LAGENDA PROPERTIES BERHAD
(FORMERLY KNOWN AS
D.B.E. GURNEY RESOURCES BERHAD)
Registration No.: 200101000008 (535763-A)
(Incorporated in Malaysia)

REPORTS AND FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

LAGENDA PROPERTIES BERHAD
(FORMERLY KNOWN AS
D.B.E. GURNEY RESOURCES BERHAD)
Registration No.: 200101000008 (535763-A)
(Incorporated in Malaysia)

REPORTS AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
31 DECEMBER 2020

Contents	**Pages**

LAGENDA PROPERTIES BERHAD
(Formerly known as D.B.E. Gurney Resources Berhad)
(Incorporated in Malaysia)

DIRECTORS' REPORT

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2020.

CHANGE OF NAME

On 16 July 2020, the Company changed its name from D.B.E. Gurney Resources Berhad to Lagenda Properties Berhad.

PRINCIPAL ACTIVITIES

The Company is an investment holding company. The principal activities of its subsidiaries are disclosed in Note 12 to the financial statements.

There have been no significant changes in the nature of these activities of the Group and of the Company during the financial year.

RESULTS

	Group RM	Company RM
Net profit for the financial year	151,686,940	(12,419,229)
Attributable to:		
Owners of the Company	142,486,700	
Non-controlling interests	9,200,240	
	151,686,940	

RESERVES AND PROVISIONS

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

ISSUANCE OF SHARES AND DEBENTURES

Ordinary shares

On 17 February 2020, the Company has increased its issued ordinary shares from RM56,842,332 to RM61,075,332 through private placement by the issuance and allotment of 159,000,000 new ordinary shares at an issue price of RM0.027 per ordinary share for working capital purpose and net off with incurred placement fee of RM60,000.

**The abovementioned shares were issued prior to the consolidation of 25 existing ordinary shares into 1 new ordinary share on 6 August 2020. ("Share Consolidation")*

ISSUANCE OF SHARES AND DEBENTURES (cont'd)

On 12 August 2020, the Company has increased its issued ordinary shares from RM61,075,332 to RM175,535,474 by the issuance and allotment of the following:

- 108,733,864 new ordinary shares at a market price of RM0.75 per share for the purpose of acquisition of subsidiaries; and

- 41,266,137 new ordinary shares at an issue price of RM0.7975 per share for the purpose of settlement of Directors' related companies balances on behalf of subsidiaries.

On 25 August 2020, the Company has increased its issued ordinary shares from RM175,535,474 to RM339,580,184 by the issuance and allotment of the following:

- 50,000,000 new ordinary shares through private placement at an issue price of RM0.80 per share for working capital purpose and net off with incurred placement fee of RM744,000; and

- 170,000,000 new ordinary shares through conversion of 170,000,000 RCPS at the conversion ratio of 1 RCPS for 1 new ordinary share.

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

Redeemable Convertible Preference Shares ("RCPS")

On 12 August 2020, the Company has issued and allotted 639,641,716 new RCPS at an issue price of RM0.7975 per RCPS.

On 25 August 2020, the RCPS of the Company decreased from 639,641,716 to 469,641,716 units with the conversion of 170,000,000 RCPS to 170,000,000 new ordinary shares at the conversion ratio of 1 RCPS for 1 new ordinary share.

Total unredeemed and unconverted RCPS as at year end is 469,641,716 units.

The Company has not issued any debentures during the financial year.

OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up unissued shares of the Company during the financial year apart from the issuance of options pursuant to Warrants B.

Warrants B

On 27 January 2017, the Group completed the listings of bonus issue of 580,644,468 free warrants on the basis of one (1) warrant for every two (2) existing shares held on the entitlement date. The Group executed the Deed Poll constituting the warrants and the issue price and exercise price of the warrants have been fixed at RM0.05 each respectively.

Pursuant to the Share Consolidation and in accordance with the provisions of the Deed Poll, the exercise price and the outstanding number of Warrants B held by a Warrants Holder are required to be adjusted to ensure that the status of the Warrants Holders would not be prejudiced after the completion of the Share Consolidation. The total number of warrants before Share Consolidation was 580,644,468 and the adjusted total number of warrants was 23,225,777.

As at 31 December 2020, the total number of warrants that remain unexercised were 23,225,777 (2019: 580,644,468).

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

DIVIDENDS

On 22 February 2021, the Board of Directors has declared an interim single tier dividend of 2.5 sen per ordinary share for the financial year ended 31 December 2020.

The entitlement date has been fixed on 10 March 2021. The interim dividend is payable on 9 April 2021 and will be credited into the entitled depositors' securities accounts maintained with Bursa Malaysia Depository Sdn Bhd.

These dividends will be accounted for in the equity as an appropriation of retained profits in the financial year ending 31 December 2021.

The Board of Directors does not propose any final dividend for the financial year ended 31 December 2020.

DIRECTORS OF THE COMPANY

The Directors in office since the beginning of the financial year to the date of this report are: -

Dato' Doh Jee Ming	
Dato' Doh Tee Leong	
Looi Sze Shing	
Mohamad Ali Bin Ariffin	
Dato' Doh Jee Chai	Appointed on 11 February 2020
Dr Lim Pang Kiam	Appointed on 1 March 2021
Dato' Ding Seng Huat, DSAP	Resigned on 1 January 2020
YM Ungku A Razak Bin Ungku A Rahman	Resigned on 14 February 2020
Sandeep Singh A/L Gurbachan Singh	Resigned on 14 February 2020

DIRECTORS OF SUBSIDIARIES OF THE COMPANY

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

Dato' Doh Jee Ming	
Ha Siok Ching	
Lee Wei Jin	Appointed on 3 August 2020
Meera Bhai A/P Kalimuthu	Appointed on 1 March 2021

DIRECTORS' INTERESTS

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

	Number of ordinary shares						
	At 1.1.2020 Unit	Bought Unit	Sold Unit	Number of shares after share consolidation Unit	Allotment/ Conversion Unit	Sold Unit	At 31.12.2020 Unit
Name of Directors							
The Company							
Direct interest:							
- Dato' Doh Jee Ming	57,520,000	-	-	2,300,800	-	-	2,300,800
Indirect interest:							
- Dato' Doh Jee Ming *	939,280,220	-	-	37,571,208	320,000,001	-	357,571,209
- Dato' Doh Tee Leong *	939,280,220	-	-	37,571,208	320,000,001	-	357,571,209
- Dato' Doh Jee Chai *	939,280,220	-	-	37,571,208	320,000,001	-	357,571,209

	Number of RCPS			
	At 1.1.2020 Unit	Allotment Unit	Conversion Unit	At 31.12.2020 Unit
Name of Directors				
The Company				
Indirect interest:				
- Dato' Doh Jee Ming ^	-	639,641,716	(170,000,000)	469,641,716
- Dato' Doh Tee Leong ^	-	639,641,716	(170,000,000)	469,641,716
- Dato' Doh Jee Chai ^	-	639,641,716	(170,000,000)	469,641,716

DIRECTORS' INTERESTS (cont'd)

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

***** *Indirect interest pursuant to Section 8(4) of the Companies Act 2016 via Lagenda Land Sdn. Bhd. and Setia Awan Plantation Sdn. Bhd., which wholly owned Doh Properties Holdings Sdn. Bhd.*

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

Dato' Doh Jee Ming, Dato' Doh Tee Leong and Dato' Doh Jee Chai are deemed to have interest in the shares held by the Company in its subsidiaries by virtue of their substantial interest in shares:-

- via Setia Awan Plantation Sdn. Bhd., which in turn holds 100% equity interest in Doh Properties Holdings Sdn. Bhd.
- via Lagenda Land Sdn. Bhd.

None of the other Directors in office at the end of the financial year had any interest in shares of the Company or its related corporations during the financial year.

DIRECTORS' REMUNERATION AND BENEFITS

The amount of fees and other benefits paid to or receivable by the Directors or past Directors of the Company and the estimated money value of any other benefits received or receivable by them otherwise than in cash from the Company and its subsidiaries for their services to the Company and its subsidiaries were as follows:

	Company RM	**Subsidiaries RM**
Directors' fee	117,500	-
Salaries, allowances and bonus	263,500	1,400,000
Contributions to defined contribution plan	120,000	616,800
Others	60,308	2,463
Total fees and other benefits	561,308	2,019,263

Since the end of the previous financial year, no Director of the Company has received nor become entitled to receive any benefit (other than Directors' emoluments received or due and receivable as disclosed in Note 6(b) to the financial statements or the fixed salary of a full-time employee of the Company) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest, other than those as disclosed in Note 30 to the financial statements.

There were no arrangements during or at the end of the financial year which had the object of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

OTHER STATUTORY INFORMATION

(a) Before the statements of comprehensive income and statements of financial position of the Group and of the Company were made out, the Directors took reasonable steps:

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

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

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

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

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

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

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

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

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

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

(d) In the opinion of the Directors:

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

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

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

OTHER STATUTORY INFORMATION (cont'd)

(e) The total amount paid to or receivable by the auditors as remuneration for their services as auditors for the financial year from the Company and its subsidiaries are set out as below:

	Company RM	Subsidiaries RM
Audit fee	68,000	222,500
Other services	173,500	-
Total auditors' remuneration	241,500	222,500

(f) There was no amount paid to or receivable by any third party in respect of the services provided to the Company or any of its subsidiaries by any Director or past Director of the Company.

(g) There was no indemnity given to or insurance effected for any Director, officer or auditor of the Group and of the Company.

HOLDING COMPANY

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

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

Details of significant events during the financial year are disclosed in Note 37 to the financial statements.

EVENTS SUBSEQUENT TO THE END OF FINANCIAL YEAR

Details of significant events subsequent to the end of financial year are disclosed in Note 38 to the financial statements.

AUDITORS

The auditors, Messrs. Moore Stephens Associates PLT, have expressed their willingness to continue in office.

Approved and signed on behalf of the Board in accordance with a resolution of the Directors dated 12 April 2021.

Dato' Doh Tee Leong

Dato' Doh Jee Ming

Registration No.: 200101000008 (535763-A)

LAGENDA PROPERTIES BERHAD
(Formerly known as D.B.E. Gurney Resources Berhad)
(Incorporated in Malaysia)

STATEMENT BY DIRECTORS
Pursuant to Section 251(2) of the Companies Act 2016

We, the undersigned, being two of the Directors of the Company, do hereby state that, in the opinion of the Directors, the accompanying financial statements as set out on page 16 to 114 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the Companies Act 2016 in Malaysia, so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2020 and of their financial performance and cash flows for the financial year then ended.

Approved and signed on behalf of the Board in accordance with a resolution of the Directors dated 12 April 2021.

Dato' Doh Tee Leong | Dato' Doh Jee Ming

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

I, Lee Wei Jin (MIA No.: 339922), being the Officer primarily responsible for the financial management of the Company, do solemnly and sincerely declare that the financial statements as set out on page 16 to 114 the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the
abovenamed
at Kuala Lumpur in the Federal Territory
on 12 April 2021

Lee Wei Jin

Before me,
Tan Kim Chooi
No. W 661
Commissioner For Oaths
Kuala Lumpur, Malaysia

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LAGENDA PROPERTIES BERHAD
(Formerly known as D.B.E. Gurney Resources Berhad)
Registration No.: 200101000008 (535763-A)
(Incorporated in Malaysia)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Lagenda Properties Berhad (formerly known as D.B.E. Gurney Resources Berhad), which comprise the statements of financial position as at 31 December 2020 and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 16 to 114.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2020, and of their financial performance and their cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

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

Independence and Other Ethical Responsibilities

We are independent of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *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 IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of the most significance in our audit of the financial statements of the Group and of the Company for the current year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters (cont'd)

<u>Impairment assessment on goodwill and investment in subsidiaries</u>

Goodwill

As at 31 December 2020, as shown in Note 11 to the financial statements, the carrying amount of the Group's goodwill amounted to RM24,505,996.

The Group is required to, at least annually, perform impairment assessments of goodwill that has an indefinite useful life. For the purpose of performing impairment assessments, goodwill has been allocated to respective cash-generating units ("CGUs"). The recoverable amount of the underlying CGUs is supported by VIU or fair value less costs of disposal calculations which are based on future discounted cashflows. The management concluded that no impairment on goodwill is required as at 31 December 2020.

Investment in subsidiaries

As at 31 December 2020, as shown in Note 12 to the financial statements, the carrying amount of the Company's investment in subsidiaries amounted to RM771,592,682.

A lower of net assets recorded by certain subsidiaries have resulted in an indication that the carrying amount of investment in subsidiaries may be impaired. Accordingly, the Company estimated the recoverable amount of the investment in subsidiaries either based on value-in-use ("VIU") calculations using cashflows projections derived from the most recent financial forecast approved by the Directors covering a five-year period or fair value less costs of disposal (as the case may be).

We have identified the impairment review of investment in subsidiaries and goodwill as a key audit matter as impairment test involves significant judgement in estimating the underlying assumptions to be applied in the discounted cash flows projections of the VIU calculations and of the fair value less costs of disposal calculations. The recoverable amount of investment in subsidiaries and goodwill is highly sensitive to key assumptions applied in respect of future revenue growth rate, gross margin and the pre-tax discount rate used in the cash flows projections. A small change in the assumption can have a significant impact on the estimation of the recoverable amount.

Key Audit Matters (cont'd)

<u>Impairment assessment on investment in subsidiaries and goodwill</u> (cont'd)

Our audit performed and responses thereon

In addressing the matters above, we have performed the following audit procedures to evaluate management's basis and assumptions used in the VIU and the estimate of fair value less cost of disposal for respective subsidiaries and CGUs:-

- Assessed whether the recoverable amounts were prepared by management based on the approved budgets by the Directors;

- Compared the key assumptions including projected revenue, growth rates, gross margin and discount rate against our knowledge of the subsidiaries' and CGUs' historical performance, business and cost management strategies based on facts and circumstances currently available;

- Performed a sensitivity analysis by changing certain key assumptions used in the VIU and fair value less costs of disposal calculations and assessed the impact of the recoverable amounts of the cost of investment and goodwill;

- Assessed the fair value less costs of disposal of the respective subsidiaries and CGUs in deriving the recoverable amounts of the cost of investment and goodwill; and

- Evaluated the adequacy of the work of the Management's expert including reviewing significant assumptions, methods and reasonableness in deriving the fair value less costs of disposal calculations.

Key Audit Matters (cont'd)

<u>Revenue recognition</u>

Revenue from property development activity recognised during the year as disclosed in Note 4 to the financial statements amounted to RM528,665,878.

Property development revenue is recognised over the period of the project by reference to the progress towards complete satisfaction of the performance obligation. The progress towards complete satisfaction of the performance obligation is measured based on the Group's efforts or inputs to the satisfaction of the performance obligation (e.g. by reference to the property development costs incurred to date as a percentage of the estimated total costs of development of the project).

Judgement is required in determining the progress of property development towards the complete satisfaction of the performance obligation, which include relying on past experience and continuous monitoring of the budgeting process. The management's estimates and judgements affect the cost-based input method computations and the amount of revenue and profit recognised during the year.

We focused on this area because of the magnitude of the revenue and the costs recognised by the Group from these activities, which are based on significant estimates and judgements.

