost of sales:					
- Lease interest	42,748	158,789	84,885	18,539	34,477
- Domestic recourse factoring interest	21,303	-	-	-	-
Rental income	(129,600)	(139,220)	(115,131)	(68,590)	(60,800)
Interest income:					
- Fixed deposits	(49,023)	(130,110)	(32,179)	(29,735)	(4,076)
- Others	(52,919)	(47,728)	(121,740)	(112,982)	(26,091)
Loss on disposal of investment in an associate	-	639,999	-	-	-

23. TAX EXPENSE

	1.1.2019 to 31.12.2019 RM	1.1.2020 to 31.12.2020 RM	1.1.2021 to 31.12.2021 RM	1.1.2022 to 30.6.2022 RM	Unaudited 1.1.2021 to 30.6.2021 RM
Tax expense:					
- Current financial years/periods	2,377,885	2,853,453	3,904,000	4,099,000	1,577,000
- (Over)/Under provision in prior financial years	(356,810)	(193,843)	-	220,278	-
	2,021,075	2,659,610	3,904,000	4,319,278	1,577,000
Deferred tax:					
- Current financial years/periods	155,000	(18,000)	58,000	29,000	24,000
- Over/(Under) recognised in prior financial years	29,000	(32,000)	(4,000)	57,000	(4,000)
	184,000	(50,000)	54,000	86,000	20,000
	2,205,075	2,609,610	3,958,000	4,405,278	1,597,000

A reconciliation of tax expense applicable to profit before tax at the statutory tax rate of the Group is as follows:-

	1.1.2019 to 31.12.2019 RM	1.1.2020 to 31.12.2020 RM	1.1.2021 to 31.12.2021 RM	1.1.2022 to 30.6.2022 RM	Unaudited 1.1.2021 to 30.6.2021 RM
Profit before tax	9,369,812	9,618,727	14,593,372	15,070,708	5,799,533
Tax at Malaysian statutory rate of 24%	2,248,755	2,308,494	3,502,409	3,616,970	1,391,888
Tax effect in respect of:-					
Expenses not deductible for tax purpose	530,176	1,377,375	592,812	533,003	219,520
Income not subject to tax	(211,046)	(850,416)	(133,221)	(21,973)	(10,408)
Change in first tranche of chargeable income	(35,000)	-	-	-	-
Over/(Under) recognised of deferred tax assets in prior financial years	29,000	(32,000)	(4,000)	57,000	(4,000)
(Over)/Under provision of tax expense in prior financial years	(356,810)	(193,843)	-	220,278	-
Total tax expense	2,205,075	2,609,610	3,958,000	4,405,278	1,597,000

24. EARNINGS PER SHARE

Basic earnings per ordinary share

The calculation of basic earnings per ordinary share at financial years/periods end was based on the profit attributable to common controlling shareholders of the Group by the expected number of ordinary shares of the Company upon completion of the Listing.

	1.1.2019 to 31.12.2019 RM	1.1.2020 to 31.12.2020 RM	1.1.2021 to 31.12.2021 RM	1.1.2022 to 30.6.2022 RM	**Unaudited** 1.1.2021 to 30.6.2021 RM
Profit attributable to the common shareholders of the combining entity (RM)	7,164,737	7,009,117	10,635,372	10,665,430	4,202,533
Expected number of ordinary shares upon completion of the Listing (unit)	944,308,700	944,308,700	944,308,700	944,308,700	944,308,700
Basic earnings per share (sen)	0.76	0.74	1.13	1.13	0.45

Diluted earnings per ordinary share

Diluted earnings per share equals basic earnings per share because there are no potentially dilutive instruments in existence as at the end of each reporting years/periods.

25. DIVIDENDS

	1.1.2019 to 31.12.2019 RM	1.1.2020 to 31.12.2020 RM	1.1.2021 to 31.12.2021 RM	1.1.2022 to 30.6.2022 RM	Unaudited 1.1.2021 to 30.6.2021 RM
In respect of the financial year ended 31 December 2019					
- First interim dividend of RM0.49 per share declared on 21 February 2019 and paid on 1 March 2019	850,000	-	-	-	-
- Second interim dividend of RM0.69 per share declared on 1 September 2019 and paid on 18 September 2019	1,200,000	-	-	-	-
- Third interim dividend of RM0.09 per share declared on 25 September 2019 and paid on 30 September 2019	150,000	-	-	-	-
- Fourth interim dividend of RM0.03 per share declared on 14 October 2020 and paid on 21 October 2019	50,000	-	-	-	-
	2,250,000	-	-	-	-

26. EMPLOYEE BENEFITS EXPENSE

	1.1.2019 to 31.12.2019 RM	1.1.2020 to 31.12.2020 RM	1.1.2021 to 31.12.2021 RM	1.1.2022 to 30.6.2022 RM	Unaudited 1.1.2021 to 30.6.2021 RM
Staff costs:					
- Salaries, bonus and allowances	4,944,245	3,780,978	5,340,945	5,008,516	1,962,015
- Defined contribution plan	556,154	431,956	582,734	428,742	217,176
- Social security contribution	54,670	41,314	57,278	60,220	23,270
	5,555,069	4,254,248	5,980,957	5,497,478	2,202,461
Directors' remuneration:					
- Salaries, bonus and allowances	750,000	902,500	1,059,900	510,000	411,500
- Defined contribution plan	166,250	152,000	184,300	76,000	68,400
- Social security contribution	1,847	1,847	1,462	692	923
	918,097	1,056,347	1,245,662	586,692	480,823
	6,473,166	5,310,595	7,226,619	6,084,170	2,683,284

27. RELATED PARTY DISCLOSURES

(a) Related party transactions

	1.1.2019 to 31.12.2019 RM	1.1.2020 to 31.12.2020 RM	1.1.2021 to 31.12.2021 RM	1.1.2022 to 30.6.2022 RM	Unaudited 1.1.2021 to 30.6.2021 RM
Sales to companies in which certain Directors have interest	4,298,421	5,986,042	6,860,337	2,960,123	3,009,087
Back charges for miscellaneous expenses to companies in which certain Directors have interest	65,662	121,618	-	-	-

27. **RELATED PARTY DISCLOSURES (CONT'D)**

(a) **Related party transactions (cont'd)**

	1.1.2019 to 31.12.2019 RM	1.1.2020 to 31.12.2020 RM	1.1.2021 to 31.12.2021 RM	1.1.2022 to 30.6.2022 RM	**Unaudited** 1.1.2021 to 30.6.2021 RM
Management fees charged to companies in which certain Directors have interest	1,970	3,544	68	-	68
Rental of equipment charged by a company in which certain Directors have interest	622,575	638,266	-	-	-
Rental of crane charged by a company in which certain Directors have interest	662,926	416,825	-	-	-
Machineries services and repair expenses charged by a company in which certain Directors have interest	36,615	27,587	-	-	-
Purchases from companies in which certain Directors have interest	300,637	1,728,712	-	-	-
Payment on behalf for companies in which certain Directors have interest	3,815,276	1,011,464	2,255	-	2,255

27. **RELATED PARTY DISCLOSURES (CONT'D)**

(a) **Related party transactions (cont'd)**

	1.1.2019 to 31.12.2019 RM	1.1.2020 to 31.12.2020 RM	1.1.2021 to 31.12.2021 RM	1.1.2022 to 30.6.2022 RM	**Unaudited** 1.1.2021 to 30.6.2021 RM
Advances to companies in which certain Directors have interest	1,465,863	545,500	-	-	-
Contribution to fit-out works received on behalf of a company in which certain Directors have interest	-	750,000	-	-	-
Advances to companies in which a person connected to a Director has interest	-	-	634,110	-	634,110
Sales to a company in which a person connected to a Director has interest	427,441	-	1,172,250	738,070	-
Back charges to companies in which a person connected to a Director has interest	19,674	22,806	43,050	-	43,050
Management fee charged to companies in which a person connected to a Director has interest	590	540	1,291	-	1,291
Purchases from companies in which a person connected to a Director has interest	333,876	1,356,202	603,811	335,872	113,190

27. RELATED PARTY DISCLOSURES (CONT'D)

(a) Related party transactions (cont'd)

	1.1.2019 to 31.12.2019 RM	1.1.2020 to 31.12.2020 RM	1.1.2021 to 31.12.2021 RM	1.1.2022 to 30.6.2022 RM	**Unaudited** 1.1.2021 to 30.6.2021 RM
Machineries services and repair expenses charged by a company in which a person connected to a Director has interest	-	-	33,372	59,996	13,899
Rental of crane charged by a company in which a person connected to a director has interest	-	-	1,087,587	980,396	405,324
Rental of equipment charged by companies in which a person connected to a Director has interest	500,711	282,056	1,363,626	1,742,013	540,083
Rental of excavator charged by a company in which a person connected to a Director has interest	921,778	636,470	985,791	1,512,492	549,425
Management fee paid to a company in which a person connected to a Director has interest	16,980	-	-	-	-
Purchase of motor vehicle from a person connected to a Director has interest	56,000	-	-	-	-

27. RELATED PARTY DISCLOSURES (CONT'D)

(a) Related party transactions (cont'd)

	1.1.2019 to 31.12.2019 RM	1.1.2020 to 31.12.2020 RM	1.1.2021 to 31.12.2021 RM	1.1.2022 to 30.6.2022 RM	Unaudited 1.1.2021 to 30.6.2021 RM
Purchase of machinery equipment from a company in which a person connected to a Director has interest	-	-	4,300	-	4,300

(b) The outstanding related party balances of the Group arising from related party transactions as at the reporting date were disclosed in Notes 10, 11, 18, 19 and 20 to the financial statements.