Our audit performed and responses thereon

In addressing the matters above, we have performed the following audit procedures to assess the revenue recogntion: -

- Agreeing to the contracted selling price of the property development units and multiplied with their respective stage of completion;

- Tested the operating effectiveness of the key controls in respect of the review and approval of project cost budgets to assess the reliability of these budgets and the determination of the extent of costs incurred to date;

- Verified the costs incurred to supporting documentation such as the sub-contractors' claim certificates and invoices from vendors;

- Performed site-visits for individually significant on-going projects to arrive at an overall assessment towards stage of completion;

- Checked reasonableness of the stage of completion based on actual costs incurred to date over the estimated total property development costs with architect certificates;

- Performed reasonableness test on accrued contractor costs to be incurred by the Group of which invoice/progress claim has yet to be received;

- Performed re-computation of percentage of completion and percentage of sales; and

- Examined material non-standard journal entries and other adjustments posted to revenue and cost of sales accounts.

Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of the Company are responsible for the other information. The other information comprises the information included in the Annual Report but does not include the financial statements and our auditors' report thereon.

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

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

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

Responsibilities of the Directors for the Financial Statements

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

In preparing the financial statements of the Group and of the Company, the Directors are also responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

(a) Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

(b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.

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

(d) Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.

(e) Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

(f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

This report is made solely to the members of the Company as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the contents of this report.

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

STEPHEN WAN YENG LEONG
02963/07/2021 J
Chartered Accountant

Petaling Jaya, Selangor
Date: 12 April 2021

LAGENDA PROPERTIES BERHAD
(Formerly known as D.B.E. Gurney Resources Berhad)
(Incorporated in Malaysia)

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

		Group		Company	
		2020	2019	2020	2019
	Note	RM	RM	RM	RM
Revenue	4	697,612,454	462,784,642	-	-
Cost of sales	5	(420,630,254)	(281,248,359)	-	-
Gross profit		276,982,200	181,536,283	-	-
Other income		7,002,131	2,378,332	2,963,043	37,800,227
Administrative expenses		(25,258,662)	(19,572,651)	(9,508,416)	(2,399,157)
Selling and marketing expenses		(18,055,179)	(13,654,715)	-	-
Other expenses		(14,565,696)	(412,953)	-	(80,742)
Profit/(Loss) from operations		226,104,794	150,274,296	(6,545,373)	35,320,328
Finance costs		(9,561,766)	(10,083,453)	(5,515,305)	-
Share of results of associates	13	(600,347)	-	-	-
Profit/(Loss) before tax	6	215,942,681	140,190,843	(12,060,678)	35,320,328
Income tax expense	7	(64,255,741)	(40,872,958)	(358,551)	-
Profit/(Loss) net of tax, representing total comprehensive income for the financial year		151,686,940	99,317,885	(12,419,229)	35,320,328
Total comprehensive income attributable to:-					
Owners of the Company		142,486,700	96,059,645		
Non-controlling interests		9,200,240	3,258,240		
		151,686,940	99,317,885		
Earnings per ordinary share attributable to Owners of the Company (RM):-					
- Basic	8	0.54	0.40		
- Diluted	8	0.52	0.40		

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

LAGENDA PROPERTIES BERHAD
(Formerly known as D.B.E. Gurney Resources Berhad)
(Incorporated in Malaysia)

STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020

		Group		Company	
		2020	**2019**	**2020**	**2019**
	Note	**RM**	**RM**	**RM**	**RM**
ASSETS					
Non-current assets					
Property, plant and equipment	9	13,522,598	8,764,504	10,157	4
Investment properties	10	4,940,682	1,438,942	-	-
Goodwill	11	24,505,996	-	-	-
Investment in subsidiaries	12	-	-	771,592,682	250,001
Investment in associates	13	-	-	-	9,800,000
Other investment	15	1,038,000	1,038,000	-	-
Inventories	16	110,509,895	117,052,866	-	-
Other receivables	19	19,067,297	-	19,067,297	17,598,217
		173,584,468	128,294,312	790,670,136	27,648,222
Current assets					
Inventories	16	361,434,162	213,249,611	-	-
Contract assets	17	177,473,938	113,791,694	-	-
Trade receivables	18	203,346,187	137,589,274	-	-
Other receivables	19	32,294,165	44,469,157	52,468,129	19,732,784
Tax recoverable		-	910,202	-	-
Cash and cash equivalents	20	214,279,976	69,200,635	1,860,519	329
		988,828,428	579,210,573	54,328,648	19,733,113
TOTAL ASSETS		1,162,412,896	707,504,885	844,998,784	47,381,335

LAGENDA PROPERTIES BERHAD
(Formerly known as D.B.E. Gurney Resources Berhad)
(Incorporated in Malaysia)

STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020 (cont'd)

		Group		Company	
		2020	**2019**	**2020**	**2019**
	Note	**RM**	**RM**	**RM**	**RM**
EQUITY AND LIABILITIES					
Equity					
Ordinary shares	21	220,520,194	50,500,000	339,580,184	56,842,332
Redeemable convertible preference shares ("RCPS")	22	-	-	303,394,098	-
Other reserves	23	(5,864,104)	-	-	-
Retained earnings		403,882,141	261,395,441	(22,045,876)	(9,626,647)
Equity attributable to Owners of the Company		618,538,231	311,895,441	620,928,406	47,215,685
Non-controlling interests	12	7,811,169	9,718,477	-	-
Total equity		626,349,400	321,613,918	620,928,406	47,215,685
Non-current liabilities					
Redeemable convertible preference shares ("RCPS")	22	-	-	95,031,357	-
Borrowings	24	180,687,494	83,354,039	100,512,916	-
Lease liabilities	25	2,655,096	3,226,122	-	-
Deferred tax liabilities	26	2,236,026	358,433	-	-
Trade payables	27	-	25,155,347	-	-
Other payables	28	13,807,708	-	13,807,708	-
		199,386,324	112,093,941	209,351,981	-
Current liabilities					
Trade payables	27	182,713,777	107,350,992	-	-
Other payables	28	81,698,400	121,835,290	2,394,628	165,650
Amounts due to Directors	29	-	18,348,844	-	-
Contract liabilities	17	3,797,480	4,437,140	-	-
Borrowings	24	41,527,749	7,777,232	12,010,218	-
Lease liabilities	25	1,310,099	1,060,935	-	-
Tax payable		25,629,667	12,986,593	313,551	-
		336,677,172	273,797,026	14,718,397	165,650
Total liabilities		536,063,496	385,890,967	224,070,378	165,650
TOTAL EQUITY AND LIABILITIES		1,162,412,896	707,504,885	844,998,784	47,381,335

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

LAGENDA PROPERTIES BERHAD
(Formerly known as D.B.E. Gurney Resources Berhad)
(Incorporated in Malaysia)

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

		← Attributable to Owners of the Company →					
		← Non-distributable →					
	Note	**Ordinary Shares RM**	**Other Reserves RM**	**Distributable Retained Earnings RM**	**Equity attributable to Owners of the Company RM**	**Non-controlling Interests RM**	**Total Equity RM**
Group							
At 1 January 2019		500,000	-	156,479,552	156,979,552	15,516,481	172,496,033
Profit for the year, representing total comprehensive income for the financial year		-	-	96,059,645	96,059,645	3,258,240	99,317,885
Transactions with Owners of the Company							
Issuance of ordinary shares		50,000,000	-	-	50,000,000	-	50,000,000
Additional investment in a subsidiary		-	-	8,856,244	8,856,244	(9,056,244)	(200,000)
Total transactions with Owners of the Company		50,000,000	-	8,856,244	58,856,244	(9,056,244)	49,800,000
At 31 December 2019		50,500,000	-	261,395,441	311,895,441	9,718,477	321,613,918

LAGENDA PROPERTIES BERHAD
(Formerly known as D.B.E. Gurney Resources Berhad)
(Incorporated in Malaysia)

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (cont'd)

		← Attributable to Owners of the Company →					
		← Non-distributable →					
	Note	Ordinary Shares RM	Other Reserves RM	Distributable Retained Earnings RM	Equity attributable to Owners of the Company RM	Non-controlling Interests RM	Total Equity RM
Group (cont'd)							
At 1 January 2020		50,500,000	-	261,395,441	311,895,441	9,718,477	321,613,918
Profit for the year, representing total comprehensive income for the financial year		-	-	142,486,700	142,486,700	9,200,240	151,686,940
Transactions with Owners of the Company							
Issuance of shares pursuant to:-							
- direct acquisition of subsidiaries	12(b)	14,418,992	-	-	14,418,992	-	14,418,992
- private placement	21	39,256,000	-	-	39,256,000	-	39,256,000
- reverse acquisition	12(a)	83,613,748	-	-	83,613,748	-	83,613,748
- settlement of amounts due to Directors' related companies and Directors	21(b)	32,909,744	-	-	32,909,744	-	32,909,744
Dividend declared by a subsidiary		-	-	-	-	(11,107,548)	(11,107,548)
Expenses incurred pursuant to issuance of RCPS	22,23	-	(20,800)	-	(20,800)	-	(20,800)
RCPS dividend paid/payable during the year	22,23	-	(6,021,594)	-	(6,021,594)	-	(6,021,594)
Conversion of RCPS		(178,290)	178,290	-	-	-	-
Total transactions with Owners of the Company		170,020,194	(5,864,104)	-	164,156,090	(11,107,548)	153,048,542
At 31 December 2020		220,520,194	(5,864,104)	403,882,141	618,538,231	7,811,169	626,349,400

LAGENDA PROPERTIES BERHAD
(Formerly known as D.B.E. Gurney Resources Berhad)
(Incorporated in Malaysia)

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (cont'd)

		Attributable to Owners of the Company			
		← Non-Distributable →			
		Ordinary Shares	RCPS (Note 22)	Accumulated Losses	Total Equity
	Note	**RM**	**RM**	**RM**	**RM**
Company					
At 1 January 2019		56,842,332	-	(44,946,975)	11,895,357
Profit for the year, representing total comprehensive income for the financial year		-	-	35,320,328	35,320,328
At 31 December 2019/ 1 January 2020		56,842,332	-	(9,626,647)	47,215,685
Loss for the year, representing total comprehensive income for the financial year		-	-	(12,419,229)	(12,419,229)
Transactions with Owners of the Company					
Issuance of shares pursuant to:-					
- direct acquisition of subsidiaries	12(b)	14,418,992	-	-	14,418,992
- private placement	21	43,489,000	-	-	43,489,000
- reverse acquisition	12(a)	67,131,406	397,829,098	-	464,960,504
- settlement of amounts due to Directors' related companies and Directors	21(b)	32,909,744	-	-	32,909,744
Conversion of RCPS	21,22	124,788,710	(94,435,000)	-	30,353,710
Total transactions with owners of the Company		282,737,852	303,394,098	-	586,131,950
At 31 December 2020		339,580,184	303,394,098	(22,045,876)	620,928,406

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

LAGENDA PROPERTIES BERHAD
(Formerly known as D.B.E. Gurney Resources Berhad)
(Incorporated in Malaysia)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

		Group		Company	
		2020	2019	2020	2019
	Note	RM	RM	RM	RM
Cash Flows from Operating Activities					
Profit/(Loss) before tax		215,942,681	140,190,843	(12,060,678)	35,320,328
Adjustments for:-					
Accretion of interest income on deferred other receivable		(612,116)	-	(1,469,080)	-
Attributable gain on retained interest as associate		-	-	-	(9,800,000)
Depreciation of:-					
- property, plant and equipment		1,742,020	1,496,797	172	-
- investment properties		30,083	-	-	-
Gain on disposal of property, plant and equipment		(446,874)	(33,980)	-	-
Gain on disposal of investment in unquoted shares		-	-	-	(1)
Gain on disposal of subsidiaries		-	-	-	(10,200,000)
Gain on remeasurement of lease liabilities		(46,519)	-	-	-
Interest expense		9,561,766	10,083,453	5,515,305	-
Interest income		(2,500,083)	(283,580)	(1,232,235)	-
Inventories written down		6,331,468	-	-	-
Loss on disposal of associates		2,047,979	-	-	-
Loss on fair value adjustment on amount due from an associate		-	-	-	4,785,391
Loss on remeasurement of deferred trade payables		6,175,271	-	-	-
Balance carried forward		238,225,676	151,453,533	(9,246,516)	20,105,718

LAGENDA PROPERTIES BERHAD
(Formerly known as D.B.E. Gurney Resources Berhad)
(Incorporated in Malaysia)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (cont'd)

		Group		Company	
		2020	**2019**	**2020**	**2019**
	Note	**RM**	**RM**	**RM**	**RM**
Cash Flows from Operating Activities					
Balance bought forward		238,225,676	151,453,533	(9,246,516)	20,105,718
Reversal of impairment loss on:-					
- amounts due from subsidiaries		-	-	-	(22,585,617)
- other receivables		(620,108)	-	-	-
Share of results of associates		600,347	-	-	-
Written off on:-					
- amount due from an associate		-	-	-	80,742
- other receivables		115	412,953	-	-
- property, plant and equipment		4,328	-	4	-
- trade receivables		6,535	-	-	-
Operating profit/(loss) before changes in working capital		238,216,893	151,866,486	(9,246,512)	(2,399,157)
Inventories		(68,823,114)	(15,422,119)	-	-
Receivables		211,774,020	(49,520,282)	4,325,459	1
Payables		(93,702,806)	(5,750,377)	1,002,698	87,259
Contract assets/liabilities		(10,027,361)	(54,754,827)	-	-
Cash generated from/(used in) operations		277,437,632	26,418,881	(3,918,355)	(2,311,897)
Interest paid		(9,073,390)	(9,567,856)	(2,243,320)	-
Interest received		2,500,083	283,580	1,232,235	-
Income tax paid		(52,830,256)	(39,131,657)	(45,000)	-
Income tax refunded		169,020	76,787	-	-
Net cash from/(used in) operating activities		218,203,089	(21,920,265)	(4,974,440)	(2,311,897)

LAGENDA PROPERTIES BERHAD
(Formerly known as D.B.E. Gurney Resources Berhad)
(Incorporated in Malaysia)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (cont'd)

		Group		Company	
		2020	2019	2020	2019
	Note	RM	RM	RM	RM
Cash Flows from Investing Activities					
Direct acquisition of subsidiaries, net of cash and cash equivalent acquired	12(b)	(141,436,243)	-	(150,000,000)	-
Acquisition through reverse acquisition, net of cash and cash equivalent acquired	12(a)	11,997,168	-	-	-
(Advances to)/ Repayment from subsidiaries		-	-	(4,151,060)	1,190,577
Investment in subsidiaries		-	(200,000)	-	-
Purchase of property, plant and equipment	9(b)	(1,021,480)	(1,312,607)	(10,329)	-
Purchase of investment properties		(40)	(40)	-	-
Proceeds from disposal of:-					
- property, plant and equipment		973,494	440,000	-	-
- associates	13	9,800,000	-	9,800,000	-
- subsidiaries		-	-	-	1,000,000
Repayment from Directors' related companies		14,740,580	24,588,510	-	-
Net cash (used in)/from investing activities		(104,946,521)	23,515,863	(144,361,389)	2,190,577

LAGENDA PROPERTIES BERHAD
(Formerly known as D.B.E. Gurney Resources Berhad)
(Incorporated in Malaysia)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (cont'd)

		Group		Company	
		2020	2019	2020	2019
	Note	RM	RM	RM	RM
Cash Flows from Financing Activities					
Dividend paid to:-					
- RCPS holders		(4,749,187)	-	(4,749,187)	-
- non-controlling interest		(11,107,548)	-	-	-
Expenses incurred pursuant to issuance of RCPS		(20,800)	-	-	-
Repayment to Directors' related companies	(c)	(87,547,872)	(1,146,658)	(66,928)	-
Advances from Directors	(c)	-	11,347,216	-	-
Repayment to corporate shareholders	(c)	(1,706,600)	-	-	-
Drawdown/(Repayment) of borrowings	(c)	98,396,628	(11,725,013)	112,523,134	-
Issuance of ordinary shares		-	50,000,000	-	-
Increase in fixed deposits pledged		(20,443,614)	(1,566,770)	-	-
Payment for the principal portion of lease liabilities	(b)(c)	(1,017,853)	(1,129,922)	-	-
Proceeds from private placement		39,256,000	-	43,489,000	-
Repayment from former subsidiary		-	-	-	121,267
Net cash from financing activities		11,059,154	45,778,853	151,196,019	121,267
Net increase/(decrease) in cash and cash equivalents		124,315,722	47,374,451	1,860,190	(53)
Cash and cash equivalents at beginning of the year		64,614,723	17,240,272	329	382
Cash and cash equivalents at end of the year	(a)	188,930,445	64,614,723	1,860,519	329

LAGENDA PROPERTIES BERHAD
(Formerly known as D.B.E. Gurney Resources Berhad)
(Incorporated in Malaysia)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (cont'd)

(a) Cash and cash equivalents comprise the following:

		Group		Company	
		2020	2019	2020	2019
	Note	RM	RM	RM	RM
Cash and bank balances	20	69,748,606	64,251,395	1,860,519	329
Fixed deposits with licensed banks	20	26,494,422	4,949,240	-	-
Short term fund	20	118,036,948	-	-	-
		214,279,976	69,200,635	1,860,519	329
Less:					
Bank overdraft	24	(320,005)	-	-	-
Fixed deposits pledged with licensed banks	20(b)	(25,029,526)	(4,585,912)	-	-
		188,930,445	64,614,723	1,860,519	329

(b) Cash outflows for leases as a lease are as follow:

	Group		Company	
	2020	2019	2020	2019
	RM	RM	RM	RM
Included in net cash used in operating activities:				
Interest paid in relation to lease liabilities	231,210	201,575	-	-
Payment related to short term lease of:-				
- premises	278,022	1,494,719	120,130	-
- equipment	28,839	15,683	-	-
Included in net cash from financing activities:				
Payment for the principal portion of lease liabilities	1,017,853	1,129,922	-	-
	1,555,924	2,841,899	120,130	-

LAGENDA PROPERTIES BERHAD
(Formerly known as D.B.E. Gurney Resources Berhad)
(Incorporated in Malaysia)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (cont'd)

(c) Reconciliation of movements of liabilities to cash flows arising from financing activities:

	Note	Lease liabilities RM	Borrowings (excluded bank overdraft) RM	Amounts due to Directors' related companies and corporate shareholders RM	Amount due to a Director RM
Group					
2020					
At beginning of the year		4,287,057	91,131,271	91,670,497	18,348,844
Payment for the principal portion of lease liabilities		(1,017,853)	-	-	-
Drawdown		-	153,000,000	-	-
Repayment		-	(54,603,372)	(89,254,472)	-
Net changes in cash flow from financing activities		(1,017,853)	98,396,628	(89,254,472)	-
Direct acquisition of subsidiaries	12(b)	-	27,737,339	11,511,514	60,310
Acquisition of new leases	9(b)	1,033,923	-	-	-
Net changes in cash flow from operating activities		-	-	737,566	-
Lease modification		(337,932)	-	-	-
Reverse acquisition	12(a)	-	4,630,000	-	-
Settlement of debts through issuance of ordinary shares	21(b)	-	-	(14,500,590)	(18,409,154)
At end of the year		3,965,195	221,895,238	164,515	-

LAGENDA PROPERTIES BERHAD
(Formerly known as D.B.E. Gurney Resources Berhad)
(Incorporated in Malaysia)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (cont'd)

(c) Reconciliation of movements of liabilities to cash flows arising from financing activities: (cont'd)

	Note	Lease liabilities RM	Borrowings (excluded bank overdraft) RM	Amounts due to Directors' related companies and corporate shareholders RM	Amount due to a Director RM
Group					
2019					
At beginning of the year, as previously reported		2,279,321	102,856,284	89,992,300	7,001,628
Effect of adoption of MFRS 16		415,138	-	-	-
At beginning of the year, as restated		2,694,459	102,856,284	89,992,300	7,001,628
Repayment		(1,129,922)	(11,725,013)	(1,146,658)	-
Advances from		-	-	-	11,347,216
Net changes in cash flow from financing activities		(1,129,922)	(11,725,013)	(1,146,658)	11,347,216
Acquisition of new leases	9(b)	2,722,520	-	-	-
Net changes in cash flow from operating activities		-	-	2,824,855	-
At end of the year		4,287,057	91,131,271	91,670,497	18,348,844

LAGENDA PROPERTIES BERHAD
(Fomerly known as D.B.E. Gurney Resources Berhad)
(Incorporated in Malaysia)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (cont'd)

(c) Reconciliation of movements of liabilities to cash flows arising from financing activities: (cont'd)

	Borrowings (excluded bank overdraft) RM	Amounts due to Directors' related companies RM
Company		
2020		
At beginning of the year	-	-
Drawdown	153,000,000	-
Repayment	(40,476,866)	(66,928)
Net changes in cash flow from financing activities	112,523,134	(66,928)
Net changes in cash flow from operating activities	-	224,590
At end of the year	112,523,134	157,662

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

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2020

1. CORPORATE INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad.

The registered office of the Company is located at No. 54-4-8, Wisma Sri Mata, Jalan Van Praagh, 11600, Jelutong, Penang.

The principal place of business of the Company is located at Level 4, No. 131, Persiaran PM2/1, Pusat Bandar Seri Manjung, Seksyen 2, 32040 Seri Manjung, Perak Darul Ridzuan.

The Company is principally engaged in investment holdings. The principal activity of the subsidiaries is disclosed in Note 12. There have been no significant changes in the nature of these activities of the Group and of the Company during the financial year.

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

The financial statements were authorised for issue in accordance with a Board of Directors' resolution dated 12 April 2021.

2. BASIS OF PREPARATION

(a) Statement of compliance

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

The Group and the Company have considered the below new accounting pronouncements in the preparation of the financial statements.

(i) Accounting pronouncements that are effective and adopted during the financial year

The Group and the Company have adopted the following new accounting pronouncements that are mandatory for the current financial year:

Amendments to MFRS 9 and MFRS 7	Interest Rate Benchmark Reform
Amendments to MFRS 3	Definition of a Business
Amendments to MFRS 101 and MFRS 108	Definition of Material
Amendments to References to the Conceptual Framework in MFRSs	

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

2. BASIS OF PREPARATION (cont'd)

(a) Statement of compliance (cont'd)

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

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

Effective for financial periods beginning on or after 1 June 2020

Amendments to MFRS 16	Covid-19-Related Rent Concessions

Effective for financial periods beginning on or after 1 January 2021

Amendments to MFRS 9, MFRS 7, MFRS 4 and MFRS 16	Interest Rate Benchmark Reform – Phase 2

Effective for financial periods beginning on or after 1 January 2022

Amendments to MFRS 3	Reference to the Conceptual Framework
Amendments to MFRS 116	Property, Plant and Equipment – Proceeds before Intended Use
Amendments to MFRS 137	Onerous Contracts - Cost of Fulfilling a Contract
Annual Improvements to MFRSs 2018 - 2020	

Effective for financial periods beginning on or after 1 January 2023

Amendments to MFRS 4	Insurance Contracts (Extension of the Temporary Exemption from Applying MFRS 9)
MFRS 17	Insurance Contracts
Amendments to MFRS 17	Insurance Contracts
Amendments to MFRS 101	Classification of Liabilities as Current or Non-Current and Disclosure of Accounting Policies
Amendments to MFRS 108	Definition of Accounting Estimates

Effective date to be announced

Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The Group and the Company will adopt the above accounting pronouncements when they become effective in the respective financial periods. These accounting pronouncements are not expected to have any effect to the financial statements of the Group and of the Company upon their initial application.

2. BASIS OF PREPARATION (cont'd)

(b) Basis of Measurement

The financial statements of the Group and of the Company have been prepared on the historical cost convention except for those as disclosed in the accounting policy notes.

(c) Functional and presentation currency

These financial statements are presented in Ringgit Malaysia ("RM"), which is the Group's and the Company's functional currency.

(d) Significant accounting estimates and judgements

The summary of accounting policies as described in Note 3 are essential to understand the Group's and the Company's result of operations, financial position, cash flows and other disclosures. Certain of these accounting policies require critical accounting estimates that involve complex and subjective judgements and the use of assumptions, some of which may be for matters that are inherently uncertain and susceptible to change. Directors exercise their judgement in the process of applying the Group's and the Company's accounting policies.

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

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

(i) Property development

Revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation.

The progress towards complete satisfaction of the performance obligation is measured based on the Group's efforts or inputs to the satisfaction of the performance obligation (i.e. by reference to the property development costs incurred to date as a percentage of the estimated total costs of development of the contract). In making the estimate, management relies on opinion/service of experts, past experience and a continuous monitoring mechanism.

(ii) Impairment of goodwill

Goodwill is tested for impairment annually and at other times when such indicators exist. This requires management to estimate the expected future cash flows of the cash-generating unit to which goodwill is allocated and to apply a suitable discount rate in order to determine the present value of those cash flows. The future cash flows are most sensitive to budgeted gross margins, growth rates estimated and discount rate used. If the expectation is different from the estimation, such difference will impact the carrying value of goodwill.

2. BASIS OF PREPARATION (cont'd)

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

(iii) Carrying value of investment in subsidiaries

Investments in subsidiaries are reviewed for impairment annually in accordance with its accounting policy or whenever events or changes in circumstances indicate that the carrying values may not be recoverable.

Significant judgement is required in the estimation of the present value of future cash flows generated by the subsidiaries, which involves uncertainties and are significantly affected by assumptions and judgements made regarding estimates of future cash flows and discount rates. Changes in assumptions could significantly affect the carrying value of investments in subsidiaries.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to the periods presented in these financial statements, except as disclosed in Note 3(a).

(a) Basis of consolidation

<u>Consolidation</u>

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the reporting date. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied for like transactions and events in similar circumstances. The Company controls an investee if and only if the Company has all the following:

(i) Power over the investee (i.e. existing rights that give it the current ability to direct the relevant power activities of the investee);
(ii) Exposure, or rights, to variable returns from its investment with the investee; and
(iii) The ability to use its power over the investee to affect its returns.

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(a) Basis of consolidation (cont'd)

Consolidation (cont'd)

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

Losses within a subsidiary are attributed to the non-controlling interests even if that results in a deficit balance.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interest and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. The resulting difference is recognised directly in equity and attributed to owners of the Company.

When control ceases, the disposal proceeds and the fair value of any retained investment are compared to the Group's share of the net assets disposed. The difference together with the carrying amount of allocated goodwill and the exchange reserve that relate to the subsidiary is recognised as gain or loss on disposal.

Business combination

Acquisitions of subsidiaries are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. The Group elects on a transaction-by-transaction basis whether to measure the non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Transaction cost incurred are expensed and included in administrative expenses.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes in the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognised in accordance with MFRS 9 either in profit or loss or a change to other comprehensive income. If the contingent consideration is classified as equity, it will not be remeasured. Subsequent settlement is accounted for within equity. In instances where the contingent consideration does not fall within the scope of MFRS 9, it is measured in accordance with the appropriate MFRS.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(a) Basis of consolidation (cont'd)

Reverse acquisition accounting

During the financial year, the Company completed the acquisition of the entire equity interest in Blossom Eastland Sdn. Bhd. and its subsidiaries ("Blossom Group") for a total consideration of RM593,604,357, satisfied through a combination of the issuance of 89,508,542 units of ordinary shares, 639,641,716 units of Redeemable Convertible Preference Shares ("RCPS") and 76,550,572 units of deferred RCPS to shareholders of Blossom Group. This transaction is treated as a reverse acquisition for accounting purpose as the shareholders of Blossom Group became the controlling shareholders of the Company upon the completion of the transaction. Accordingly, Blossom Group (being the legal subsidiaries in the transaction) is regarded as the accounting acquirer, and the Company (being the legal parent in the transaction) is regarded as the accounting acquiree.

The consolidated financial statements represent a continuation of the financial position, financial performance and cash flows of Blossom Group. Accordingly, the consolidated financial statements are prepared on the following basis:

(a) the assets and liabilities of Blossom Group are recognised and measured in the consolidated statement of financial position of the Group at their pre-acquisition carrying amounts;

(b) the assets and liabilities of the Company are recognised and measured in the consolidated statement of financial position of the Group at their acquisition-date fair values;

(c) the retained earnings and other equity balances recognised in the consolidated financial statements are the retained earnings and other equity balances of Blossom Group immediately before the reverse acquisition;

(d) the amount recognised as issued equity interests in the consolidated financial statements is determined by adding to the issued equity of Blossom Group immediately before the Reverse Acquisition the fair value of the consideration effectively transferred based on the issue price of the Company's share. However, the equity structure appearing in the consolidated financial statements (i.e. the number and type of equity instruments issued) reflects the equity structure of the legal parent (i.e. the Company), including the equity instruments issued by the Company to effect the reverse acquisition;

(e) the consolidated statement of comprehensive income for the financial year ended 31 December 2020 reflects the full financial year results of Blossom Group together with the post-acquisition results of the Company; and

(f) the comparative figures presented in these consolidated financial statements are those of Blossom Group, except for its capital structure which is retroactively adjusted to reflect the legal capital of the accounting acquiree.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(a) Basis of consolidation (cont'd)

Reverse acquisition accounting (cont'd)

The consolidated statement of comprehensive income, consolidated statement of cash flows and consolidated statement of changes in equity of the Group for the financial year ended 31 December 2020 refers to the Group which includes the results of Blossom Group from 1 January 2020 to 31 December 2020 and the post-acquisition results of the Company from the date of completion of the reverse acquisition to 31 December 2020. The consolidated statement of comprehensive income, consolidated statement of cash flows and consolidated statement of changes in equity of the Group for the financial year ended 31 December 2019 refer to the results of Blossom Group from 1 January 2019 to 31 December 2019.

Separate financial statements of the Company

The above accounting method applies only at the consolidated financial statements. In the Company's separate financial statements, investments in the legal subsidiaries (the Blossom Group) is accounted for at cost less accumulated impairment losses, if any, in the Company's statement of financial position. The initial cost of the investment in the Blossom Group is based on the fair value of the ordinary shares, RCPS and deferred RCPS issued by the Company as at the acquisition date.

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

Non-controlling Interests

Non-controlling interests represents the equity in subsidiaries not attributable directly or indirectly, to Owners of the Company, and is presented separately in the consolidated profit or loss and within equity in the consolidated financial position, separately from equity attributable to Owners of the Company.

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the non-controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to Owners of the Company.

Losses within a subsidiary are attributed to the non-controlling interests even if that results in a deficit balance.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(a) Basis of consolidation (cont'd)

Associates

Associates are entities, in which the Group has significant influence, but not control, over the financial and operating policies.

Investments in associates are accounted for in the consolidated financial statements using the equity method less any impairment losses. The cost of the investment includes transaction costs. The consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of the associates, after adjustments if any, to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases.

When the Group's share of losses exceeds its interest in an associate, the carrying amount of that interest including any long-term investments is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation to fund the associate's operations or has made payments on behalf of the associate.

When the Group ceases to have significant influence over an associate, any retained interest in the former associate at the date when significant influence is lost is measured at fair value and this amount is regarded as the initial carrying amount of a financial asset. The difference between the fair value of any retained interest plus proceeds from the interest disposed of and the carrying amount of the investment at the date when equity method is discontinued is recognised in profit or loss.