(c) Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly.

The remuneration of key management personnel of the Group other than the Board of Directors as disclosed in Note 22 and 26 are as follows:-

	1.1.2019 to 31.12.2019 RM	1.1.2020 to 31.12.2020 RM	1.1.2021 to 31.12.2021 RM	1.1.2022 to 30.6.2022 RM	Unaudited 1.1.2021 to 30.6.2021 RM
Salaries, bonus and allowance	524,450	602,450	942,200	437,400	392,400
Defined contribution plan	62,412	68,118	109,680	51,768	45,000
Social security contribution	2,770	2,770	5,617	2,770	2,770
	589,632	673,338	1,057,497	491,938	440,170

28. FINANCIAL INSTRUMENTS

28.1 Categories of financial instruments

The table below provides an analysis of financial instruments measured at amortised cost.

	31.12.2019 RM	31.12.2020 RM	31.12.2021 RM	30.6.2022 RM
Financial assets				
Trade receivables	40,356,934	57,589,968	79,252,207	102,168,905
Other receivables	17,262,728	20,598,106	28,446,590	20,799,748
Cash and cash equivalents	15,939,048	14,407,099	14,735,463	38,315,592
	73,558,710	92,595,173	122,434,260	161,284,245
Financial liabilities				
Trade payables	36,593,306	37,521,111	68,272,337	77,714,829
Other payables	20,632,690	7,564,895	20,684,792	12,697,452
Amount due to Directors	14,847	51,903	-	-
Borrowings	13,249,832	32,189,221	26,106,562	43,175,241
	70,490,675	77,327,130	115,063,691	133,587,522

28.2 Financial risk management

The Group is exposed to financial risks arising from its operations and the use of financial instruments. Financial risk management policy is established to ensure that adequate resources are available for the development of the Group's business whilst managing its credit risk, liquidity risk and interest rate risk. The Group operates within clearly defined policies and procedures that are approved by the Board of Directors to ensure the effectiveness of the risk management process.

The main areas of financial risks faced by the Group and the policy in respect of the major areas of treasury activities are set out as follows:-

(a) Credit risk

Credit risk is the risk of a financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. It is the Group's policy to enter into financial instrument with a diversity of creditworthy counterparties. The Group does not expect to incur material credit losses of its financial assets or other financial instruments.

Concentration of credit risk exists when changes in economic, industry and geographical factors similarly affect the group of counterparties whose aggregate credit exposure is significant in relation to the Group's total credit exposure. The Group's portfolio of financial instrument is broadly diversified along industry, product and geographical lines, and transactions are entered into with diverse creditworthy counterparties, thereby mitigate any significant concentration of credit risk.

It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. The Group does not offer credit terms without the approval of the management.

The Group's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

28. FINANCIAL INSTRUMENTS (CONT'D)

28.2 Financial risk management (cont'd)

The main areas of financial risks faced by the Group and the policy in respect of the major areas of treasury activities are set out as follows (cont'd):-

(a) Credit risk (cont'd)

Cash and cash equivalents

The credit risk for cash and cash equivalents are considered negligible since the counterparties are reputable banks with high credit rating.

Receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate.

An impairment analysis performed at each reporting date using a provision of matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns by customer type and rating. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. The letters of credit and other forms of credit insurance are considered integral part of trade receivables and considered in the calculation of impairment.

Trade receivables ageing analysis

The following table provides information about the credit risk exposure on the Group's trade receivables using a provision of matrix:-

	Gross RM	Expected credit losses RM	Net RM
30.6.2022			
Within credit term	95,721,792	-	95,721,792
Past due 1 – 30 days	1,090,276	-	1,090,276
Past due 31 – 60 days	568,518	-	568,518
Past due 61 – 90 days	2,306,751	-	2,306,751
Past due more than 90 days	2,481,568	-	2,481,568
	102,168,905	-	102,168,905
31.12.2021			
Within credit term	77,414,789	-	77,414,789
Past due 1 – 30 days	88,420	-	88,420
Past due 31 – 60 days	997,953	-	997,953
Past due 61 – 90 days	179,437	-	179,437
Past due more than 90 days	571,608	-	571,608
	79,252,207	-	79,252,207

28. FINANCIAL INSTRUMENTS (CONT'D)

28.2 Financial risk management (cont'd)

The main areas of financial risks faced by the Group and the policy in respect of the major areas of treasury activities are set out as follows (cont'd):-

(a) Credit risk (cont'd)

Receivables (cont'd)

Trade receivables ageing analysis (cont'd)

The following table provides information about the credit risk exposure on the Group's trade receivables using a provision of matrix (cont'd):-

	Gross RM	Expected credit losses RM	Net RM
31.12.2020			
Within credit term	50,248,800	-	50,248,800
Past due 1 – 30 days	331,963	-	331,963
Past due 31 – 60 days	954,726	-	954,726
Past due 61 – 90 days	-	-	-
Past due more than 90 days	6,054,479	-	6,054,479
	57,589,968	-	57,589,968
31.12.2019			
Within credit term	29,396,897	-	29,396,897
Past due 1 – 30 days	2,600,067	-	2,600,067
Past due 31 – 60 days	2,285,490	-	2,285,490
Past due 61 – 90 days	2,700,607	-	2,700,607
Past due more than 90 days	3,373,873	-	3,373,873
	40,356,934	-	40,356,934

Trade receivables that are individually determined to be impaired at the reporting date relate to debtors that are in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

Credit risk concentration

In respect of trade receivables, the Group has significant exposure to several customers and as such a concentration of credit risks who are of high credit worthiness.

	31.12.2019 RM	%	31.12.2020 RM	%	31.12.2021 RM	%	30.6.2022 RM	%
Top 4 customers (31.12.2021: 4, 31.12.2020 and 31.12.2019: 3)	31,281,104	78	44,203,607	77	69,786,983	88	74,769,250	73

28. FINANCIAL INSTRUMENTS (CONT'D)

28.2 Financial risk management (cont'd)

The main areas of financial risks faced by the Group and the policy in respect of the major areas of treasury activities are set out as follows (cont'd):-

(a) Credit risk (cont'd)

Credit risk concentration (cont'd)

The Group continuously monitors credit standing of customers and other counterparties, identified either individually or by group, and incorporate this information into its credit risk controls. Where available at reasonable cost, external credit ratings and/or reports on customers and other counterparties are obtained and used.

Financial guarantees

The Group provides unsecured financial guarantees in respect of banking facilities to a customer (2021: a customer, 2020: a customer and a company in which certain Directors have interest and 2019: a company in which certain Directors have interest). The maximum exposure to credit risk was amounted to RM10,000,000 (31.12.2021: RM10,000,000, 31.12.2020: RM14,650,075, 31.12.2019: RM504,000), representing the bank guarantees in favour of certain third parties. The Group monitors on an ongoing basis the results of the customer (31.12.2021: a customer, 31.12.2020: a customer and a company in which certain Directors have interest and 31.12.2019: a company in which certain Directors have interest) and repayments made by a customer (31.12.2021: a customer, 31.12.2020: a customer and a company in which certain Directors have interest and 31.12.2019: a company in which certain Directors have interest).

As at the end of the reporting period, there was no indication that the customer (31.12.2021: a customer, 31.12.2020: a customer and a company in which certain Directors have interest and 31.12.2019: a company in which certain Directors have interest) would default on repayment.

Financial guarantees have not been recognised since the fair value on initial recognition was not material.

Performance bonds

Performance bonds require the Group to make payments to third parties in the event that the Group does not perform what is expected of it under the terms of any related contracts. In FYE 2019, the maximum exposure to credit risk was amounted to RM4,100,000.

(b) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due as a result of shortage of funds.

In managing its exposures to liquidity risk which arises principally from its various payables, lease liabilities and borrowings. The Group maintains a level of cash and cash equivalents deemed adequate by the management to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they fall due.

28. FINANCIAL INSTRUMENTS (CONT'D)

28.2 Financial risk management (cont'd)

The main areas of financial risks faced by the Group and the policy in respect of the major areas of treasury activities are set out as follows (cont'd):-

(b) Liquidity risk (cont'd)

The Group aims at maintaining a balance of sufficient cash and deposits and flexibility in funding by keeping diverse sources of committed and uncommitted credit facilities from various banks.