When the Group's interest in an associate decrease but does not result in a loss of significant influence, any retained interest is not re-measured. Any gain or loss arising from the decrease in interest is recognised in profit or loss. Any gains or losses previously recognised in other comprehensive income are also reclassified proportionately to profit or loss.

Joint arrangement

Joint arrangement is arrangement of which the Group has joint control, established by contracts requiring unanimous consent for decisions about the activities that significantly affect the arrangement's returns.

Joint arrangement is classified as "joint operation" when the Group has rights to the assets and obligations for the liabilities relating to an arrangement. The Group accounts for each of its share of the assets, liabilities and transactions, including its share of those held or incurred jointly with the other investors, in relation to the joint operation.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions between subsidiaries in the Group, are eliminated in preparing the consolidated financial statements.

Unrealised gains arising from transactions with equity-accounted associates and joint ventures are eliminated against the investment to the extent of the Group's interest in the investees. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(b) Revenue and other income recognition

(i) Revenue from contracts with customers

The Group is in the business of property development, construction of building and trading of building materials and hardware.

Revenue from contracts with customers is recognised by reference to each distinct performance obligation in the contract with customer and is measured at the consideration specified in the contract of which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, net of sales and service tax, returns, rebates and discounts.

The Group recognises revenue when (or as) it transfers control over a product or service to customer. An asset is transferred when (or as) the customer obtains control of that asset.

Depending on the substance of the contract, revenue is recognised when the performance obligation is satisfied, which may be at a point in time or over time. The Group transfers control of a good or service at a point in time unless one of the following over time criteria is met:-

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

<u>Property development revenue</u>

The Group recognises revenue from property development over time if it creates an asset with no alternative use to the Group and the Group has an enforceable right to payment for performance completed to date. Revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation.

The progress towards complete satisfaction of the performance obligation is measured based on the Group's efforts or inputs to the satisfaction of the performance obligation (i.e. by reference to the property development costs incurred to date as a percentage of the estimated total costs of development of the contract).

Certain bundled contracts provide the customer with an option to purchase an on-going property development unit with furniture and fittings. Furniture and fittings can also be obtained separately from another provider. As sale of an on-going property development unit and furniture and fittings are capable of being distinct and separately identifiable, there are two performance obligations within a bundled transaction. Accordingly, the Group allocates the transaction price based on relative stand-alone selling prices of the property development unit and furniture and fittings.

Stand-alone selling price are based on observable sales prices; however, where stand-alone selling prices are not directly observable, estimates will be made maximising the use of observable inputs.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(a) Revenue and other income recognition (cont'd)

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

Construction contracts revenue

Contract revenue includes the initial amount agreed in the contract plus any variations in contract work and claims. Under the terms of the contracts, the Group has an enforceable right to payment for performance completed to date and that the customer controls the assets during the course of construction by the Group and that the construction services performed does not create an asset with an alternative use to the Group.

Revenue from construction contracts is recognised progressively over time based on the percentage of completion by using the cost-to-cost method ("input method"), based on the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs. The Directors consider that this input method is an appropriate measure of the progress towards complete satisfaction of these performance obligations under MFRS 15. Work done is measured based on actual and expected cost incurred for project activities.

There is no significant financing component in construction contracts with customers as the period between the recognition of revenue under the percentage of completion and the milestone payment is generally within the normal business operating cycle.

Sale of land

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

Furniture and fittings revenue

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

Sale of completed properties

Revenue from sales of completed properties is recognised upon delivery of properties where the control of the properties has been passed to the buyers.

Trading of building materials and hardware

Revenue from sales of building materials and hardware is recognised upon delivery of goods where the control of the goods have been transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods, net of indirect taxes and discounts.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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

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

Incremental costs of obtaining a contract with a customer

The Group pays sales commissions to external sales agent and employees as an incentive for sales of each unit of on-going property development to the customers. Sales commissions have been determined to be an incremental cost of obtaining a contract and are capitalised as contract costs when the Group expects these costs to be recovered over a period of more than one year.

Contract costs are amortised over the revenue recognition by reference to the progress towards complete satisfaction of the performance obligation. For contract costs with an amortisation period of less than one year, the Group has elected to apply the practical expedient to recognise as an expense when incurred. Amortisation of contract costs are included as part of selling and marketing expenses in the profit or loss, based on the nature of commission costs, and not under amortisation expenses.

Contract assets and contract liabilities

Contract asset is the right to consideration in exchange for goods or services transferred to the customers. The Group's contract asset is the excess of cumulative revenue earned over the billings to-date.

When there is objective evidence of impairment, the amount of impairment losses is determined by comparing the contract asset's carrying amount and the present value of estimated future cash flows to be generated by the contract asset.

Contract asset is reclassified to trade receivables at the point at which invoices have been billed to customers.

Contract liability is the obligation to transfer goods or services to customers for which the Group has received the consideration or has billed the customer. The Group's contract liability is the excess of the billings to-date over the cumulative revenue earned. Contract liabilities are recognised as revenue when the Group performs its obligation under the contract.

(ii) Interest income

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

(iii) Rental income

Rental income is recognised on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income over the term of the lease.

(iv) Other income

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

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(c) Employee benefits

(i) Short term employee benefits

Wages, salaries, social security contributions and bonuses are recognised as an expense in the financial year in which the associated services are rendered by employees of the Group and of the Company. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences, and short term non-accumulating compensated absences such as sick leave are recognised when absences occur.

The expected cost of accumulating compensated absences is measured as additional amount expected to be paid as a result of the unused entitlement that has accumulated at the end of the reporting period.

(ii) Defined contribution plan

As required by law, companies in Malaysia make contributions to the state pension scheme, the Employees Provident Fund ("EPF"). Such contributions are recognised as an expense as incurred. Once the contributions have been paid, the Group and the Company have no further payment obligations.

(d) Borrowing costs

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

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

(e) Income taxes

Current tax

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

Deferred tax

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

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(e) Income taxes (cont'd)

Deferred tax (cont'd)

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

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

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

(f) Leases

As a lessee

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

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

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(f) Leases (cont'd)

As a lessee (cont'd)

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

The Group and the Company apply the short-term lease recognition exemption to its short-term leases of properties and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment 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.

As a lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease.

The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of "other income".

(g) Earnings per share

Basic earnings per share ("EPS") is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for the effects of all dilutive potential ordinary shares, which comprise RCPS. Whilst free warrants B granted to shareholders do not have any dilution effect on the weighted average number of ordinary shares as the exercise price of Warrants B has exceeded the average market price of ordinary shares during the financial year.

(h) Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

(i) Recognition and measurement

Cost includes expenditures that are directly attributable to the acquisition of the assets and any other costs directly attributable to bringing the asset to working condition for its intended use, cost of replacing component parts of the assets, and the present value of the expected cost for the decommissioning of the assets after their use. The cost of self-constructed assets also includes the cost of materials and direct labour. For qualifying assets, borrowing costs are capitalised in accordance with the accounting policy on borrowing costs. All other repair and maintenance costs are recognised in profit or loss as incurred.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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

(i) Recognition and measurement (cont'd)

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

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

(ii) Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and to the Company and their costs can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in the profit or loss as incurred.

(iii) Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed, and if a component has a useful life that is different from the remainder of that asset, then that component is depreciated separately.

Depreciation is recognised in the profit or loss on straight line basis over its estimated useful lives of each component of an item of property, plant and equipment as follows:

Freehold properties	50 years
Warehouse	50 years
Machineries	10 years
Furniture and fittings	10 years
Motor vehicles	5 years
Office equipment	10 years
Renovation	10 years
Leased properties	3 to 6 years, or over the lease term, if shorter

Freehold land has an indefinite useful life and therefore is not depreciated.

Depreciation methods, useful lives and residual values are reviewed at end of the reporting period, and adjusted as appropriate.

Fully depreciated property, plant and equipment are retained in the financial statements until they are no longer in use and no further charge for depreciation is made in respect of these property, plant and equipment.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(i) Investment properties

Investment properties are properties held to earn rental income or for capital appreciation or both. Investment properties that are constructed or developed for future use as investment properties.

Investment properties are initially measured at cost, which includes transaction costs. After the initial recognition, investment properties are stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is recognised in profit or loss on straight line basis over its estimated useful lives of each investment properties as follows:

Freehold properties	50 years

Freehold land has an indefinite useful life and therefore is not depreciated.

Investment properties are derecognised when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The gain or loss arising from the retirement or disposal of an investment property is determined as being the difference between the net disposal proceeds, if any, and the carrying amount of the asset and is recognised in profit or loss in the period of retirement or disposal.

(j) Goodwill

Goodwill is initially measured at cost, being excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

(k) Inventories

Inventories are measured at the lower of cost and net realisable value. The inventories of the Group are made up of relevant cost of land and development expenditure. Land costs comprise cost incurred via acquisition or business arrangement. Any consideration payable for the land with deferred payment will be determined based on the present value of the deferred payment.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(k) Inventories (cont'd)

Land held for property development

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

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

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

Property development costs

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

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

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

Any expected loss on a development project, including costs to be incurred over the defects liability period, is recognised as an expense immediately.

Unsold completed properties

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

(l) Cash and cash equivalents

Cash and cash equivalents consist of cash at bank and on hand, short term fund and fixed deposits placed with licensed banks that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value. For the purpose of the statements of cash flows, cash and cash equivalents are presented net of bank overdrafts and pledged deposits, if any.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(m) Financial instruments

(i) Initial recognition and measurement

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

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

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

(ii) Financial instrument categories and subsequent measurement

The Group and the Company categorise financial instruments as follows:

Financial assets

Categories of financial assets are determined on initial recognition and are not reclassified subsequent to their initial recognition unless the Group and the Company change their business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change of the business model.

Amortised cost

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(m) Financial instruments (cont'd)

(ii) Financial instrument categories and subsequent measurement (cont'd)

<u>Financial liabilities</u>

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

Amortised cost

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

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

(iii) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group and the Company currently have a legally enforceable right to set off the amounts and they intend either to settle them on a net basis or to realise the asset and liability simultaneously.

(iv) Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantees issued are initially measured at fair value. Subsequently, they are measured at higher of:

- the amount of the loss allowance; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance to the principles of MFRS 15 *Revenue from Contracts with Customers*.

Liabilities arising from financial guarantees are presented together with other provisions.

(v) Regular way purchase or sale of financial assets

A regular way purchase or sale is a purchase or sale of a financial asset under a contract whose terms require delivery of the asset within the time frame established generally by regulation or convention in the marketplace concerned.

A regular way purchase or sale of financial assets is recognised and derecognised, as applicable, using trade date accounting. Trade date accounting refers to:

(a) the recognition of an asset to be received and the liability to pay for it on the trade date; and

(b) derecognition of an asset that is sold, recognition of any gain or loss on disposal and the recognition of a receivable from the buyer for payment on the trade date.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(m) Financial instruments (cont'd)

(vi) Derecognition

A financial asset or part of it is derecognised when, and only when the contractual rights to the cash flows from the financial asset expire or control of the asset is not retained or substantially all of the risks and rewards of ownership of the financial asset are transferred to another party. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in equity is recognised in profit or loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged, cancelled or expires. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

(n) Impairment of assets

(i) Financial assets

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

Loss allowances of the Group and of the Company are measured on either of the following bases:

(a) 12-month ECLs - represents the ECLs that result from default events that are possible within the 12 months after the reporting date (or for a shorter period if the expected life of the instrument is less than 12 months); or

(b) Lifetime ECLs - represents the ECLs that will result from all possible default events over the expected life of a financial instrument or contract asset.

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

<u>Simplified approach - trade receivables and contract assets</u>

The Group and the Company apply the simplified approach to provide ECLs for all trade receivables and contract assets as permitted by MFRS 9. The simplified approach required expected lifetime losses to be recognised from initial recognition of the receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's and the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where applicable.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(n) Impairment of assets (cont'd)

(i) Financial assets (cont'd)

General approach - other financial instruments and financial guarantee contracts

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

At each reporting date, the Group and the Company assess whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECLs. In assessing whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group and the Company consider reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's and the Company's historical experience and informed credit assessment and including forward looking information, where available.

If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instruments improves such that there is no longer a significant increase in credit risk since initial recognition, loss allowance is measured at an amount equal to 12-month ECLs.

The Group and the Company consider the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that a financial asset to be in default when:

- The borrower is unlikely to pay its credit obligations to the Group and the Company in full, without recourse by the Group and the Company to actions such as realising security (if any is held); or
- The financial asset is more than 1 year past due.

The Group and the Company consider a financial guarantee contract to be in default when the debtor of the loan is unlikely to pay its credit obligations to the creditors in full, without recourse by the Group and the Company to action such as realising security (if any is held). The Group and the Company only apply a discount rate if, and to the extent that, the risks are not taken into account by adjusting the expected cash shortfalls.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group and the Company are exposed to credit risk.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(n) Impairment of assets (cont'd)

(i) Financial assets (cont'd)

Credit impaired financial assets

At each reporting date, the Group and the Company assess whether financial assets carried at amortised cost is credit impaired. A financial asset is credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit impaired includes the observable data about the following events:

- Significant financial difficulty of the borrower or issuer;
- A breach of contract such as a default or past due event (e.g being more than 240 days past due);
- The lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider (e.g the restructuring of a loan or advance by the Group and the Company on terms that the Group and the Company would not consider otherwise);
- It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- The disappearance of an active market for security because of financial difficulties.

Write-off policy

The gross carrying amount of a financial asset is written off (either partially or full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group and the Company determine that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's and the Company's procedure for recovery of amounts due. Any recoveries made are recognised in profit or loss.

(ii) Non-financial assets

The carrying amounts of non-financial assets (except for inventories) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised immediately in profit or loss, unless the asset is carried at a revalued amount, in which such impairment loss is recognised directly against any revaluation surplus of the assets to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same asset. A cash-generating unit is the smallest identifiable asset group that generates cash flow that largely are independent from other assets and groups.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(n) Impairment of assets (cont'd)

(ii) Non-financial assets (cont'd)

The recoverable amount of an asset or cash-generating units is the greater of its value in use and its fair value less cost to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of time value of money and the risks specific to the asset.

Previously recognised impairment losses are assessed at the end of each reporting period whether there is any indication that the loss has decreased or no longer exist. An 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 assets does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for assets in prior years. Such reversal is recognised in the profit or loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

Except for goodwill, assets that were previously impaired are reviewed for possible reversal of the impairment at the end of each reporting period. Any subsequent increase in recoverable amount is recognised in the profit or loss unless it reverses an impairment loss on a revalued asset in which case it is taken to revaluation reserve. Reversal of impairment loss is restricted by the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years.

An impairment loss recognised for goodwill is not reversed.

An impairment loss is recognised for the amount by which the carrying amount of the subsidiary or associate exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and present value of the estimated future cash flows expected to be derived from the investment including the proceeds from its disposal. Any subsequent increase in recoverable amount is recognised in profit or loss.

(o) Equity instrument

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

<u>Ordinary shares</u>

Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(o) Equity instrument (cont'd)

Redeemable Convertible Preference Shares ("RCPS")

The RCPS are regarded as compound instruments, consisting of a liability component and an equity component. The component of RCPS that exhibits characteristics of a liability is recognised as a financial liability in the statements of financial position, net of transaction costs. The dividends on those shares are recognised as interest expense in profit or loss using the effective interest rate method. On issuance of the RCPS, the fair value of the liability component is determined using a market rate for an equivalent non-convertible debt and this amount is carried as a financial liability.

The residual amount, after deducting the fair value of the liability component, is recognised and included in shareholder's equity, net of transaction costs.

Transaction costs are apportioned between the liability and equity component of the RCPS based on the allocation of proceeds to the liability and equity components when the instruments were first recognised.