The summary of the maturity profile based on contractual undiscounted repayment obligations are as below:-

	Carrying amount RM	Contractual cash flows RM	Within 1 year RM	2 to 5 years RM	More than 5 years RM
30.6.2022					
Unsecured:-					
Trade payables	77,714,829	77,714,829	77,714,829	-	-
Other payables	12,697,452	12,697,452	12,697,452	-	-
Secured:-					
Lease liabilities	922,966	993,190	466,641	511,173	15,376
Borrowings	43,175,241	53,371,661	23,174,136	9,090,237	21,107,288
Total undiscounted cash flows	134,510,488	144,777,132	114,053,058	9,601,410	21,122,664
Financial guarantee *	-	10,000,000	10,000,000	-	-
	134,510,488	154,777,132	124,053,058	9,601,410	21,122,664
31.12.2021					
Unsecured:-					
Trade payables	68,272,337	68,272,337	68,272,337	-	-
Other payables	20,684,792	20,684,792	20,684,792	-	-
Secured:-					
Lease liabilities	2,140,939	2,314,400	1,112,418	1,181,158	20,824
Borrowings	26,106,562	34,739,910	7,846,569	8,978,509	17,914,832
Total undiscounted cash flows	117,204,630	126,011,439	97,916,116	10,159,667	17,935,656
Financial guarantee *	-	10,000,000	10,000,000	-	-
	117,204,630	136,011,439	107,916,116	10,159,667	17,935,656
31.12.2020					
Unsecured:-					
Trade payables	37,521,111	37,521,111	37,521,111	-	-
Other payables	7,564,895	7,564,895	7,564,895	-	-
Amount due to Directors	51,903	51,903	51,903	-	-
Secured:-					
Lease liabilities	2,032,940	2,181,662	1,218,594	963,068	-
Borrowings	32,189,221	44,529,431	15,708,527	6,376,142	22,444,762
Total undiscounted cash flows	79,360,070	91,849,002	62,065,030	7,339,210	22,444,762
Financial guarantee *	-	14,650,075	14,650,075	-	-
	79,360,070	106,499,077	76,715,105	7,339,210	22,444,762

28. FINANCIAL INSTRUMENTS (CONT'D)

28.2 Financial risk management (cont'd)

The main areas of financial risks faced by the Group and the policy in respect of the major areas of treasury activities are set out as follows (cont'd):-

(b) Liquidity risk (cont'd)

The summary of the maturity profile based on contractual undiscounted repayment obligations are as below (cont'd):-

	Carrying amount RM	Contractual cash flows RM	Within 1 year RM	2 to 5 years RM	More than 5 years RM
31.12.2019					
Unsecured:-					
Trade payables	36,593,306	36,593,306	36,593,306	-	-
Other payables	20,632,690	20,632,690	20,632,690	-	-
Amount due to Directors	14,847	14,847	14,847	-	-
Secured:-					
Lease liabilities	2,176,377	2,393,922	979,652	1,414,270	-
Borrowings	13,249,832	15,933,865	8,946,099	1,506,384	5,481,382
Total undiscounted cash flows	72,667,052	75,568,630	67,166,594	2,920,654	5,481,382
Financial guarantee *	-	504,000	504,000	-	-
Performance bonds *	-	4,100,000	4,100,000	-	-
	72,667,052	80,172,630	71,770,594	2,920,654	5,481,382

* This exposure of liquidated risk is included for illustration purpose only as the related financial guarantee and performance bonds have not crystalised.

The above amounts reflect the contractual undiscounted cash flows, which may differ from the carrying values of financial liabilities at the reporting date.

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market interest rates.

The Group's fixed rate borrowings are not exposed to a risk of change in their fair value due to no changes in interest rates. Short term receivables and payables are not significantly exposed to interest rate risk.

The Group's interest rate management objective is to manage the interest expenses consistent with maintaining an acceptable level of exposure to interest rate fluctuation. In order to achieve this objective, the Group targets a mix of fixed debt based on assessment of its existing exposure and desired interest rate profile.

28. FINANCIAL INSTRUMENTS (CONT'D)

28.2 Financial risk management (cont'd)

The main areas of financial risks faced by the Group and the policy in respect of the major areas of treasury activities are set out as follows (cont'd):-

(c) Interest rate risk (cont'd)

	31.12.2019 RM	31.12.2020 RM	31.12.2021 RM	30.6.2022 RM
Fixed rate instruments				
Financial asset				
Fixed deposits with a licensed bank	3,449,991	-	3,028,919	4,961,366
Financial liabilities				
Borrowings	-	1,000,000	845,229	748,279
Lease liabilities	2,176,377	2,032,940	2,140,939	922,966
	2,176,377	3,032,940	2,986,168	1,671,245
Floating rate instrument				
Financial liability				
Borrowings	13,249,832	31,189,221	25,261,333	42,426,962

The Group does not account for any fixed rate financial assets and financial liabilities through profit or loss, and the Group does not designate derivatives as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rate at the reporting date would not affect profit or loss.

The following table illustrates the sensitivity of profit and equity to a reasonable possible change in interest rates of +/- 25 basis point ("bp"). These changes considered to be reasonably possible based on observation of current market conditions. The calculations are based on a change in the average market interest rate for each period, and the financial instruments held at each reporting date that are sensitive to changes in interest rates. All other variables are held constant.

	Equity/Profit for the years/period +25bp RM	-25bp RM
30.6.2022	(106,067)	106,067
31.12.2021	(63,153)	63,153
31.12.2020	(77,973)	77,973
31.12.2019	(33,125)	33,125

28. FINANCIAL INSTRUMENTS (CONT'D)

28.3 Fair value on financial instruments

The carrying amounts of financial assets and financial liabilities, as reported in the financial statements, approximate their respective fair value.

28.4 Fair value hierarchy

No fair value hierarchy has been disclosed as the Group does not have financial instruments measured at fair value.

28. FINANCIAL INSTRUMENTS (CONT'D)

28.5 Reconciliation of liabilities arising from financing activities

	1 January 2022 RM	Cash flows RM	Other payables RM	30 June 2022 RM
Term loans	20,563,690	(3,869,359)	5,737,988	22,432,319
Revolving credit	5,542,872	15,200,050	-	20,742,922
Lease liabilities	2,140,939	(1,217,973)	-	922,966
	28,247,501	10,112,718	5,737,988	44,098,207

	1 January 2021 RM	Cash flows RM	New lease RM	Other payables RM	Interest RM	Early termination RM	31 December 2021 RM
Amount due to Directors	51,903	(51,903)	-	-	-	-	-
Term loans	17,879,751	1,896,689	-	756,250	31,000	-	20,563,690
Revolving credit	-	5,542,872	-	-	-	-	5,542,872
Lease liabilities	2,032,940	(1,215,753)	1,395,100	-	-	(71,348)	2,140,939
Amount due to third parties	1,905,000	(1,905,000)	-	-	-	-	-
	21,869,594	4,266,905	1,395,100	756,250	31,000	(71,348)	28,247,501

28. FINANCIAL INSTRUMENTS (CONT'D)

28.5 Reconciliation of liabilities arising from financing activities (cont'd)

	1 January 2020 RM	Cash flows RM	New lease RM	Other payables RM	Interest RM	31 December 2020 RM
Amount due to Directors	14,847	37,056	-	-	-	51,903
Term loans	4,680,329	2,383,654	-	10,587,479	228,289	17,879,751
Lease liabilities	2,176,377	(676,223)	532,786	-	-	2,032,940
Amount due to third parties	3,210,380	(1,305,380)	-	-	-	1,905,000
	10,081,933	439,107	532,786	10,587,479	228,289	21,869,594

	1 January 2019 RM	Cash flows RM	New lease RM	31 December 2019 RM
Amount due to Directors	-	14,847	-	14,847
Term loans	2,186,605	2,493,724	-	4,680,329
Lease liabilities	1,295,145	(439,768)	1,321,000	2,176,377
Amount due to third parties	-	3,210,380	-	3,210,380
	3,481,750	5,279,183	1,321,000	10,081,933

29. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratio in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new share capital. No changes were made in the objective, policies or processes during the financial period/years ended 30 June 2022, 31 December 2021, 31 December 2020 and 31 December 2019.

30. OPERATING SEGMENT

Information about operating segments has not been reported separately as the Group's revenue, profit or loss, assets and liabilities are mainly confined to a single operating segment, namely building construction works.

Geographical Information

The Group's operation is predominantly carried out in Malaysia.

Information about Major Customers

The followings are major customers with revenue equal or more than 10% of the Group's total revenue:

	31.12.2019		31.12.2020		31.12.2021		30.6.2022		Unaudited 30.6.2021	
	RM	%	RM	%	RM	%	RM	%	RM	%
Customer A	43,625,597	44	-	-	-	-	-	-	-	-
Customer B	22,557,097	23	57,115,624	59	72,632,799	42	26,128,610	19	34,385,521	52
Customer C	-	-	11,411,234	12	-	-	-	-	-	-
Customer D	-	-	-	-	52,418,055	31	51,164,487	37	18,025,306	27
Customer E	-	-	-	-	-	-	40,887,363	30	-	-

31. SIGNIFICANT EVENT DURING THE FINANCIAL PERIOD AND SUBSEQUENT TO THE REPORTING PERIOD

On 11 March 2020, the World Health Organisation declared the Coronavirus ("Covid-19") outbreak as a pandemic in recognition of its rapid spread across the globe. On 16 March 2020, the Malaysian Government has imposed the Movement Control Order ("MCO") starting from 18 March 2020 to curb the spread of the Covid-19 outbreak in Malaysia. The Covid-19 outbreak also resulted in travel restriction, lockdown, and other precautionary measures imposed in various countries. The emergence of the Covid-19 outbreak since early 2020 has brought significant economic uncertainties in Malaysia and markets in which the Group operates.

31. **SIGNIFICANT EVENT DURING THE FINANCIAL PERIOD AND SUBSEQUENT TO THE REPORTING PERIOD (CONT'D)**

The Malaysian Government had re-introduced the MCO and Conditional MCO ("CMCO") in several states from 13 January 2021 to 11 May 2021, nationwide MCO from 12 May 2021 to 31 May 2021, Full MCO ("FMCO") from 1 June 2021 to 28 June 2021, Enhanced MCO ("EMCO") in several stated from 3 July 2021 to 17 July 2021. Besides, the Malaysia King declared state of emergency for the country until 1 August 2021 to curb the spread of Covid-19 on 12 January 2021. In addition, the Malaysian Government had announced a four phase National Recovery Plan ("NRP") on 15 June 2021 whereby all states were considered to be in phase 1 to begin with. In March 2022, the Malaysia Government announced that the country will enter into the "Transition to Endemic" phase starting 1 April 2022, which include the opening of national borders for tourism and the abolishment of limitations to capacity and operating hours of business premises.

The restrictions imposed have not, however, negatively impacted the Group's financial performance as the Group's main construction services were allowed to operate throughout the MCO/CMCO/FMCO/EMCO/NRP, under guidelines set by the National Security Council, Ministry of Health and Ministry of International Trade and Industry respectively.

As at date of authorisation of the financial statements, the Covid-19 pandemic situation is still evolving and uncertain. The Group will continue to actively monitor and manage its funds and operations to minimise any impact arising from the Covid-19 pandemic.

VESTLAND BERHAD
(Incorporated in Malaysia)

STATEMENT BY DIRECTORS

We, the undersigned, being the Directors of the Group, do hereby state that, in our opinion, the accompanying financial statements set out on pages 4 to 73 are drawn up in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards so as to give a true and fair view of the financial position as at 31 December 2019, 31 December 2020, 31 December 2021 and 30 June 2022 and of its financial performance and cash flows for the financial years/periods then ended 31 December 2019, 31 December 2020, 31 December 2021, 30 June 2022 and 30 June 2021.

....
DATUK LIEW FOO HEEN

....
WONG SAI KIT

Kuala Lumpur
30 November 2022

15. STATUTORY AND OTHER GENERAL INFORMATION

15.1 EXTRACTS OF OUR CONSTITUTION

The following is extracted from our Constitution and is qualified in its entirety by the remainder of our Constitution and by applicable law. The words and expressions appearing in the following provisions shall bear the same meanings used in our Constitution unless otherwise defined or the context otherwise requires.

Words	Meaning
"Board Meeting"	Means a meeting of the board of directors of the Company.
"Deposited Security"	Means a security standing to the credit of a Securities Account and includes a security in a Securities Account that is in suspense.
"Depositor"	Means a holder of a Securities Account.
"General Meeting"	Means a meeting of Members of the Company.
"Member"	Means: (a) a person whose name is entered in the Register of Members as the holder for the time being of one or more shares in the Company; and/or (b) a Depositor whose name appears in the Record of Depositors as the holder for the time being of one or more shares in the Company. Shares include ordinary shares, preference shares or other type of shares that may be issued and allotted by the Company from time to time.
"Register of Members"	Means the record of members of the Company kept and maintained pursuant to Section 50 of the CA 2016.
"Security" or "Securities"	Has the meaning given in Section 2(1) of the CMSA
"Securities Account"	Means an account established by the Depository for a Depositor for the recording of deposit of Securities and for dealing in such Securities by the Depositor.
"Shareholder"	Means a holder of one or more share(s) in the Company.

15.1.1 Remuneration of directors

Clause 84 – Remuneration of Executive Directors

A Managing Director or an Executive Director shall, subject to the terms of any agreement entered into in any particular case, receive such remuneration (whether by way of salary, bonus, commission, or participation in profits, or partly in one way and partly in another and other benefits) as the Board may determine.

Clause 93 – Remuneration of directors

(1) The Company may from time to time by an ordinary resolution passed at a General Meeting, approve the remuneration of the Directors, who hold non-executive office with the Company, for their services as non-executive Directors.

(2) Subject to Clause 84, the fees of the Directors and any benefits payable to the Directors shall be subject to annual shareholders' approval at a General Meeting.

(3) If the fee of each such non-executive Director is not specifically fixed by the Members, then the quantum of fees to be paid to each non-executive Director within the overall limits fixed by the Members, shall be decided by resolution of the Board. In default of any decision being made in this respect by the Board, the fees payable to the non-executive Directors shall be divided equally amongst themselves and such a Director holding office for only part of a year shall be entitled to a proportionate part of a full year's fees. The non-executive Directors shall be paid by a fixed sum and not by a commission on or percentage of profits or turnover.

(4) The following expenses shall be determined by the Directors:

(a) traveling, hotel and other expenses properly incurred by the Directors in attending and returning from meetings of the Directors or any committee of the Directors or General Meetings of the Company or in connection with the business of the Company; and

(b) other expenses properly incurred by the Directors arising from the requirements imposed by the authorities to enable the Directors to effectively discharge their duties.

(5) Executive Directors of the Company shall be remunerated in the manner referred to in Clause 84 but such remuneration shall not include a commission on or percentage of turnover.

15.1.2 Voting and borrowing powers of our Directors

<u>Clauses 94(1) and 94(2) – Powers of Directors</u>

(1) The business and affairs of the Company shall be managed by or under the direction and supervision of the Directors who may pay all expenses incurred in promoting and registering the Company.

(2) The Directors may exercise all the powers necessary for managing and for directing and supervising the management of the business and affairs of the Company except any power that the CA 2016 or by the Constitution requires the Company to exercise in General Meeting, but no regulation made by the Company in General Meeting shall invalidate any prior act of the Directors which would have been valid if that regulation had not been made.

<u>Clause 95 – Borrowing</u>

Without limiting the generality of Clauses 94(1) and (2), the Directors may, subject to the CA 2016 and the Listing Requirements, exercise all the powers of the Company to do all or any of the following for any debt, liability, or obligation of the Company or of any third party:

(1) borrow money;

(2) mortgage or charge its undertaking, property, and uncalled capital, or any part of the undertaking, property and uncalled capital;

(3) issue debentures and other Securities whether outright or as security; and/or

(4) (a) lend and advance money or give credit to any person or company;

(b) guarantee and give guarantees or indemnities for the payment of money or the performance of contracts or obligations by any person or company;

(c) secure or undertake in any way the repayment of moneys lent or advanced to or the liabilities incurred by any person or company;

and otherwise to assist any person or company.

Clause 114 – Quorum for Board Meetings

(1) No business is to be transacted at any Board Meeting unless a quorum of Directors is present at the time when the meeting proceeds to business.

(2) 2 Directors personally present at a meeting shall constitute a quorum.

(3) In this clause, "Director" includes Alternate Director.

Clause 118 – Voting at Board Meetings

(1) Subject to the Constitution, questions arising at a Board Meeting shall be decided by a majority of votes of Directors present and voting and any such decision shall for all purposes be deemed a decision of the Directors.

(2) Each Director is entitled to cast one vote on each matter for determination.

15.1.3 Changes to share capital

Clause 8 – Variation of Rights

(1) If at any time the share capital is divided into different classes of shares, the rights attached to each class of shares (unless otherwise provided by the terms of issue of the shares of that class) may only, whether or not the Company is being wound up, be varied:

(a) with the consent in writing of the holders holding not less than 75% of the total voting rights of the holders of that class of shares; or

(b) by a special resolution passed by a separate meeting of the holders of that class of shares sanctioning the variation.

(2) The provisions of the Constitution relating to General Meetings apply with the necessary modifications to every separate meeting of the holders of the shares of the class referred to in Clause 8(1), except that:

(a) for a meeting other than an adjourned meeting, a quorum is constituted by 2 persons present holding at least one-third of the number of issued shares of such class, excluding any shares of that class held as treasury shares;

(b) if that class of shares only has one holder, a quorum is constituted by one person present holding shares of such class; and

(c) for an adjourned meeting, a quorum is constituted by one person present holding share(s) of such class.

(3) The rights attached to an existing class of preference shares shall be deemed to be varied by the issue of new preference shares that rank equally with the existing class of preference shares unless such issuance was authorised by:

(a) the terms of the issue of the existing preference shares; or

(b) the Constitution of the Company as in force at the time when the existing preference shares were issued.

15.1.4 Transfer of securities

Clause 14 – Transfer of Securities

The transfer of any Deposited Security or class of Deposited Security of the Company, shall be by way of book entry by the Depository in accordance with the Rules and, notwithstanding Sections 105, 106 or 110 of the CA 2016, but subject to Section 148(2) of the CA 2016 and any exemption that may be made from compliance with Section 148(1) of the CA 2016, the Company shall be precluded from registering and effecting any transfer of the Deposited Securities.

15.1.5 Rights, preferences and restrictions attached to each class of securities relating to voting, dividend, liquidation and any special rights

Clause 12 – Issue of Securities

(1) Without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares but subject always to the CA 2016, the Listing Requirements and the Constitution, the Directors have the right to:

(a) issue and allot shares in the Company; and

(b) grant rights to subscribe for shares or options over unissued shares in the Company.

(2) Subject to the CA 2016, the Listing Requirements, the Constitution and the relevant Shareholders' approval being obtained, the Directors may issue any shares (including rights or options over subscription of such shares):

(a) with such preferred, deferred, or other special rights or such restrictions, whether with regard to dividend, voting, return of capital, or otherwise, as the Directors may determine;

(b) to any person, whether a Member or not, in such numbers or proportions as the Directors may determine; and

(c) for such consideration as the Directors may determine.

Pre-emptive rights to new shares pursuant to Section 85 of the CA 2016 shall not apply to the Company.

(3) (a) Subject to the CA 2016, the Listing Requirements and any direction to the contrary that may be given by the Company in General Meeting, all new shares or other convertible securities shall, before issue, be offered to such persons as at the date of the offer are entitled to receive notices from the Company of General Meetings in proportion as nearly as the circumstances admit, to the amount of the existing shares or securities to which they are entitled.

(b) The offer shall be made by notice specifying the number of shares or securities offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined, and, after the expiration of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares or securities offered, the Directors may dispose of those shares or securities in such manner as they think most beneficial to the Company.