(p) Operating segments

Operating segments are defined as components of the Group:

(a) that engage in business activities from which it could earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the Group);

(b) whose operating results are regularly reviewed by the chief operating decision maker of the Group in making decisions about resources to be allocated to the segment and assessing its performance; and

(c) for which discrete financial information is available.

The Group reports separately information about each operating segment that meets any of the following quantitative thresholds:

(a) its reported revenue, including both sales to external customers and intersegment sales or transfers, is 10% or more of the combined revenue, internal and external, of all operating segments.

(b) the absolute amount of its reported profit or loss is 10% or more of the greater, in absolute amount of:
   (i) the combined reported profit of all operating segments that did not report a loss; and
   (ii) the combined reported loss of all operating segments that reported a loss.

(c) Its assets are 10% or more of the combined segments that reported a loss.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(p) Operating segments (cont'd)

Operating segments that do not meet any of the quantitative thresholds may be considered reportable, and separately disclosed, if the management believes that information about the segment would be useful to users of the financial statements.

Total external revenue reported by operating segments shall constitute at least 75% of the revenue of the Group. Operating segments identified as reportable segments in the current financial year in accordance with the quantitative thresholds would result in a restatement of prior period segment date for comparative purposes.

(q) Fair value measurements

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

When measuring the fair value of an asset or a liability, the Group and the Company used observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

The Group and the Company recognise transfers between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfers.

(r) Contingent liabilities

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

4. REVENUE

	Note	Group 2020 RM	Group 2019 RM
Revenue from contracts with customers			
Property development	(a)	528,665,878	382,300,232
Furniture and fittings		300,705	1,672,750
Sales of completed properties		8,019,400	27,966,695
Construction contract	(b)	95,827,492	49,384,965
Trading of building materials		64,798,979	-
Sale of land		-	1,460,000
		697,612,454	462,784,642
Timing of revenue recognition:			
Point in time		73,119,084	31,099,445
Over time		624,493,370	431,685,197
		697,612,454	462,784,642

Unsatisfied long-term contracts

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

(a) Property development revenue

	Group 2020 RM	Group 2019 RM
Total contracted revenue, net	1,568,534,129	1,315,451,656
Less: Property development revenue recognised, net	(662,978,709)	(675,678,905)
Completed during the year	(541,366,074)	(171,521,375)
Aggregate amount of the transaction price allocated to property development revenue that are partially or fully unsatisfied as at 31 December, net	364,189,346	468,251,376

(b) Construction contract revenue

	Group 2020 RM	Group 2019 RM
Total contracted revenue	347,490,710	287,886,100
Less: Construction revenue recognised	(244,175,661)	(148,348,169)
Aggregate amount of the transaction price allocated to construction revenue that are partially or fully unsatisfied as at 31 December	103,315,049	139,537,931

4. REVENUE (cont'd)

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

(a) Property development revenue

	Group 2020 RM	Group 2019 RM
Within 1 year	296,802,595	328,693,719
Between 1 to 3 years	67,386,751	139,557,657
	364,189,346	468,251,376

(b) Construction contract revenue

	Group 2020 RM	Group 2019 RM
Within 1 year	103,315,049	71,971,525
Between 1 to 3 years	-	67,566,406
	103,315,049	139,537,931

5. COST OF SALES

	Group 2020 RM	Group 2019 RM
Property development costs	276,640,360	214,098,093
Furniture and fittings	226,800	1,679,849
Cost from sales of completed properties	5,043,641	21,829,011
Construction costs	77,812,921	42,190,739
Trading of building material costs	60,906,532	-
Costs on sale of land	-	1,450,667
	420,630,254	281,248,359

6. PROFIT/(LOSS) BEFORE TAX

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

		Group		Company	
		2020	2019	2020	2019
	Note	RM	RM	RM	RM
Auditors' remuneration					
- statutory audit	(a)	203,913	118,000	68,000	60,000
- (over)/underprovision in prior year	(a)	(1,000)	38,000	(1,000)	-
- other services	(a)	58,000	114,000	173,500	59,000
Accretion of interest income on deferred other receivable		(612,116)	-	(1,469,080)	-

6. **PROFIT/(LOSS) BEFORE TAX** (cont'd)

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

		Group		Company	
		2020	2019	2020	2019
	Note	RM	RM	RM	RM
Attributable gain on retained interest as associate		-	-	-	(9,800,000)
Depreciation of:-					
- property, plant and equipment		1,742,020	1,496,797	172	-
- investment properties		30,083	-	-	-
Directors' remuneration	(b)	3,068,793	1,843,641	561,308	315,500
Employee benefits expense	(c)	9,051,179	4,819,311	706,353	-
Gain on disposal of property, plant and equipment		(446,874)	(33,980)	-	-
Gain on disposal of investment in unquoted shares		-	-	-	(1)
Gain on disposal of subsidiaries		-	-	-	(10,200,000)
Gain on remeasurement of lease liabilities		(46,519)	-	-	-
Interest expense on:-					
- accretion of interest on deferred payable		-	515,597	-	-
- accretion of interest on contingent consideration		488,376	-	488,376	-
- accretion of interest on RCPS liability portion		-	-	2,783,609	-
- bank overdraft		50	195,105	-	-
- banker's acceptance		594,394	1,358,677	-	-
- late payment		866,446	2,552,899	-	-
- lease liabilities		231,210	201,575	-	-
- term loan		7,363,482	5,259,600	2,225,512	-
- revolving credit		17,808	-	17,808	-
Interest income from:-					
- financial institution		(2,500,083)	(283,580)	(34,192)	-
- advances to subsidiaries		-	-	(1,198,043)	-
Inventories written down		6,331,468	-	-	-
Loss on disposal of associates		2,047,979	-	-	-
Loss on fair value adjustment on amount due from an associate		-	-	-	4,785,391
Loss on remeasurement of deferred trade payables		6,175,271	-	-	-

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

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

		Group		Company	
		2020	2019	2020	2019
	Note	RM	RM	RM	RM
Rental income		(349,777)	(642,710)	(39,000)	-
Reversal of impairment loss on:-					
- amounts due from subsidiaries		-	-	-	(22,585,617)
- other receivables		(620,108)	-	-	-
Short term lease for:-					
- office space		278,022	1,494,719	120,130	-
- equipment		28,839	15,683	-	-
Sale of fresh fruit bunches		(1,586,568)	(1,163,175)	-	-
Written off on:-					
- amount due from an associate		-	-	-	80,742
- other receivables		115	412,953	-	-
- property, plant and equipment		4,328	-	4	-
- trade receivables		6,535	-	-	-

(a) Auditors' remuneration

The auditors' remuneration differs from the amount disclosed in Directors' Report was due to the Group consolidated post-acquisition results of Reverse Acquisition and acquisition of subsidiaries.

	Group
	2020
	RM
Auditors' remuneration disclosed in Directors' Report	
- Company	241,500
- Subsidiaries	222,500
Auditors' remuneration recognised prior to Reverse Acquisition and acquisition of subsidiaries	(202,087)
Overprovision of auditors' remuneration in prior year	(1,000)
Auditors' remuneration disclosed in Note 6	260,913

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

(b) Directors' remuneration

	Group		Company	
	2020	2019	2020	2019
	RM	RM	RM	RM
Directors' remuneration:				
- Directors' fee	71,000	37,000	117,500	272,500
- Salaries, allowances and bonus	2,206,334	1,553,912	263,500	43,000
- Contributions to Employees Provident Fund	786,648	248,112	120,000	-
- Others	4,811	4,617	60,308	-
	3,068,793	1,843,641	561,308	315,500

The Directors' remuneration differs from the amount disclosed in Directors' Report was due to the Group consolidated post-acquisition results of Reverse Acquisition and acquisition of subsidiaries.

	Group
	2020
	RM
Directors' remuneration disclosed in Directors' Report	
- Company	561,308
- Subsidiaries	2,019,263
Directors' remuneration of other Directors in subsidiaries	615,723
Directors' remuneration recognised prior to Reverse Acquisition and acquisition of subsidiaries	(127,501)
Directors' remuneration disclosed in Note 6	3,068,793

(c) Employee benefits expense

	Group		Company	
	2020	2019	2020	2019
	RM	RM	RM	RM
Staff cost:				
- Salaries, allowances and bonus	7,608,295	4,211,800	625,660	-
- Contributions to Employees Provident Fund	989,680	538,166	74,002	-
- Others	453,204	69,345	6,691	-
	9,051,179	4,819,311	706,353	-

7. INCOME TAX EXPENSE

	Group		Company	
	2020	2019	2020	2019
	RM	RM	RM	RM
Income tax:				
- Current year	66,545,487	41,329,436	358,551	-
- Overprovision in prior year	(4,157,704)	(608,037)	-	-
	62,387,783	40,721,399	358,551	-
Deferred tax (Note 26):				
- Origination and reversal of temporary differences	1,865,133	237,073	-	-
- Under/(Over)provision in prior year	2,825	(85,514)	-	-
	1,867,958	151,559	-	-
	64,255,741	40,872,958	358,551	-

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (2019: 24%) of the estimated assessable profit for the year.

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

	Group		Company	
	2020	2019	2020	2019
	RM	RM	RM	RM
Profit/(Loss) before tax	215,942,681	140,190,843	(12,060,678)	35,320,328
Tax at the Malaysian statutory income tax rate of 24%	51,826,243	33,645,802	(2,894,563)	8,476,879
Income not subject to tax	(700,971)	(3,362)	(352,579)	(9,072,054)
Tax effect on non-deductible expenses	17,292,276	7,924,069	3,605,693	595,175
Utilisation of previously unrecognised deferred tax assets	(6,928)	-	-	-
Under/(Over) provision of deferred tax in prior year	2,825	(85,514)	-	-
Overprovision of income tax in prior year	(4,157,704)	(608,037)	-	-
	64,255,741	40,872,958	358,551	-

The Group has the following estimated item available for set-off against future taxable profits: -

	Group	
	2020	2019
	RM	RM
Unutilised tax losses	-	28,867

8. EARNINGS PER ORDINARY SHARE

Basic earnings per ordinary share

Basic earnings per ordinary share for the financial year is calculated by dividing the profit after tax attributable to Owners of the Company by the weighted average number of ordinary shares outstanding during the financial year.

	Group	
	2020	**2019**
Profit after tax attributable to the Owners of the Company (RM): -	142,486,700	96,059,645
Weighted average number of ordinary shares		
Number of ordinary shares at beginning of the year	2,678,229,306	2,678,229,306
Effect of share consolidation	(2,571,100,134)	(2,571,100,134)
Effect of weighted average number of ordinary shares issue during the year	155,209,754	130,301,370
	262,338,926	237,430,542
Basic earnings per share (RM)	0.54	0.40

Diluted earnings per ordinary share

The diluted earnings per ordinary share is calculated based on the adjusted consolidated profit for the financial year attributable to the Owners of the Company and the weighted average number of ordinary shares in issue during the financial year have been adjusted for the dilutive effects of all potential ordinary shares.

	2020	**2019**
Profit after tax attributable to the Owners of the Company (RM): -	142,486,700	96,059,645
Weighted average number of dilutive shares		
Number of ordinary shares at beginning of the year	2,678,229,306	2,678,229,306
Effect of share consolidation	(2,571,100,134)	(2,571,100,134)
Effect of weighted average number of ordinary shares issue during the year	155,209,754	130,301,370
Effect of weighted average number of dilutive shares	9,158,713	-
	271,497,639	237,430,542
Diluted earnings per share (RM)	0.52	0.40

9. PROPERTY, PLANT AND EQUIPMENT

	Freehold land and properties RM	Warehouse RM	Machineries RM	Furniture and fittings RM	Office equipment RM	Motor vehicles RM	Renovation RM	Leased properties RM	Total RM
Group									
2020									
Cost									
At 1 January	2,856,875	-	-	9,269	264,778	7,791,887	1,298,613	751,423	12,972,845
Additions	-	-	-	10,329	26,864	726,997	859,140	432,073	2,055,403
Addition through:									
- direct acquisition of subsidiaries (Note 12(b))	4,573,314	7,945	8,440	-	1,499	243,935	-	17,359	4,852,492
- Reverse Acquisition (Note 12(a))	-	-	-	-	42,157	-	-	-	42,157
Lease modification	-	-	-	-	-	-	-	(511,102)	(511,102)
Transfer from inventories	575,788	-	-	-	-	-	-	-	575,788
Disposal	(456,260)	-	-	-	(105,188)	(994,967)	-	-	(1,556,415)
Written off	-	-	-	-	(47,346)	-	-	-	(47,346)
At 31 December	7,549,717	7,945	8,440	19,598	182,764	7,767,852	2,157,753	689,753	18,383,822

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

	Freehold land and properties RM	Warehouse RM	Machineries RM	Furniture and fittings RM	Office equipment RM	Motor vehicles RM	Renovation RM	Leased properties RM	Total RM
Group									
2020									
Accumulated depreciation									
At 1 January	119,384	-	-	6,728	74,023	3,665,490	202,918	139,798	4,208,341
Charge for the year	52,611	159	424	1,099	17,618	1,280,223	153,921	235,965	1,742,020
Addition through:									
- direct acquisition of subsidiaries (Note 12(b))	-	2,225	4,306	-	762	141,623	-	12,296	161,212
- Reverse Acquisition (Note 12(a))	-	-	-	-	42,153	-	-	-	42,153
Lease modification	-	-	-	-	-	-	-	(219,689)	(219,689)
Disposal	(28,136)	-	-	-	(26,654)	(975,005)	-	-	(1,029,795)
Written off	-	-	-	-	(43,018)	-	-	-	(43,018)
At 31 December	143,859	2,384	4,730	7,827	64,884	4,112,331	356,839	168,370	4,861,224
Net carrying amount									
At 31 December	7,405,858	5,561	3,710	11,771	117,880	3,655,521	1,800,914	521,383	13,522,598

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

	Freehold properties RM	Furniture and fittings RM	Office equipment RM	Motor vehicles RM	Renovation RM	Leased properties RM	Total RM
Group							
2019							
At 1 January, as previously reported	2,248,115	9,269	238,244	5,844,568	849,427	-	9,189,623
Effect on adoption of MFRS 16	-	-	-	-	-	397,903	397,903
At 1 January, as restated	2,248,115	9,269	238,244	5,844,568	849,427	397,903	9,587,526
Additions	608,760	-	26,534	2,597,127	449,186	353,520	4,035,127
Disposal	-	-	-	(649,808)	-	-	(649,808)
At 31 December	2,856,875	9,269	264,778	7,791,887	1,298,613	751,423	12,972,845
Accumulated depreciation							
At 1 January	62,618	5,801	48,197	2,752,242	86,474	-	2,955,332
Charge for the year	56,766	927	25,826	1,157,036	116,444	139,798	1,496,797
Disposal	-	-	-	(243,788)	-	-	(243,788)
At 31 December	119,384	6,728	74,023	3,665,490	202,918	139,798	4,208,341
Net carrying amount							
At 31 December	2,737,491	2,541	190,755	4,126,397	1,095,695	611,625	8,764,504

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

	Office equipment, furniture and fittings and renovation RM
Company	
2020	
Cost	
At 1 January	42,157
Additions	10,329
Written off	(42,157)
At 31 December	10,329
Accumulated depreciation	
At 1 January	42,153
Charge for the financial year	172
Written off	(42,153)
At 31 December	172
Net carrying amount	
At 31 December	10,157
2019	
Cost	
At 1 January/31 December	42,157
Accumulated depreciation	
At 1 January/31 December	42,153
Net carrying amount	
At 31 December	4

(a) Assets pledged as security

In addition to assets held under finance lease arrangements, the freehold land and buildings with a total carrying amount of RM5,775,937 (2019: RM1,227,734) have been pledged to licensed bank as securities for credit facilities granted to the Group as disclosed in Note 24.