(c) The Directors may likewise also dispose of any new share or security which (by reason of the ratio which the new shares or securities bear to shares or securities held by persons entitled to an offer of new shares or securities) cannot, in the opinion of the Directors, be conveniently offered under the Constitution.

(4) Subject to Rule 6.07 of the Listing Requirements and notwithstanding the existence of a resolution pursuant to Sections 75(1) and 76(1) of the CA 2016, the Company must not issue any shares or convertible securities if the total number of those shares or convertible securities, when aggregated with the total number of any such shares or convertible securities issued during the preceding 12 months, exceeds 10% or such threshold allowed by Bursa Securities of the total number of issued shares (excluding treasury shares) of the Company except where the shares or convertible securities are issued with the prior shareholder approval in a General Meeting of the precise terms and conditions of the issue.

15.2 LIMITATION ON THE RIGHT TO OWN SECURITIES

As our Shares are proposed for quotation on the Official List, such Shares must be prescribed as shares required to be deposited with Bursa Depository. Upon such prescription, a holder of our Shares must deposit his Shares with Bursa Depository on or before the date fixed, failing which our Share Registrar will be required to transfer his Shares to the Ministry of Finance and such Shares may not be traded on Bursa Securities.

Dealing in Shares deposited with Bursa Depository may only be effected by a person having a securities account with Bursa Depository ("**Depositor**") by means of entries in the securities account of that Depositor.

A Depositor whose name appears in the Record of Depositors maintained by Bursa Depository in respect of our Shares shall be deemed to be our shareholder and shall be entitled to all rights, benefits, powers and privileges and be subject to all liabilities, duties and obligations in respect of, or arising from, such Shares.

Subject to the above, there is no limitation on the right to own our Shares, including any limitation on the right of non-residents or foreign shareholders to hold or exercise their voting rights on our Shares, which is imposed by Malaysian law or by our Constitution.

15.3 SHARE CAPITAL

(i) As at the date of this Prospectus, we have only one class of shares, namely ordinary shares, all of which rank equally with one another. There are no special rights attached to our Shares.

(ii) The share capital of our Company and our subsidiary as at the date of this Prospectus and the changes in their respective share capital for the Financial Years Under Review are as set out in Sections 6.1.2 and 6.3.3 of this Prospectus respectively.

(iii) Save as disclosed in Sections 6.1.2 and 6.1.3 of this Prospectus, there were no Shares which has been paid for with assets other than cash within the past 3 years from the date of this Prospectus.

(iv) Save for the issuance of our Shares upon our incorporation and the Acquisition as disclosed in Section 6.1.2 as well as new Shares to be issued pursuant to the Public Issue, no shares, stocks or debentures of our Company and our subsidiary have been issued or proposed to be issued as fully or partly paid-up in cash or otherwise, within the 2 years preceding the date of this Prospectus.

(v) None of the share capital of our Company is under option, or agreed conditionally or unconditionally to be put under option as at the date of this Prospectus.

(vi) As at the date of this Prospectus, neither our Company nor our subsidiary have any outstanding warrant, option, convertible security or uncalled capital in respect of our shares.

(vii) As at the date of this Prospectus, save for the Pink Form Allocations as disclosed in Section 4.2.1 of this Prospectus:

(a) there is currently no scheme involving employees of our Group in the shares of our Company or our subsidiary; and

(b) no Director or employee of our Group has been or is entitled to be given or has exercised any option to subscribe for any shares of our Company or our subsidiary.

15.4 MATERIAL CONTRACTS

Save as disclosed below, there are no contracts which are material (not being contracts entered into in the ordinary course of business) which have been entered into by our Group during the Financial Years and Period Under Review up to the date of this Prospectus:

(i) The Underwriting Agreement.

(ii) Share sale agreement dated 20 April 2022 entered into between Datuk Liew and SK Wong (as vendors) and Vestland (as purchaser) in respect of the Acquisition. The Acquisition as contemplated under the share sale agreement has been completed in accordance with its terms on 20 April 2022.

(iii) Share sale agreement dated 6 September 2021 entered into between Vestland Resources (as vendor) and Fong Sui Leong (as purchaser) for the disposal of 500,000 ordinary shares in Le Garden Development Sdn Bhd for a cash consideration of RM500,000.00. The share sale agreement has been completed in accordance with its terms on 29 October 2021.

15. STATUTORY AND OTHER GENERAL INFORMATION *(cont'd)*

(iv) Sale and purchase agreement dated 9 July 2021 entered into between Vestland Resources (as vendor) and Chang Kok Meng (as purchaser) for the disposal of all that piece of land held under H.S.(D) No. 29989, PT No. 43719, Mukim of Dengkil, District of Sepang, State of Selangor, with a three-storey semi-detached house erected thereon, bearing postal address of No. 20, Persiaran Selatan, D'Island Residence, 47130 Puchong, Selangor, measuring approximately 341 square metres in area, for a cash consideration of RM1,500,000.00. The sale and purchase agreement has been completed in accordance with its terms on 1 January 2022.

(v) Sale and purchase agreement dated 1 June 2021 entered into between Vestland Resources (as vendor) and Nur Farhana binti Mohd Fikri (as purchaser) for the disposal of a unit of condominium together with accessory parcels held under Geran 63454/M1/23/186, Bangunan No. M1, Tingkat No. 23, Petak No. 186, Lot 29510, Mukim of Kuala Lumpur, District and State of Wilayah Persekutuan Kuala Lumpur, bearing postal address of 22-L, Sinaran TTDI, Jalan Tun Mohd Fuad 4, Taman Tun Dr Ismail, 60000 Wilayah Persekutuan Kuala Lumpur, measuring approximately 2,287 sq. ft. in area, for a cash consideration of RM1,775,000.00. The sale and purchase agreement has been completed in accordance with its terms on 22 October 2021.

(vi) 8 sale and purchase agreements all dated 31 May 2019 entered into between Sg. Besi Construction Sdn. Bhd. (as vendor) and Vestland Resources (as purchaser) for the purchase of the following properties together with accessory parcels to be satisfied entirely via cash:

(a) a parcel of shop distinguished as Parcel No. 1-1, Type Shop-B, Level No. 1, measuring approximately 1,223 sq. ft. in area, for consideration of RM1,554,385.00;

(b) a parcel of shop distinguished as Parcel No. 2-1, Type Shop-C, Level No. 2, measuring approximately 2,278 sq. ft. in area, for consideration of RM2,227,115.00;

(c) a parcel of shop distinguished as Parcel No. 3-1, Type Shop-C, Level No. 3, measuring approximately 2,278 sq. ft. in area, for consideration of RM2,672,538.00;

(d) a parcel of shop distinguished as Parcel No. G-2, Type A3, Level No. Ground Floor, measuring approximately 1,278 sq. ft. in area, for consideration of RM1,982,304.00;

(e) a parcel of shop distinguished as Parcel No. 1-2, Type B3B, Level No. First Floor, measuring approximately 1,163 sq. ft. in area, for consideration of RM1,172,553.00;

(f) a parcel of shop distinguished as Parcel No. 2-2, Type C3B, Level No. Second Floor, measuring approximately 1,521 sq. ft. in area, for consideration of RM1,179,610.00;

(g) a parcel of shop distinguished as Parcel No. 3-2, Type C3B, Level No. Third Floor, measuring approximately 1,521 sq. ft. in area, for consideration of RM1,415,533.00; and

(h) a parcel of shop distinguished as Parcel No. G-1, Type Shop-A, Level No. G, measuring approximately 1,299 sq. ft. in area, for consideration of RM2,920,962.00, all of which are being developed on a parcel of freehold land held under master title of Geran 335450, Lot 74612, Bandar Glenmarie, District of Petaling, State of Selangor. As at the date of this Prospectus, all of the 8 sale and purchase agreements have been completed in accordance with their terms on 2 November 2022.

(vii) 10 sale and purchase agreements all dated 23 September 2021 entered into between Sg. Besi Construction Sdn. Bhd. (as vendor) and Vestland Resources (as purchaser) for the purchase of the following properties together with accessory parcels to be satisfied entirely via cash:

(a) a parcel of office suite distinguished as Parcel No. N-20-3 Type D1, Level No. 20, measuring approximately 823 sq. ft. in area, for consideration of RM714,190.00;

(b) a parcel of office suite distinguished as Parcel No. N-20-3B Type B, Level No. 20, measuring approximately 1,006 sq. ft. in area, for consideration of RM869,740.00;

(c) a parcel of office suite distinguished as Parcel No. N-20-5 Type B1, Level No. 20, measuring approximately 1,006 sq. ft. in area, for consideration of RM869,740.00;

(d) a parcel of office suite distinguished as Parcel No. N-20-6 Type D, Level No. 20, measuring approximately 823 sq. ft. in area, for consideration of RM714,190.00;

(e) a parcel of office suite distinguished as Parcel No. N-20-7 Type A1, Level No. 20, measuring approximately 1,173 sq. ft. in area, for consideration of RM1,011,690.00;

(f) a parcel of office suite distinguished as Parcel No. N-20-8 Type D3, Level No. 20, measuring approximately 823 sq. ft. in area, for consideration of RM717,850.00;

(g) a parcel of office suite distinguished as Parcel No. N-20-9 Type D2, Level No. 20, measuring approximately 823 sq. ft. in area, for consideration of RM717,850.00;

(h) a parcel of office suite distinguished as Parcel No. N-20-10 Type D3, Level No. 20, measuring approximately 823 sq. ft. in area, for consideration of RM717,850.00;

(i) a parcel of office suite distinguished as Parcel No. N-20-11 Type D2, Level No. 20, measuring approximately 823 sq. ft. in area, for consideration of RM717,850.00; and

(j) a parcel of office suite distinguished as Parcel No. N-20-12 Type E, Level No. 20, measuring approximately 684 sq. ft. in area, for consideration of RM599,700.00,

all of which are being developed on a parcel of freehold land held under master title of Geran 335450, Lot 74612, Bandar Glenmarie, District of Petaling, State of Selangor. As at the date of this Prospectus, all of the 10 sale and purchase agreements have been completed in accordance with their terms on 2 November 2022.

(viii) 2 sale and purchase agreements both dated 19 January 2022 entered into between Sg. Besi Construction Sdn. Bhd. (as vendor) and Vestland Resources (as purchaser) for the purchase of the following properties together with accessory parcels to be satisfied entirely via cash:

(a) a parcel of office suite distinguished as Parcel N-20-1 Type A, Level No. 20, measuring approximately 1,173 sq. ft. in area, for consideration of RM1,011,690.00; and

(b) a parcel of office suite distinguished as Parcel N-20-2 Type D, Level No. 20, measuring approximately 823 sq. ft. in area, for consideration of RM714,190.00,

all of which are being developed on a parcel of freehold land held under master title of Geran 335450, Lot 74612, Bandar Glenmarie, District of Petaling, State of Selangor. As at the date of this Prospectus, both of the sale and purchase agreements have been completed in accordance with their terms on 2 November 2022.

(ix) 2 sale and purchase agreements both dated 11 September 2019 entered into between Equal Sign Sdn. Bhd. (as vendor), Vestland Resources (as purchaser) and Triple Equity Sdn. Bhd. (as proprietor) for the purchase of the following properties together with accessory parcels, which forms part of the contra payment mainly for retention sums of our projects:

(a) a unit of service apartment known as Parcel No. T2-07-08, within Storey No. Level 7, Building No. Tower 2, bearing postal address of T2-07-08 Midhills, Jalan Jaya Permai, Genting Highland, 69000 Genting Highland, Pahang, measuring approximately 999 sq. ft. in area, in a mixed development known as 'Midhills, Genting Highlands, Pahang' ("**T2-07-08 Midhills**") for consideration of RM857,900.00; and

(b) a unit of service apartment known as Parcel No. T3-09-08, within Storey No. Level 9, Building No. Tower 3, bearing postal address of T3-09-08 Midhills, Jalan Jaya Permai, Genting Highland, 69000 Genting Highland, Pahang, measuring approximately 999 sq. ft. in area, in a mixed development known as 'Midhills, Genting Highlands, Pahang' ("**T3-09-08 Midhills**") for consideration of RM901,900.00,

all of which are being developed on a parcel of leasehold land held under master title of PM 1174, Lot 11844, Tempat Genting Highland, Mukim of Bentong, District of Bentong, State of Pahang. Both of the sale and purchase agreements have been completed in accordance with their terms on 11 September 2019.

(x) Sale and purchase agreement dated 15 March 2022 entered into between Vestland Resources (as vendor) and Voo Ket Chung and Ng Ching Ching (as purchasers) for the disposal of T2-07-08 Midhills (together with accessory parcel) for a cash consideration of RM544,000.00[a]. The sale and purchase agreement has been completed in accordance with its terms on 28 June 2022.

(xi) Sale and purchase agreement dated 23 March 2022 entered into between Vestland Resources (as vendor) and David Lim (as purchaser) for the disposal of T3-09-08 Midhills (together with accessory parcel) for a cash consideration of RM550,000.00[b]. The sale and purchase agreement has been completed in accordance with its terms on 17 June 2022.

(xii) Sale and purchase agreement dated 28 February 2022 entered into between Vestland Resources (as vendor) and Leong Boon Tik (as purchaser) for the disposal of a parcel of service apartment known as Parcel No. T3-09-05, within Storey No. 9, Building No. Tower 3, together with accessory parcel, held under PM1174/M1(Menara C)/10/592, Lot 11844, Mukim of Bentong, District of Bentong, State of Pahang, bearing postal address of T3-09-05, Midhills, Jalan Jaya Permai, Genting Highland, 69000 Genting Highland, Pahang, measuring approximately 550 sq. ft. in area, for a cash consideration of RM470,000.00. The sale and purchase agreement has been completed in accordance with its terms on 1 August 2022.

(xiii) Sale and purchase agreement dated 6 December 2021 entered into between Vestland Resources (as vendor) and Suhaida Binti Osman (as purchaser) for the disposal of a parcel of leasehold land held under H.S.(D) No. 17209, PT No. 23435, Mukim of Tanjung Duabelas, District of Kuala Langat, State of Selangor, with a double-storey terrace house erected thereon, bearing postal address of No. 61, Jalan SP 8/13, Bandar Saujana Putra, 42610 Lebuhraya Elite, Selangor, measuring approximately 92 square metres in area for a cash consideration of RM420,000.00. The sale and purchase agreement has been completed in accordance with its terms on 25 April 2022.

(xiv) Sale and purchase agreement dated 20 April 2022 entered into between Vestland Resources (as vendor) and Cheah Kai Pheng and Tan Hooi Cheng (as purchasers) for the disposal of a unit of apartment together with accessory parcels held under Pajakan Negeri 52416/M1/11/83, No. Bangunan M1, No. Tingkat 11, Petak No. 83, Lot No. 80947, Mukim of Batu, District and State of Kuala Lumpur, bearing postal address of 10-3, Residensi 333 Kepong, 8, Jalan Vista Mutiara 1, 52000 Kuala Lumpur, measuring approximately 85 square metres in area, for a cash consideration of RM635,000.00. The sale and purchase agreement has been completed in accordance with its terms on 12 October 2022.

(xv) Sale and purchase agreement dated 21 April 2022 entered into between Vestland Resources (as vendor) and Choo Kah Hong and Ng Chee Kai (as purchasers) for the disposal of a unit of 3-storey shop office held under Pajakan Negeri 20191/M1/2/2, Bangunan No. M1, Tingkat No. 2, Petak No. 2, Lot 48024, Pekan Baru Sungai Buloh, District of Petaling, State of Selangor, bearing postal address of No. 21-1, Pusat Perdagangan Seri Utama, Jalan Sepah Puteri 5/1B, PJU 5, Kota Damansara, 47810 Petaling Jaya, Selangor, measuring approximately 1,718.37 sq. ft. in area, for a cash consideration of RM500,000.00. As at the date of this Prospectus, the sale and purchase agreement has yet to be completed in accordance with its terms. The balance purchase price is currently pending release by the purchasers' financier to Vestland Resources. The sale and purchase agreement is expected to be completed in the first quarter of 2023.

(xvi) Sale and purchase agreement dated 21 April 2022 entered into between Vestland Resources (as vendor) and Choo Kah Hong and Ng Chee Kai (as purchasers) for the disposal of a unit of 3-storey shop office held under Pajakan Negeri 20191/M1/3/3, Bangunan No. M1, Petak No. 3, Tingkat No. 3, Lot 48024, Pekan Baru Sungai Buloh, District of Petaling, State of Selangor, bearing postal address of No. 21-2, Pusat Perdagangan Seri Utama, Jalan Sepah Puteri 5/1B, PJU 5, Kota Damansara, 47810 Petaling Jaya, Selangor, measuring approximately 1,718.37 sq. ft. in area, for a cash consideration of RM450,000.00. As at the date of this Prospectus, the sale and purchase agreement has yet to be completed in accordance with its terms. The balance purchase price is currently pending release by the purchasers' financier to Vestland Resources. The sale and purchase agreement is expected to be completed in the first quarter of 2023.

(xvii) Sale and purchase agreement dated 20 April 2022 entered into between Vestland Resources (as vendor) and Chye Sook Tien (as purchaser) for the disposal of a unit of service apartment together with accessory parcel held under Pajakan Negeri 51392/M1/20/272, Bangunan No. M1, Tingkat No. 20, Petak No. 272, Lot 101217, Mukim of Petaling, District of Kuala Lumpur, State of Wilayah Persekutuan Kuala Lumpur, bearing postal address of S-19-01, Pearl Suria @ Menara Pearl Point 2, Jalan Sepadu, Off Jalan Klang Lama, 58200 Kuala Lumpur, measuring approximately 102 square metres in area, for a cash consideration of RM750,000.00. The sale and purchase agreement has been completed in accordance with its terms on 3 August 2022.

(xviii) Sale and purchase agreement dated 20 April 2022 entered into between Vestland Resources (as vendor) and Yong Lai Yin (as purchaser) for the disposal of a unit of service apartment together with accessory parcel held under Pajakan Negeri 51392/M1/20/271, Bangunan No. M1, Tingkat No. 20, Petak No. 271, Lot 101217, Mukim of Petaling, District of Kuala Lumpur, State of Wilayah Persekutuan Kuala Lumpur, bearing postal address of S-19-02, Pearl Suria @ Menara Pearl Point 2, Jalan Sepadu, Off Jalan Klang Lama, 58200 Kuala Lumpur, measuring approximately 102 square metres in area, for a cash consideration of RM660,000.00. The sale and purchase agreement has been completed in accordance with its terms on 24 August 2022.