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

(b) Acquisitions of property, plant and equipment

	Group 2020 RM	Group 2019 RM	Company 2020 RM	Company 2019 RM
Cash purchase of property, plant and equipment	1,021,480	1,312,607	10,329	-
Financed by lease arrangement	1,033,923	2,722,520	-	-
Total acquisition of property, plant and equipment	2,055,403	4,035,127	10,329	-

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

	Motor vehicles RM	Leased properties RM	Total RM
Group			
2020			
Cost			
At 1 January	5,538,727	751,423	6,290,150
Additions	672,997	432,073	1,105,070
Addition through direct acquisition of subsidiaries	-	17,359	17,359
Lease modification	-	(511,102)	(511,102)
Derecognition of right-of-use assets*	(108,530)	-	(108,530)
At 31 December	6,103,194	689,753	6,792,947
Accumulated depreciation			
At 1 January	1,634,589	139,798	1,774,387
Charge for the year	1,176,480	235,965	1,412,445
Addition through direct acquisition of subsidiaries	-	12,296	12,296
Lease modification	-	(219,689)	(219,689)
Derecognition of right-of-use assets*	(34,368)	-	(34,368)
At 31 December	2,776,701	168,370	2,945,071
Net carrying amount			
At 31 December	3,326,493	521,383	3,847,876

**During the financial year, the Group had derecognised right-of-use assets as the Group has settled the finance lease arrangement*

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

(c) Assets classified as right-of-use assets (cont'd)

	Motor vehicles RM	Leased properties RM	Total RM
Group			
2019			
Cost			
At 1 January, as previously reported	2,967,602	-	2,967,602
Effect of adoption of MFRS 16	-	397,903	397,903
At 1 January, as restated	2,967,602	397,903	3,365,505
Additions	2,571,125	353,520	2,924,645
At 31 December	5,538,727	751,423	6,290,150
Accumulated depreciation			
At 1 January	755,218	-	755,218
Charge for the year	879,371	139,798	1,019,169
At 31 December	1,634,589	139,798	1,774,387
Net carrying amount			
At 31 December	3,904,138	611,625	4,515,763

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

	Group 2020 RM	Group 2019 RM
Depreciation of right-of-use assets	1,412,445	1,019,169
Interest expenses of lease liabilities	231,210	201,575
	1,643,655	1,220,744

10. INVESTMENT PROPERTIES

	Freehold land RM	Freehold properties RM	Total RM
Group			
2020			
Cost			
At 1 January	1,438,942	-	1,438,942
Additions	40	-	40
Addition through direct acquisition of subsidiaries (Note 12(b))	-	3,610,000	3,610,000
At 31 December	1,438,982	3,610,000	5,048,982
Accumulated depreciation			
At 1 January	-	-	-
Charge for the financial year	-	30,083	30,083
Addition through direct acquisition of subsidiaries (Note 12(b))	-	78,217	78,217
At 31 December	-	108,300	108,300
Net carrying amount			
At 31 December	1,438,982	3,501,700	4,940,682
2019			
Cost			
At 1 January	1,438,902	-	1,438,902
Additions	40	-	40
At 31 December	1,438,942	-	1,438,942
Net carrying amount			
At 31 December	1,438,942	-	1,438,942

The freehold properties with total net carrying amount of RM3,501,700 (2019: RM Nil) have been pledged to a licensed bank for the banking facilities granted to the Group as disclosed in Note 24.

Rental income generated from investment properties during the year was RM15,816 (2019: RM Nil).

	Freehold land RM	Freehold properties RM	Total RM
At fair value			
At 31 December 2020	2,434,000	3,682,000	6,116,000
At 31 December 2019	3,390,000	-	3,390,000

The fair values of the investment properties were determined based on comparison of similar properties within the proximity based on Director's assumption and categorised as Level 3 of the fair value hierarchy.

11. GOODWILL

	Group 2020 RM	2019 RM
At beginning of the year	-	-
Addition from:		
- Reverse Acquisition (Note 12(a))	4,690,160	-
- direct acquisition of subsidiaries (Note 12(b))	19,815,836	-
At end of the year	24,505,996	-

Goodwill acquired in a business combination is allocated, at acquisition date, to the cash-generating units ("CGUs") that are expected to benefit from the business combinations.

Goodwill on consolidation arose from the acquisition of two (2) direct subsidiaries, namely Rantau Urusan (M) Sdn. Bhd. ("RUSB") and Yik Wang Trading Sdn. Bhd. ("YWT") and Reverse Acquisition of Lagenda Properties Berhad and its subsidiaries, i.e. LPB Development Sdn. Bhd. and LPB Construction Sdn. Bhd. ("LPB Group") as disclosed in Note 12. The consideration paid for the combination included a control premium. In addition, the consideration paid for the combination effectively included amounts in relation to the freehold lands, on-going development project sum and construction project which will then be allocated to property, plant and equipment, inventories and contract cost of the Group respectively. These benefits are recognised separately from goodwill because they meet the recognition criteria for identifiable intangible assets.

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

Impairment review on goodwill

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

	LPB Group RM	RUSB RM	YWT RM	Total RM
Group				
2020				
Goodwill	4,690,160	11,181,561	8,634,275	24,505,996

<u>Property development segment (LPB Group)</u>

The recoverable amounts of the CGU were based on fair value less costs of disposal calculations. The calculations were determined using projected cash flows for its secured land for future development project to derive its adjusted net assets.

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

(i) Pre-tax discount rates of 5.65%;
(ii) There will be no material changes in the development projects and principal activities of the subsidiary; and
(iii) There will not be any significant changes in the gross development value and cost, wages and other related costs, resulting from industrial dispute, adverse changes in economic conditions or other abnormal factors, which will adversely affect the operations of the CGU.

11. GOODWILL (cont'd)

Building construction segment (RUSB)

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

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

(i) Pre-tax discount rates of 8.34%;
(ii) There will be no material changes in the construction contracts of the subsidiary; and
(iii) There will not be any significant changes in the contracted sum and supply of raw materials, wages and other related costs, resulting from industrial dispute, adverse changes in economic conditions or other abnormal factors, which will adversely affect the operations of the CGU.

Trading of building materials and hardware segment (YWT)

The recoverable amounts of the CGU were based on value-in-use calculations. The calculations were determined using projected cash flows for a five-year period and by extrapolation using the growth rate based on historical experience, management's assessment of future trends and expectation of market development in the respective industries.

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

(i) Pre-tax discount rates of 6.43%;
(ii) There will be no material changes in the structure and principal activities of the subsidiary;
(iii) Projected growth rate of 5% per annum and terminal value without growth rate;
(iv) There will not be any significant changes in the prices and supply of raw materials, wages and other related costs, resulting from industrial dispute, adverse changes in economic conditions or other abnormal factors, which will adversely affect the operations of the CGU; and
(vi) Receivables and payables turnover period is estimated to be consistent with the current financial year.

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

12. INVESTMENT IN SUBSIDIARIES

	Company	
	2020	**2019**
	RM	**RM**
Unquoted shares		
At cost		
At beginning of the year	250,001	111,832,277
Additions	771,342,681	-
Disposal	-	(111,582,276)
At end of the year	771,592,682	250,001
Less: Accumulated impairment loss		
At beginning of the year	-	(111,582,276)
Disposal	-	111,582,276
At end of the year	-	-
Net carrying amount	771,592,682	250,001

12. INVESTMENT IN SUBSIDIARIES (cont'd)

Details of the subsidiaries

Name of subsidiaries	Place of incorporation	Principal activities	Effective equity interest 2020 %	2019 %
LPB Development Sdn. Bhd. (formerly known as DBE Development Sdn. Bhd.) ("LPBD")	Malaysia	Property development	100	100
LPB Construction Sdn. Bhd. (formerly known as D Construction Sdn. Bhd.) ("LPBC")	Malaysia	Dormant	100	100
Blossom Eastland Sdn. Bhd. ("BESB")*	Malaysia	Property development	100	-
Rantau Urusan (M) Sdn. Bhd.*	Malaysia	Building construction	100	-
Yik Wang Trading Sdn. Bhd.*	Malaysia	Trading of building materials and hardware	100	-
Held through BESB				
Taraf Nusantara Sdn. Bhd. ("TNSB")	Malaysia	Property development and construction works	100	-
Triprise Sdn. Bhd. ("TSB")	Malaysia	Property development	60	-

* Ordinary shares of these subsidiaries have been pledged to a licensed bank as securities for credit facilities granted to the Group and to the Company as disclosed in Note 24.

(a) Reverse Acquisition

The acquisition of the entire equity interest in Blossom Eastland Sdn. Bhd. and its subsidiaries, i.e. Taraf Nusantara Sdn. Bhd. and Triprise Sdn. Bhd. ("Blossom Group") was completed on 21 July 2020 for a total consideration of RM593,604,357.

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

12. INVESTMENT IN SUBSIDIARIES (cont'd)

(a) Reverse Acquisition (cont'd)

The acquisition of entire equity interest in Blossom Group was satisfied by a combination of the following:

(i) 89,508,542 ordinary shares at an issue price of RM0.7975 per share and measured at fair value of RM0.7500 per share;

(ii) 639,641,716 RCPS at an issue price of RM0.7975 per share and measured at fair value of RM0.7351 per share; and

(iii) 76,550,572 deferred RCPS measured at fair value of RM0.7351 per share.

Blossom Group is regarded as the accounting acquirer, and Lagenda Properties Berhad (formerly known as D.B.E. Gurney Resources Berhad) and its subsidiaries, LPBD and LPBC (collectively named as "LPB Group") is regarded as the accounting acquiree of the Reverse Acquisition.

As Blossom Group is a private entity group, the fair value of the Company's shares provides a more reliable basis for measuring the consideration transferred as compared to the estimated fair value of the share of Blossom Group. The consideration transferred is determined using the fair value of the issued equity of the Company before the acquisition and the number of new ordinary shares Blossom Group would have to issue to the equity holders of the Company to maintain the ratio of ownership interest in the combined entity.

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

	As at 31 July 2020 RM
Property, plant and equipment	4
Investment in associates	12,448,326
Inventories	43,838,041
Contract assets	22,506,143
Trade receivables	38,197,048
Other receivables	26,555,635
Cash and cash equivalents	11,997,168
Trade payables	(42,140,989)
Other payables	(26,587,524)
Borrowings	(4,630,000)
Tax payable	(3,260,264)
Fair value of net identifiable assets acquired	78,923,588

12. INVESTMENT IN SUBSIDIARIES (cont'd)

(a) Reverse Acquisition (cont'd)

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

Net cashflow arising from Reverse Acquisition:	**RM**
Cash and cash equivalents from acquisition of subsidiaries, representing net cash inflow from Reverse Acquisition	11,997,168

Goodwill arising from Reverse Acquisition:	**RM**
Deemed purchase consideration transferred (Note 21(c)(ii))	83,613,748
Less: Fair value of net identifiable assets acquired	(78,923,588)
Goodwill on consolidation (Note 11)	4,690,160

(b) Direct acquisition of subsidiaries

The acquisition of the entire equity interest of Rantau Urusan (M) Sdn. Bhd. ("RUSB") and Yik Wang Trading Sdn. Bhd. ("YWT") was completed on 21 July 2020 via the following purchase consideration:

RUSB
Cash consideration of RM148,269,909.

YWT
19,225,322 shares at an issue price of RM0.7975 per share and measured at fair value of RM0.7500 per share, cash consideration of RM1,730,091 and contingent consideration of RM15,437,715. The condition of the contingent consideration is disclosed in Note 28(a).

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

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

	As at 31 July 2020 RM
Property, plant and equipment	4,691,280
Investment properties	3,531,783
Inventories	35,887,681
Contract assets	31,788,400
Trade receivables	96,188,779
Other receivables	136,996,782
Cash and cash equivalents	8,563,757
Deferred tax liabilities	(9,635)
Trade payables	(96,290,578)
Other payables	(35,121,957)
Borrowings	(27,737,339)
Tax payable	(566,465)
Fair value of net identifiable assets acquired	157,922,488

12. INVESTMENT IN SUBSIDIARIES (cont'd)

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

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

Net cashflow arising from acquisition of subsidiaries:	**RM**
Cash consideration	150,000,000
Less: Cash and cash equivalents from acquisition of subsidiaries	(8,563,757)
Net cash outflow on completion of acquisition of subsidiaries	141,436,243

Goodwill arising from direct acquisition:	**RM**
Fair value of consideration transferred:-	
- cash and cash equivalents	150,000,000
- equity instruments issued (19,225,322 ordinary shares)	14,418,992
- contingent consideration, net present value	13,319,332
	177,738,324
Less: Fair value of net identifiable assets acquired	(157,922,488)
Goodwill on consolidation (Note 11)	19,815,836

(c) Disposal of subsidiaries

On 31 December 2019, the Company disposed 51% equity interest in poultry-related companies, namely Harumi Brands Sdn. Bhd., D.B.E. Breeding Sdn. Bhd., D.B.E. Hatchery Sdn. Bhd., D.B.E. Marketing Sdn. Bhd., D.B.E. Food Processing Industries Sdn. Bhd. and D.B.E. Gurney Chicken Sdn. Bhd.

The disposal of subsidiaries had the following effect on the financial position of the Company:

	Company 2019 RM
Total sales proceeds	10,200,000
Less: Cost of investment of disposed subsidiaries, net of impairment	-
Gain on disposal of subsidiaries	10,200,000
Add: Gain on fair value remeasurement on retained interest as associate	9,800,000
	20,000,000

12. INVESTMENT IN SUBSIDIARIES (cont'd)

(d) Non-controlling interests in subsidiaries

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

	TNSB*	TSB	Total
2020			
NCI percentage of ownership and voting interest (%)	0%	40%	
Carrying amount of NCI (RM)	-	7,811,169	7,811,169
Profit allocated to NCI (RM)	-	9,200,240	9,200,240
2019			
NCI percentage of ownership and voting interest (%)	0%	40%	
Carrying amount of NCI (RM)	-	9,718,477	9,718,477
Profit/(Loss) allocated to NCI (RM)	3,284,033	(25,793)	3,258,240

**In prior year, the Group had acquired remaining 10% equity interest in TNSB and resulted TNSB became a wholly-owned subsidiary.*

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

	TSB RM
At 31 December 2020	
Current assets	3,478,753
Current liabilities	(2,157,980)
Net assets	1,320,773
For the financial year ended 31 December 2020	
Revenue	37,613,769
Profit for the year	22,942,767
Total comprehensive income	22,942,767
Cash flows from/(used in):	
Operating activities	30,824,808
Investing activities	53,177
Financing activities	(27,768,869)

12. INVESTMENT IN SUBSIDIARIES (cont'd)

(d) Non-controlling interests in subsidiaries (cont'd)

The summarised financial information before intra-group elimination of the subsidiaries that have NCI as at the end of each reporting period are as follows: (cont'd)

	TNSB RM	TSB RM
At 31 December 2019		
Non-current assets	18,439,302	-
Current assets	544,099,188	8,726,033
Non-current liabilities	(58,602,373)	-
Current liabilities	(380,533,345)	(2,579,158)
Net assets	123,402,772	6,146,875
For the financial year ended 31 December 2019		
Revenue	433,357,947	-
Profit for the year	65,680,669	(20,367)
Total comprehensive income	65,680,669	(20,367)
Cash flows from/(used in):		
Operating activities	70,724,243	(120)
Investing activities	(769,160)	11,700
Financing activities	(22,172,406)	-

13. INVESTMENT IN ASSOCIATES

	Group		Company	
	2020 RM	2019 RM	2020 RM	2019 RM
Unquoted shares, at cost				
At beginning of the year	-	-	9,800,000	-
Addition through Reverse Acquisition (Note 12(a))	12,448,326	-	-	-
Fair value gain on remeasurement as associates	-	-	-	9,800,000
Disposal	(12,448,326)	-	(9,800,000)	-
At end of the year	-	-	-	9,800,000
Less: Share of post acquisition result				
At beginning of the year	-	-	-	-
Additions	(600,347)	-	-	-
Disposal	600,347	-	-	-
At end of the year	-	-	-	-
Net carrying amount	-	-	-	9,800,000

13. INVESTMENT IN ASSOCIATES (cont'd)

Details of the associates

Name of associates	Country of Incorporation	Principal Activities	Effective Equity Interest 2020 %	Effective Equity Interest 2019 %
Harumi Brands Sdn. Bhd. ("HBSB") (formerly known as D.B.E. Poultry Sdn. Bhd.)*	Malaysia	Operating broiler farms, feeds processing activities and trading in related farm products and materials and operator of restaurants	-	49
D.B.E. Breeding Sdn. Bhd.*	Malaysia	Dormant	-	49
D.B.E. Hatchery Sdn. Bhd.*	Malaysia	Dormant	-	49
D.B.E. Marketing Sdn. Bhd.*	Malaysia	Dormant	-	49
D.B.E. Food Processing Industries Sdn. Bhd.*	Malaysia	Dormant	-	49
D.B.E. Gurney Chicken Sdn. Bhd.*	Malaysia	Dormant	-	49
Held through HBSB				
Super Harumi Sdn. Bhd. *#^	Malaysia	Investment holding company, restaurants and wholesaler of variety of goods without any particular specialisation	-	19.6
Super Harumi (Thailand) Co., Ltd. *#^	Thailand	Quick service restaurant	-	14.7
GW Seasoning (M) Sdn. Bhd. *#^	Malaysia	Seasoning powder manufacturer, wholesaler and distributor	-	14.7
Farmmesh Foods (M) Sdn. Bhd.*#^	Malaysia	Quick service restaurant	-	34.3

* *Not audited by Moore Stephens Associates PLT*

\# *The audited financial statements and auditors' report for the financial year ended 31 December 2019 was not made available.*

^ *Effective equity interest for the financial year ended 31 December 2019 in respective associates is derived via 49% shareholding in HBSB.*

13. INVESTMENT IN ASSOCIATES (cont'd)

Disposal of associates

On 28 September 2020, the Company had exercised the put option to dispose the remaining 49% equity interest in all of its associates for a total cash consideration of RM9,800,000.

The disposal of associates had the following effect on the financial position of the Group and of the Company:

	Group 2020 RM	Company 2020 RM
Total sales proceeds	9,800,000	9,800,000
Less: Net carrying amount of disposed associates	(11,847,979)	(9,800,000)
Loss on disposal	(2,047,979)	-

Summary of financial information

The summarised financial information of the associates, not adjusted for the proportion of the ownership interest held by the Group based on management accounts are as follows:

	2020 RM	2019 RM
Assets and liabilities		
Total assets	65,351,418	1,539,402
Total liabilities	54,107,418	1,539,402
Results		
Revenue	163,117,071	164,149
Profit for the financial year	2,681,001	(102,660)
Total comprehensive income	2,681,001	102,660

14. INVESTMENT IN JOINT OPERATION

On 21 September 2020, TNSB entered into a Joint Development and Shareholders Agreement with Tenaga Danawa Sdn. Bhd. to jointly develop 4 parcels of lands held under Mukim Batang Padang, Daerah Batang Padang, Negeri Perak which measuring approximately 229.73 acres into a mixed development project. Subsequently, Lagenda Tapah Sdn. Bhd. ("LTSB") was incorporated on 16 October 2020 where TNSB holds 125,000 units of ordinary shares and Tenaga Dawana Sdn Bhd holds the remaining 125,000 units of ordinary shares. The Group has classified investment in LTSB as investment on joint operation as the Group has rights to the assets and obligations for the liabilities relating to the arrangement.

15. OTHER INVESTMENT

This represents cost of investment in an on-going development with a fixed return of RM2,500,000 to be received two years from the commencement date of the development.

16. INVENTORIES

		Group	
		2020	2019
	Note	RM	RM
Non-current asset			
At cost:			
Lands held for property development		89,449,895	117,052,866
At net realisable value:			
Lands held for property development	(a)	21,060,000	-
		110,509,895	117,052,866
Current assets			
At cost:			
Property development costs	(b)	311,230,457	169,582,580
Unsold completed units		23,843,887	17,307,213
Lands held for sale		26,359,818	26,359,818
		361,434,162	213,249,611

(a) As at 31 December 2020, the Group has written down certain lands held for property development to its net realisable value. Correspondingly, the Group recognised inventories written down of RM6,331,468 in "Other Expenses" line item of statements of comprehensive income.

(b) Property development costs

	Group	
	2020	2019
	RM	RM
Cumulative property development costs		
At 1 January		
Land costs	137,541,058	57,042,459
Development costs	448,647,877	326,717,890
	586,188,935	383,760,349
Cost incurred during the financial year		
Land costs	10,321,001	91,471,014
Development costs	340,175,178	218,628,428
Addition through acquisition of subsidiaries (Note 12(b))	35,887,681	-
Addition through Reverse Acquisition (Note 12(a))	43,838,041	-
Less:		
Transfer to inventories (unsold completed units)	(11,933,664)	(832,473)
Adjustments to completed projects during the financial year	(465,098,350)	(106,838,383)
At 31 December	539,378,822	586,188,935

16. INVENTORIES (cont'd)

(b) Property development costs (cont'd)

	Group 2020 RM	Group 2019 RM
Cumulative costs recognised in statements of comprehensive income		
At 1 January	(416,606,355)	(309,346,645)
Recognised during the financial year	(276,640,360)	(214,098,093)
Less:		
Adjustments to completed projects during the financial year	465,098,350	106,838,383
At 31 December	(228,148,365)	(416,606,355)
	311,230,457	169,582,580

The titles to certain lands held for property development and lands held for sale are in the name of Directors' related company ("Landowner") with full power of attorney obtained by the Group. The titles to the unsold completed units and lands held for property development will be directly transferred from landowner to the property purchasers.

Land held for property development and land held for sale of the Group with the total net carrying amount of RM107,814,996 (2019: RM113,613,851) have been pledged to licensed banks for the banking facilities granted to the subsidiaries as disclosed in Note 24.

17. CONTRACT ASSETS/(LIABILITIES)

	Note	Group 2020 RM	Group 2019 RM
Property development	(a)	165,708,857	105,402,173
Construction	(b)	11,765,081	8,389,521
Completed units	(c)	(3,797,480)	(4,437,140)
		173,676,458	109,354,554
Represented by:			
Contract assets		177,473,938	113,791,694
Contract liabilities		(3,797,480)	(4,437,140)

Contract assets primarily relate to the Group's right to consideration for work completed on property development and construction contract but not yet billed at the reporting date. Typically, the amount will be billed within 30 days and payment is expected within 60 days.

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

17. CONTRACT ASSETS/LIABILITIES (cont'd)

(a) Property development

	Group 2020 RM	Group 2019 RM
At beginning of the year	105,402,173	46,228,417
Addition through Reverse Acquisition (Note12(a))	22,506,143	-
Revenue recognised during the year (Note 4)	528,665,878	382,300,232
Consideration paid on behalf/payable	67,836,661	16,463,272
Progress billing during the year	(558,701,998)	(339,589,748)
At end of the year	165,708,857	105,402,173

(b) Construction

	Group 2020 RM	Group 2019 RM
At beginning of the year	8,389,521	8,371,310
Addition through direct acquisition of subsidiaries (Note 12(b))	31,788,400	-
Revenue recognised during the year (Note 4)	95,827,492	49,384,965
Progress billing during the year	(124,240,332)	(49,366,754)
At end of the year	11,765,081	8,389,521

(c) Completed units

	Group 2020 RM	Group 2019 RM
At beginning of the year	(4,437,140)	-
Revenue recognised during the year (Note 4)	8,019,400	27,966,695
Progress billing during the year	(7,379,740)	(32,403,835)
At end of the year	(3,797,480)	(4,437,140)

18. TRADE RECEIVABLES

	Note	Group 2020 RM	Group 2019 RM
Trade receivables			
- third parties		165,149,329	112,650,345
- Directors' related companies		30,690,717	24,810,929
- retention sum	(a)	7,506,141	128,000
		203,346,187	137,589,274

18. TRADE RECEIVABLES (cont'd)

The normal credit term of trade receivables is 30 to 90 days (2019: 30 days).

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

19. OTHER RECEIVABLES

		Group		Company	
		2020	2019	2020	2019
	Note	RM	RM	RM	RM
Non-current asset					
Other receivables	(a)	19,067,297	-	19,067,297	17,598,217
Current asset					
Other receivables					
- third parties		2,230,981	9,308,093	-	9,200,000
- Directors' related companies	(b)	821,272	13,775,324	-	-
- amount due from subsidiaries	(c)	-	-	49,661,581	10,532,784
Deposits	(d)	8,207,022	9,412,418	2,269,714	-
Contract costs					
- commission	(e)	6,526,323	9,819,901	-	-
- direct acquisition of subsidiaries	(f)	11,335,644	-	-	-
Prepayments		3,172,923	2,153,421	536,834	-
GST receivables	(g)	-	-	-	-
		32,294,165	44,469,157	52,468,129	19,732,784

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

	Group		Company	
	2020	2019	2020	2019
	RM	RM	RM	RM
Future minimum repayments:				
- repayment within one to three years	22,383,608	-	22,383,608	22,383,608
Less: Fair value adjustment	(3,316,311)	-	(3,316,311)	(4,785,391)
	19,067,297	-	19,067,297	17,598,217

(b) Amounts due from Directors' related companies are non-trade in nature, unsecured, interest free advances which are collectible on demand. As at 31 December 2020, the outstanding balance of RM821,272 is related to sale of fresh fruit bunches income.

19. OTHER RECEIVABLES (cont'd)

(c) Amounts due from subsidiaries are non-trade in nature, unsecured advances with interest bearing at 5.48% (2019: Nil) per annum which are collectible on demand.

	Company 2020 RM	Company 2019 RM
Amounts due from subsidiaries, gross	49,661,581	10,532,784
Less: Allowance for impairment loss		
At beginning of the year	-	(22,585,617)
Reversal	-	22,585,617
At end of the year	-	-
Amounts due from subsidiaries, net	49,661,581	10,532,784

(d) Included in deposits of the Group of RM4,485,502 (2019: RM6,900,000) was deposits paid for two sale and purchase agreements ("SPAs") for acquisition of lands. As at year end, the condition precedents of SPAs have yet to be fulfilled and remaining capital commitments are disclosed in Note 31.

(e) Contract costs represent costs to obtain contracts relate to incremental sales person and agent commission for obtaining property sales contracts which are expected to be recovered through revenue recognition by reference to the progress towards complete satisfaction of the performance obligation with contract customers. These costs are subsequently expensed off as selling and marketing expenses by reference to the performance completed to date, consistent with the revenue recognition pattern.

During the financial year, the total costs to obtain contracts recognised by the Group and the Company as selling and marketing expenses in profit or loss amounting to RM16,467,580 (2019: RM11,267,586).

(f) The Group has identified fair value of RUSB's secured construction contract of RM17,595,005 and will be charged to cost of sales based on the progress of the construction activities. The Group had recognised RM6,259,361 to cost of sales during the year.

(g) In relation to GST receivable by the Group

	Group 2020 RM	Group 2019 RM
GST receivable, gross	211,321	211,321
Addition through direct acquisition of subsidiaries	408,787	-
Refund	(620,108)	-
	-	211,321
Less: Allowance for impairment loss		
At beginning of the year	(211,321)	-
Addition	-	(211,321)
Addition through direct acquisition of subsidiaries	(408,787)	-
Reversal	620,108	-
At end of the year	-	(211,321)
GST receivable, net	-	-

20. CASH AND CASH EQUIVALENTS

		Group		Company	
		2020	2019	2020	2019
	Note	RM	RM	RM	RM
Cash and bank balances	(a)	69,748,606	64,251,395	1,860,519	329
Fixed deposits with licensed banks	(b)	26,494,422	4,949,240	-	-
Short term fund	(c)	118,036,948	-	-	-
		214,279,976	69,200,635	1,860,519	329

(a) Included in the bank balances of the Group are amount of RM11,561,380 (2019: RM23,615,541) placed in Housing Development Accounts ("HDA") in accordance with Section 7(A) of the Housing Development (Control and Licensing) Act, 1966 (Amended 2002). These HDA accounts, which consist of monies received from purchasers, are for the payment of property development costs incurred. The surplus monies in these accounts, if any, will be released to the Group in accordance with the provisions of the Act.

(b) The fixed deposits placed with licensed banks by the Group carry interest rates ranging from 2.04%-3.53% (2019: 2.9%-3.4%) per annum.

Included in fixed deposits of the Group is an amount of RM25,029,526 (2019: RM4,585,912) pledged to licensed banks as security for banking facilities granted to the Group as disclosed in Note 24.

(c) This refers to investment in a short to medium-term fixed income fund of which the fund will be invested in money market investments and short to medium term fixed income instruments. The distribution income from this fund is tax exempted and is being treated as interest income by the Group.

21. ORDINARY SHARES

	Group		Company	
	2020	2019	2020	2019
	RM	RM	RM	RM
Issued and fully paid:				
At beginning of the year	50,500,000	500,000	56,842,332	56,842,332
Issuance of ordinary shares	-	50,000,000	-	-
Issued pursuant to:-				
- Reverse Acquisition (c(ii)(iii))	83,613,748	-	67,131,406	-
- direct acquisition of subsidiaries	14,418,992	-	14,418,992	-
- settlement of debts	32,909,744	-	32,909,744	-
- private placement and related expense	39,256,000	-	43,489,000	-
Conversion of RCPS (Note 22)	(178,290)	-	124,788,710	-
At end of the year	220,520,194	50,500,000	339,580,184	56,842,332

21. ORDINARY SHARES (cont'd)

	Group/Company 2020 Unit	2019 Unit
At beginning of the year	2,678,229,306	2,678,229,306
Issued pursuant to private placement	159,000,000	-
Before share consolidation	2,837,229,306	2,678,229,306
Share consolidation adjustment	(2,723,740,138)	-
Issuance pursuant to:-		
- reverse acquisition	89,508,542	-
- direct acquisition of subsidiaries	19,225,322	-
- settlement of debts	41,266,137	-
- private placement	50,000,000	-
Conversion of RCPS	170,000,000	-
At end of the year	483,489,169	2,678,229,306

(a) The holders of ordinary shares are entitled to receive dividends as and when declared by the Company, and are entitled to one vote per ordinary share at meetings of the Company. The ordinary shares have no par value.

(b) On 14 February 2020, the Company has increased its issued ordinary shares by RM4,233,000 from RM56,842,332 to RM61,075,332 through private placement by the issuance and allotment of 159,000,000 new ordinary shares at an issue price of RM0.027 per ordinary share for working capital purpose and net off with incurred placement fee of RM60,000 which was accounted for as a reduction from equity in accordance with MFRS 132 – Financial Instruments: Presentation.