Notes:

(a) For information purposes, the net acquisition price of the said property is RM604,504.00 which was derived after deducting the rebate that was accorded of RM253,396.00 from the original price as stated in the sale and purchase agreement. Our Group had decided to dispose the said property, albeit at a price lower than the acquisition price after taking into consideration that there is a ready buyer for the property and that such disposal will allow our Group to free up the financial resources that are otherwise tied up in fixed assets to be utilised for our Group's operations.

(b) For information purposes, the net acquisition price of the said property is RM609,444.00 which was derived after deducting the rebate that was accorded of RM292,456.00 from the original price as stated in the sale and purchase agreement. Our Group had decided to dispose the said property, albeit at a price lower than the acquisition price after taking into consideration that there is a ready buyer for the property and that such disposal will allow our Group to free up the financial resources that are otherwise tied up in fixed assets to be utilised for our Group's operations.

15.5 PUBLIC TAKE-OVER OFFERS

During the last financial year and up to the LPD, there were no:

(i) public take-over offers by third parties in respect of our Shares; and

(ii) public take-over offers by us in respect of any other company's shares.

15.6 REPATRIATION OF CAPITAL AND REMITTANCE OF PROFIT

As at the LPD, our Group has not established any other place of business outside of Malaysia and we do not transact with any foreign customers or suppliers. As such, there are no governmental laws, decree, regulation or other requirement which may affect the repatriation of capital and the remittance of profit by or to our Group.

15.7 CONSENTS

(i) The written consents of our Principal Adviser, Sponsor, Placement Agent and Underwriter, Solicitors, Issuing House, Share Registrar and Company Secretaries as set out in the Corporate Directory of this Prospectus for the inclusion in this Prospectus of their names and all references thereto in the form and context in which such names appear have been given before the issuance of this Prospectus and have not subsequently been withdrawn.

(ii) The written consent of the Auditors and Reporting Accountants for the inclusion in this Prospectus of its name, the Accountants' Report, Reporting Accountants' Assurance Report on Compilation of Pro Forma Statements of Financial Position as at 30 June 2022 and all references thereto in the form and context in which they are contained in this Prospectus has been given before the issuance of this Prospectus and have not subsequently been withdrawn.

(iii) The written consent of the IMR for the inclusion in this Prospectus of its name, the IMR Report and all references thereto in the form and context in which they are contained in this Prospectus have been given before the issuance of this Prospectus and has not subsequently been withdrawn.

15.8 DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at our registered office at Unit 30-01, Level 30, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Wilayah Persekutuan during office hours for a period of 6 months from the date of this Prospectus:

(i) our Constitution;

(ii) the material contracts referred to in Section 15.4 of this Prospectus;

(iii) the Reporting Accountants' Assurance Report on Compilation of Pro Forma Statements of Financial Position as at 30 June 2022 and the Accountants' Report as included in Sections 13 and 14 respectively, of this Prospectus;

(iv) the IMR Report as included in Section 8 of this Prospectus;

(v) the letters of consent as included in Section 15.7 of this Prospectus;

(vi) our audited financial statements for the period from our incorporation up to 31 December 2021 and for the FPE 2022; and

(vii) the audited financial statements of Vestland Resources for the FYE 2019, FYE 2020 and FYE 2021.

15.9 RESPONSIBILITY STATEMENTS

Our Directors, Promoters and Offerors have seen and approved this Prospectus. They collectively and individually accept full responsibility for the accuracy of the information contained herein. Having made all reasonable enquiries, and to the best of their knowledge and belief, they confirm there is no false or misleading statement or other facts which if omitted, would make any statement in this Prospectus false or misleading.

AmInvestment Bank, being our Principal Adviser, Sponsor, Placement Agent and Underwriter, acknowledges that, based on all available information, and to the best of its knowledge and belief, this Prospectus constitutes a full and true disclosure of all material facts concerning our IPO.

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16. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE

THIS SUMMARY OF PROCEDURES FOR APPLICATION AND ACCEPTANCE DOES NOT CONTAIN THE DETAILED PROCEDURES AND FULL TERMS AND CONDITIONS AND YOU CANNOT RELY ON THIS SUMMARY FOR PURPOSES OF ANY APPLICATION FOR OUR IPO SHARES. YOU MUST REFER TO THE DETAILED PROCEDURES AND TERMS AND CONDITIONS AS SET OUT IN THE "DETAILED PROCEDURES FOR APPLICATION AND ACCEPTANCE" ACCOMPANYING THE ELECTRONIC COPY OF OUR PROSPECTUS ON THE WEBSITE OF BURSA SECURITIES. YOU SHOULD ALSO CONTACT THE ISSUING HOUSE FOR FURTHER ENQUIRIES.

Unless otherwise defined, all words and expressions used here shall carry the same meaning as ascribed to them in our Prospectus.

Unless the context otherwise requires, words used in the singular include the plural, and vice versa.

16.1 OPENING AND CLOSING OF APPLICATIONS

OPENING OF THE APPLICATION PERIOD: 10.00 A.M., 27 December 2022

CLOSING OF THE APPLICATION PERIOD: 5.00 P.M., 16 January 2023

In the event of any changes to the dates and/or time stated above, we will advertise the notice of changes in a widely circulated English and Bahasa Malaysia daily newspapers in Malaysia.

Late Applications will not be accepted.

16.2 METHODS OF APPLICATION

All Applications must accord with this Prospectus and our Constitution. The submission of an Application Form does not mean that the Application will succeed.

16.2.1 Application for our IPO Shares by the Malaysian Public and Eligible Persons

Types of application and category of investors	Application method
Applications by the Eligible Persons	Pink Application Form only
Applications by the Malaysian Public:	
(i) Individuals	White Application Form or Electronic Share Application or Internet Share Application
(ii) Non-Individuals	White Application Form only

The Eligible Persons who have made applications using the Pink Application Form may still apply for our IPO Shares allocated to the Malaysian Public using the White Application Form or through the Electronic Share Application or the Internet Share Application.

16.2.2 Application for our IPO Shares by Bumiputera investors approved by the MITI and selected investors

Types of Application	Application method
Applications by Bumiputera investors approved by MITI	The MITI will contact the Bumiputera investors directly. They should follow the MITI's instructions.
Applications by selected investors	The Placement Agent will contact the selected investors directly. They should follow the Placement Agent's instructions.

Bumiputera investors approved by the MITI and selected investors may still apply for our IPO Shares offered to the Malaysian Public using the White Application Form or through the Electronic Share Application or the Internet Share Application.

16.3 ELIGIBILITY

16.3.1 General

You must have a CDS account and a correspondence address in Malaysia. If you do not have a CDS account, you may open a CDS account by contacting any of the ADAs set out in Section 12 of the Detailed Procedures for Application and Acceptance ("**Detailed Procedures**") accompanying the electronic copy of this Prospectus on the website of Bursa Securities. The CDS account must be in your own name. **Invalid, nominee or third party CDS accounts** will not be accepted for the Applications.

ONLY ONE APPLICATION FORM FOR EACH CATEGORY FROM EACH APPLICANT WILL BE CONSIDERED AND APPLICATIONS MUST BE FOR AT LEAST 100 IPO SHARES OR MULTIPLES OF 100 IPO SHARES.

MULTIPLE APPLICATIONS WILL NOT BE ACCEPTED UNLESS EXPRESSLY ALLOWED IN THESE TERMS AND CONDITIONS. AN APPLICANT WHO SUBMITS MULTIPLE APPLICATIONS IN HIS OWN NAME OR BY USING THE NAME OF OTHERS, WITH OR WITHOUT THEIR CONSENT, COMMITS AN OFFENCE UNDER SECTION 179 OF THE CMSA AND IF CONVICTED, MAY BE PUNISHED WITH A MINIMUM FINE OF RM1,000,000 AND A JAIL TERM OF UP TO 10 YEARS UNDER SECTION 182 OF THE CMSA.

AN APPLICANT IS NOT ALLOWED TO SUBMIT MULTIPLE APPLICATIONS IN THE SAME CATEGORY OF APPLICATION.

16.3.2 Application by the Malaysian Public

You can only apply for our IPO Shares if you fulfill all of the following:

(i) you must be one of the following:

(a) a Malaysian citizen who is at least 18 years old as at the date of the application for our IPO Shares; or

(b) a corporation/institution incorporated in Malaysia with a majority of Malaysian citizens on your board of directors/trustees and if you have a share capital, more than half of the issued share capital, excluding preference share capital, is held by Malaysian citizens; or

(c) a superannuation, co-operative, foundation, provident, pension fund established or operating in Malaysia;

(ii) you must not be a director or employee of the Issuing House or an immediate family member of a director or employee of the Issuing House; and

(iii) you must submit the Applications by using only one of the following methods:

(a) White Application Form;

(b) Electronic Share Application; or

(c) Internet Share Application.

16.3.3 Application by the Eligible Persons

The Eligible Persons will be provided with Pink Application Forms and letters from us detailing their respective allocation. The applicants must follow the notes and instructions in those documents and where relevant, of this Prospectus.

16.4 APPLICATION BY WAY OF APPLICATION FORMS

Each Application for our IPO Shares must be made using the correct type of Application Form. The Application Form must be completed in accordance with the notes and instructions contained in the respective category of the Application Form. Applications made on the incorrect type of Application Form or which do not conform **STRICTLY** to the terms of our Prospectus or the respective category of Application Form or notes and instructions printed on it or which are illegible will not be accepted.

The FULL amount payable is RM0.33 for each IPO Share.

Payment must be made out in favour of **"TIIH SHARE ISSUE ACCOUNT NO 731"** and crossed "**A/C PAYEE ONLY**" and endorsed on the reverse side with your name and address.

Each completed Application Form, accompanied by the appropriate remittance and legible photocopy of the relevant documents may be submitted using one of the following methods:

(i) despatch by **ORDINARY POST** in the official envelopes provided, to the following address:

Tricor Investor & Issuing House Services Sdn Bhd
(Registration No. 197101000970 (11324-H))
Unit 32-01, Level 32, Tower A
Vertical Business Suite, Avenue 3
Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur

(ii) or **DELIVER BY HAND AND DEPOSIT** in the drop-in boxes provided at Tricor Customer Service Centre, Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur

so as to arrive not later than 5.00 p.m. on 16 January 2023 or by such other time and date specified in any change to the date or time for closing of the applications for our IPO Shares.

We, together with our Issuing House, will not issue any acknowledgement of the receipt of your Application Forms or Application monies. Please direct all enquiries in respect of the White Application Form to the Issuing House.

16.5 APPLICATION BY WAY OF ELECTRONIC SHARE APPLICATIONS

Only Malaysian individuals may apply for our IPO Shares offered to the Malaysian Public by way of Electronic Share Applications.

Electronic Share Applications may be made through the ATM of the following Participating Financial Institutions and their branches, namely, Affin Bank Berhad, Alliance Bank Malaysia Berhad, AmBank (M) Berhad, CIMB Bank Berhad, Malayan Banking Berhad, Public Bank Berhad and RHB Bank Berhad. A processing fee will be charged by the respective Participating Financial Institutions (unless waived) for each Electronic Share Application.

The procedures for Electronic Share Application at ATMs of the Participating Financial Institutions are set out on the ATM screens of the relevant Participating Financial Institutions.

16.6 APPLICATION BY WAY OF INTERNET SHARE APPLICATIONS

Only Malaysian individuals may apply for our IPO Shares offered to the Malaysian Public by way of the Internet Share Application.

Internet Share Applications may be made through an internet financial services website of the Internet Participating Financial Institutions, namely, Affin Bank Berhad, Alliance Bank Malaysia Berhad, CIMB Bank Berhad, CGS-CIMB Securities Sdn Bhd, Malayan Banking Berhad, Public Bank Berhad and RHB Bank Berhad. A processing fee will be charged by the respective Internet Participating Financial Institutions (unless waived) for each Internet Share Application.

The exact procedures, terms and conditions for Internet Share Application are set out on the internet financial services website of the respective Internet Participating Financial Institutions.

16.7 AUTHORITY OF OUR BOARD AND OUR ISSUING HOUSE

The Issuing House, on the authority of our Board reserves the right to:

(i) reject the Applications which:

  (a) do not conform to the instructions of this Prospectus, Application Forms, Electronic Share Application and Internet Share Application (where applicable); or

  (b) are illegible, incomplete or inaccurate; or

  (c) are accompanied by an improperly drawn up, or improper form of, remittance; or

(ii) reject or accept any Application, in whole or in part, on a non-discriminatory basis without the need to give any reason; and

(iii) bank in all Application monies (including those from unsuccessful/partially successful applicants) which would subsequently be refunded, where applicable (without interest), in accordance with Section 16.9 of this Prospectus.

If you are successful in your Application, our Board reserves the right to require you to appear in person at the registered office of the Issuing House at any time within 14 days of the date of the notice issued to you to ascertain that your Application is genuine and valid. Our Board shall not be responsible for any loss or non-receipt of the said notice nor will it be accountable for any expenses incurred or to be incurred by you for the purpose of complying with this provision.

16.8 OVER/UNDER-SUBSCRIPTION

In the event of over-subscription, the Issuing House will conduct a ballot in the manner approved by our Directors to determine the acceptance of Applications in a fair and equitable manner. In determining the manner of balloting, our Directors will consider the desirability of allotting and allocating our IPO Shares to a reasonable number of applicants for the purpose of broadening the shareholding base of our Company and establishing a liquid and adequate market for our Shares.

The basis of allocation of Shares and the balloting results in connection therewith will be furnished by the Issuing House to Bursa Securities, all major Bahasa Malaysia and English newspapers as well as posted on the Issuing House's website (https://tiih.online) within one market day after the balloting event.

Pursuant to the Listing Requirements a minimum of 25% of our enlarged issued Shares are required to be held by a minimum number of 200 public shareholders holding not less than 100 Shares each upon our Listing and completion of our IPO. We expect to achieve this at the point of our Listing. In the event that this public spread requirement is not met, our Company may not be permitted to proceed with our Listing. In such event, monies paid in respect of all Applications will be returned in full (without interest).

In the event of an under-subscription of our IPO Shares by the Malaysian Public and/or Eligible Persons, subject to the clawback and reallocation provisions as set out in Sections 4.2.1 and 4.2.2 of this Prospectus, any of the abovementioned IPO Shares not applied for will then be subscribed by the Underwriters based on the terms of the Underwriting Agreement.

16.9 UNSUCCESSFUL/PARTIALLY SUCCESSFUL APPLICANTS

If you are unsuccessful/partially successful in your Application, your Application monies (without interest) will be refunded to you in the following manner:

16.9.1 For applications by way of Application Forms

(i) The Application monies or the balance of it, as the case may be, will be returned to you through the self-addressed and stamped Official "A" envelope you provided by ordinary post (for fully unsuccessful applications) or by crediting into your bank account (the same bank account you have provided to Bursa Depository for the purposes of cash dividend/distribution) or if you have not provided such bank account information to Bursa Depository, the balance of Application monies will be refunded via banker's draft sent by ordinary/registered post to your last address maintained with Bursa Depository (for partially successful applications) within 10 Market Days from the date of the final ballot at your own risk.

(ii) If your Application is rejected because you did not provide a CDS account number, your Application monies will be refunded via banker's draft sent by ordinary/registered post to your address as stated in the NRIC or any official valid temporary identity document issued by the relevant authorities from time to time or the authority card (if you are a member of the armed forces or police) at your own risk.

(iii) A number of Applications will be reserved to replace any successfully balloted Applications that are subsequently rejected. The Application monies relating to these Applications which are subsequently rejected or unsuccessful or only partly successful will be refunded (without interest) by the Issuing House as per items (i) and (ii) above (as the case may be).

(iv) The Issuing House reserves the right to bank into its bank account all Application monies from unsuccessful applicants. These monies will be refunded (without interest) within 10 Market Days from the date of the final ballot by crediting into your bank account (the same bank account you have provided to Bursa Depository for the purposes of cash dividend/distribution) or by issuance of banker's draft sent by ordinary/registered post to your last address maintained with Bursa Depository if you have not provided such bank account information to Bursa Depository or as per item (ii) above (as the case may be).

16.9.2 For applications by way of Electronic Share Application and Internet Share Application

(i) The Issuing House shall inform the Participating Financial Institutions or Internet Participating Financial Institutions of the unsuccessful or partially successful Applications within 2 Market Days after the balloting date. The full amount of the Application monies or the balance of it will be credited without interest into your account with the Participating Financial Institution or Internet Participating Financial Institution (or arranged with the Authorised Financial Institutions) within 2 Market Days after the receipt of confirmation from the Issuing House.

(ii) You may check your account on the 5th Market Day from the balloting date.

(iii) A number of Applications will be reserved to replace any successfully balloted Applications that are subsequently rejected. The Application monies relating to these Applications which are subsequently rejected will be refunded (without interest) by the Issuing House by crediting into your account with the Participating Financial Institution or Internet Participating Financial Institutions (or arranged with the Authorised Financial Institutions) not later than 10 Market Days from the date of the final ballot. For Applications that are held in reserve and which are subsequently unsuccessful or partially successful, the relevant Participating Financial Institution will be informed of the unsuccessful or partially successful Applications within 2 Market Days after the final balloting date. The Participating Financial Institution will credit the Application monies or any part thereof (without interest) within 2 Market Days after the receipt of confirmation from the Issuing House.

16.10 SUCCESSFUL APPLICANTS

If you are successful in your application:

(i) Our IPO Shares allotted to you will be credited into your CDS account.

(ii) A notice of allotment will be despatched to you at your last address maintained with Bursa Depository, at your own risk, before our Listing. This is your only acknowledgement of acceptance of your Application.

(iii) In accordance with Section 14(1) of the SICDA, Bursa Securities has prescribed our Shares as Prescribed Securities. As such, our IPO Shares issued/offered through this Prospectus will be deposited directly with Bursa Depository and any dealings in these Shares will be carried out in accordance with the SICDA and Rules of Bursa Depository.

(iv) In accordance with Section 29 of the SICDA, all dealings in our Shares will be by book entries through CDS accounts. No physical share certificates will be issued to you and you shall not be entitled to withdraw any deposited securities held jointly with Bursa Depository or its nominee as long as our Shares are listed on Bursa Securities.

16.11 ENQUIRIES

Enquiries in respect of the applications may be directed as follows:

Modes of Application	Parties to direct the enquiries
Application Forms	Issuing House Enquiry Services at telephone no. +603 - 2783 9299
Electronic Share Applications	Participating Financial Institution
Internet Share Applications	Internet Participating Financial Institution and Authorised Financial Institution

The results of the allocation of IPO Shares derived from successful balloting will be made available to the public at the Issuing House website at https://tiih.online, 1 Market Day after the balloting date.

You may also check the status of your application at the above website, 5 Market Days after the balloting or by calling your respective ADA during office hours at the telephone number as stated in the list of ADAs set out in Section 12 of the Detailed Procedures accompanying the electronic copy of this Prospectus on the website of Bursa Securities.

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