**The abovementioned ordinary shares were issued prior to the consolidation of 25 existing ordinary shares into 1 new ordinary share on 6 August 2020. ("Share Consolidation")*

On 12 August 2020, the Company has increased its issued ordinary shares from RM61,075,332 to RM175,535,474 by the issuance and allotment of the following:

- 108,733,864 new ordinary shares at a market price of RM0.75 per share for the purpose of acquisition of subsidiaries.

- 41,266,137 new ordinary shares at an issue price of RM0.7975 per share for the purpose of settlement of Directors' related companies balances on behalf of subsidiaries.

On 25 August 2020, the Company has increased its issued ordinary shares from RM175,535,474 to RM339,580,184 by the issuance and allotment of the following:

- 50,000,000 new ordinary shares through private placement at an issue price of RM0.80 per share for working capital purpose and net off with incurred placement fee of RM744,000 which accounted for as a reduction from equity in accordance with MFRS132 – Financial Instruments: Presentation.

- 170,000,000 new ordinary shares through conversion of 170,000,000 RCPS at the conversion ratio of 1 RCPS for 1 new ordinary share at a fair value of RM0.7351 and dividend paid to RCPS holder of RM178,290.

21. ORDINARY SHARES (cont'd)

(c) The value of the Group's ordinary shares differs from that of the Company as a result of Reverse Acquisition accounting as described in Note 3(a).

(i) The amount recognised as issued equity instruments in the consolidated financial statements comprise the issued equity of Blossom Group immediately before the Reverse Acquisition and the costs of the Reverse Acquisition.

(ii) This represents the fair value of the consideration transferred in relation to the Reverse Acquisition. As Blossom Group is a private entity group, the fair value of the Company's shares provides a more reliable basis for measuring the consideration transferred than the estimated fair value of the share in Blossom Group. The consideration transferred is determined using the fair value of the issued equity of the Company before the acquisition and the number of new ordinary shares Blossom Group would have to issue to the equity holders of the Company to maintain the ratio of ownership interest in the combined entity, which represents the total deemed purchase consideration of RM83,613,748.

(iii) The Company's increased share capital of RM67,131,406 represents the purchase consideration of Blossom Group which was satisfied by the allotment and issuance of 89,508,542 units of ordinary shares of the Company measured at RM0.75 per ordinary share, together with 639,641,716 units of RCPS and 76,550,572 units of deferred RCPS measured at RM0.7351 per RCPS.

(iv) The equity structure (i.e. the number and types of equity instruments issued) reflect the equity structure of the Company, being the legal parent, including the equity instruments issued by the Company to effect the Reverse Acquisition.

(d) Included in ordinary shares of the Group was dividend paid in relation to RCPS converted during the year which was transferred from other reserves.

Warrants

On 27 January 2017, the Group completed the listings of bonus issue of 580,644,468 free warrants on the basis of one (1) warrant for every two (2) existing shares held on the entitlement date. The Group executed the Deed Poll constituting the warrants and the issue price and exercise price of the warrants have been fixed at RM0.05 each respectively.

The warrants may be exercised at any time commencing on the date of issue of warrants on 23 January 2017 but not later than 22 January 2022. Any warrants which have not been exercised at date of maturity will lapse and cease to be valid for any purpose.

The new ordinary shares allotted and issued upon exercised of the warrants shall rank pari passu in all respect with the then existing ordinary shares of the Group, save and except that they shall not be entitled to any dividends, rights, allotments and/or other distributions, the entitlement date of which is prior to the date of allotment of the new ordinary shares arising from exercise of the warrants.

On 7 August 2020, pursuant to the Share Consolidation and in accordance with the provisions of the Deed Poll, the exercise price and the outstanding number of Warrants B held by a Warrants Holder are required to be adjusted to ensure that the status of the Warrants Holders would not be prejudiced after the completion of the Share Consolidation. The total number of warrants before Share Consolidation was 580,644,468 and the adjusted total number of warrants was 23,225,777.

As at 31 December 2020, the total number of warrants that remain unexercised were 23,225,777 (2019: 580,644,468).

22. REDEEMABLE CONVERTIBLE PREFERENCE SHARES ("RCPS")

	Company 2020 Unit	Company 2020 RM
Equity		
At beginning of the year	-	-
Issued pursuant to Reverse Acquisition net off with related expenses	639,641,716	355,305,255
Deferred RCPS recognised	-	42,523,843
Conversion during the year	(170,000,000)	(94,435,000)
At end of the year	469,641,716	303,394,098

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

	RM
Fair value of issued RCPS	470,179,826
Fair value of deferred RCPS	56,272,325
	526,452,151
Less: Equity component	(397,829,098)
Liability component at initial recognition	128,623,053

	Company 2020 Unit	Company 2020 RM
Liabilities		
At beginning of the year	-	-
Issued pursuant to Reverse Acquisition net off with related expenses	639,641,716	114,874,570
76,550,572 units of deferred RCPS recognised pursuant to Reverse Acquisition	-	13,748,483
Conversion during the year	(170,000,000)	(30,353,710)
Dividend paid/payable	-	(6,021,595)
Unwinding of discount recognised to profit or loss	-	2,783,609
At end of the year	469,641,716	95,031,357

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

On 12 August 2020, the Company has issued and allotted 639,641,716 new RCPS at an issue price of RM0.7975 per RCPS and recognised 76,550,572 deferred RCPS of RM56,272,326 for the purpose of acquisition of Blossom Group. Both issued and unissued RCPS were accounted for at the fair value of RM0.7351 per RCPS as at 31 July 2020 (deemed accounting completion date).

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

On 25 August 2020, the equity component of the RCPS decreased from RM397,829,098 to RM303,394,098 by way of conversion of 170,000,000 RCPS to 170,000,000 new ordinary shares at the conversion ratio of 1 RCPS for 1 new ordinary share. Correspondingly, the liability portion of the RCPS of the Company has decreased by RM30,353,710, net off with the increased of unwinding discount of RM2,783,609 and decreased of dividend paid/payable of RM6,021,595.

The effective interest rate of the liability component of the RCPS is 8.54% per annum.

The salient terms of the RCPS are as follows:

Transferability

The RCPS is not transferable without the consent of the Company.

Tenure

The tenure of RCPS is for 8 years commencing from and inclusive of the date of issue of the RCPS.

Coupon rate

The RCPS carry the right to receive a cumulative preferential dividend out of the distributable profit of the Company at a fixed rate of 4% per annum, compounded annually, based on the issue price, payable annually in arrears. The right to receive dividends shall cease once the RCPS are converted into shares of the Company or redeemed by the Company, provided that all accrued and unpaid dividend shall be paid on the date of conversion or the date of redemption, as the case may be.

Liquidation

In the event of liquidation, or winding up, the RCPS shall rank in priority to any other unsecured securities or shares of the Company. The RCPS shall constitute direct, unconditional, unsecured and unsubordinated obligations of the Company and shall upon allotment and issue, rank pari passu without any preference or priority among themselves and in priority to other redeemable convertible preference shares that may be created in future, but shall rank behind all secured and unsecured obligations of the Company. The RCPS shall rank in priority to the ordinary shares with regard to dividend payment.

Voting right

The RCPS shall carry no right to vote at any general meeting of the ordinary shareholders of the Company except with regards to any proposal to reduce the capital of the Company, to dispose of the whole of the Company's property, business and/or undertakings or to wind-up the Company and at any time during the winding-up of the Company. The RCPS holders shall be entitled to vote at any class meeting of the holders of the RCPS in relation to any proposal by the Company to vary or abrogate the rights of RCPS as stated in the constitution/articles of association of the Company. Every holder of RCPS who is present in person at such class meeting will have one vote on a show of hands and on a poll, every holder of RCPS who is present or by proxy will have on vote for every RCPS of which he is the holder.

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

The salient terms of the RCPS are as follows: (cont'd)

Conversion

The holder of RCPS shall be entitled to convert each RCPS held by him into such number of shares of the Company in accordance with the conversion ratio at any time during the conversion period. Unless previously redeemed or converted or purchased and cancelled, all outstanding RCPS will be mandatorily converted into new shares of the Company on the maturity date.

The conversion ratio shall be one RCPS to one new share, subject to adjustments from time to time at the determination of the board of directors of the Company in the event of any alteration to the Company's share capital, whether by way of rights issue, capitalisation issue, consolidation of shares, subdivision of shares or reduction of capital howsoever being effected, in accordance with the provisions of the constitutions/articles of association of the Company.

The RCPS shall be convertible into new shares on any market day at any time during the tenure of the RCPS commencing on and including the issue date up to and including the maturity date.

The conversion price per new share shall be an amount equivalent to the issue price, which shall be deemed settled by way of set-off against the purchase consideration in accordance with the terms of this agreement. No additional cost or consideration shall be payable by the holder of the RCPS upon such exercise of the conversion rights.

Unless previously redeemed or converted or purchased and cancelled, the RCPS may at the option of the Company be redeemed, in whole or in part, at any time during the tenure of the RCPS at the redemption price. The Company shall give not less than 30 days prior written notice to the RCPS holders of the redemption of RCPS. The RCPS holders shall be entitled to exercise their conversion rights to convert their RCPS into new shares at any time after the Company issues a notice of redemption and prior to the redemption being effected. All RCPS which are redeemed or purchased by the Company shall be cancelled immediately and cannot be resold.

Redemption

Redemption price is equivalent to the issue price and redeemable at the discretion of RCPS holder.

23. OTHER RESERVE

	Group 2020 RM
At beginning of the year	-
Dividend paid/payable during the year	6,021,594
Expenses incurred for issuance of RCPS	20,800
Transfer to share capital	(178,290)
	5,864,104

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

24. BORROWINGS, SECURED

		Group		Company	
		2020	2019	2020	2019
	Note	RM	RM	RM	RM
Non-current liabilities					
Term loan	(a)	180,687,494	83,354,039	100,512,916	-
Current liabilities					
Bank overdraft		320,005	-	-	-
Banker's acceptance		20,583,852	-	-	-
Revolving credit		10,000,000	-	10,000,000	-
Term loan	(a)	10,623,892	7,777,232	2,010,218	-
		41,527,749	7,777,232	12,010,218	-
Total borrowings					
Bank overdraft		320,005	-	-	-
Banker's acceptance		20,583,852	-	-	-
Revolving credit		10,000,000	-	10,000,000	-
Term loan	(a)	191,311,386	91,131,271	102,523,134	-
		222,215,243	91,131,271	112,523,134	-

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

	Group		Company	
	2020	2019	2020	2019
	%	%	%	%
Banker's acceptance	2.4% - 6.0%	-	-	-
Bank overdraft	5.45%	-	-	-
Revolving credit	5.45%	-	5.45%	-
Term loan	3.7% - 7.7%	4.2% - 8.0%	5.45%	-

(a) Term loans

	Group		Company	
	2020	2019	2020	2019
	RM	RM	RM	RM
Repayable:				
Within one year (current)	10,623,892	7,777,232	2,010,218	-
Between 1 to 5 years	138,333,516	34,625,437	100,512,916	-
More than 5 years	42,353,978	48,728,602	-	-
After one year (non-current)	180,687,494	83,354,039	100,512,916	-
	191,311,386	91,131,271	102,523,134	-

24. BORROWINGS, SECURED (cont'd)

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

(i) Jointly and severally guaranteed by certain Directors of the Company on their personal capacity;

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

(iii) Fixed deposits pledged as disclosed in Note 20(b);

(iv) Legal charge over lands held for property development and lands for sale as disclosed in Note 16;

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

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

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

25. LEASE LIABILITIES

	Group	
	2020	**2019**
	RM	**RM**
Non-current liabilities	2,655,096	3,226,122
Current liabilities	1,310,099	1,060,935
	3,965,195	4,287,057

	Group	
	2020	**2019**
	RM	**RM**
Future minimum lease payments:		
- not later than 1 year	1,493,227	1,283,832
- later than 1 year but not later than 5 years	2,817,061	3,278,479
- later than 5 years	2,405	248,141
	4,312,693	4,810,452
Less: Unexpired finance charges	(347,498)	(523,395)
Total present value of minimum lease payments	3,965,195	4,287,057

25. LEASE LIABILITIES (cont'd)

	Group 2020 RM	Group 2019 RM
Present value of lease liabilities:		
- not later than 1 year	1,310,099	1,060,935
- later than 1 year but not later than 5 years	2,652,700	2,983,744
- later than 5 years	2,396	242,378
	3,965,195	4,287,057

The lease liabilities of the Group bear effective interest rates ranging from 4.26% to 14.57% (2019: 13.40% to 14.57%) per annum.

26. DEFERRED TAX LIABILITIES

	Group 2020 RM	Group 2019 RM
At beginning of the financial year	358,433	202,737
Effect on adoption of MFRS 16	-	4,137
Addition through direct acquisition of subsidiaries (Note 12(b))	9,635	-
Recognised in profit or loss (Note 7)	1,867,958	151,559
At end of the financial year	2,236,026	358,433

The components and movements of deferred tax liabilities and assets during the financial year prior to offsetting are as follows:

	Property, plant and equipment RM	Right-of-use assets RM	Other temporary differences RM	Total RM
Group				
2020				
At beginning of the year	84,448	10,311	263,674	358,433
Addition through direct acquisition of subsidiaries	9,648	(13)	-	9,635
Recognised in profit or loss	44,171	(13,836)	1,837,623	1,867,958
At end of the year	138,267	(3,538)	2,101,297	2,236,026
Group				
2019				
At beginning of the year	161,069	-	41,668	202,737
Effect on adoption of MFRS 16	-	4,137	-	4,137
Recognised in profit or loss	(76,621)	6,174	222,006	151,559
At end of the year	84,448	10,311	263,674	358,433

26. DEFERRED TAX LIABILITIES (cont'd)

The estimated temporary differences for which no deferred tax assets have been recognised in the financial statements are as follows:

	Group 2020 RM	Group 2019 RM
Unutilised tax losses	-	28,867

27. TRADE PAYABLES

	Note	Group 2020 RM	Group 2019 RM
Non-current			
Directors' related companies	(a)	-	25,155,347
Current			
Third parties		137,350,682	4,525,744
Directors' related companies		15,877,625	102,825,248
Retention sum	(b)	29,485,470	-
		182,713,777	107,350,992

The normal credit terms granted to the Group range from 30 to 60 days (2019: 30 to 60 days).

(a) This is in respect of payable for acquisition of a land cost under deferred payment term pursuant to agreement entered with a Directors' related company. These deferred payables are measured at amortised cost at imputed interest rate of Nil (2019: 6.85%) per annum.

During the year, the Group had earlier settled the said amount and therefore recognised loss on remeasurement of deferred trade payables of RM6,175,271 in the "Other expenses" of statements of comprehensive income.

	Group 2020 RM	Group 2019 RM
Future minimum payments:		
- Repayable later than one year but not later than 5 years	-	31,330,618
	-	31,330,618
Less: Future accretion of interest	-	(6,175,271)
	-	25,155,347

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

28. OTHER PAYABLES

	Note	Group 2020 RM	Group 2019 RM	Company 2020 RM	Company 2019 RM
Non-current					
Contingent consideration	(a)	13,807,708	-	13,807,708	-
Current					
Other payables					
- third parties		947,330	900,004	122,639	87,552
- amounts due to shareholders of a subsidiary	(b)	-	1,706,600	-	-
- Directors' related companies	(b)	164,515	89,963,897	157,662	-
Accruals	(c)	36,951,013	10,729,719	2,114,327	78,098
Accrued contractor works		23,137,005	10,047,025	-	-
Refundable deposits received	(d)	20,498,537	8,488,045	-	-
		81,698,400	121,835,290	2,394,628	165,650
		95,506,108	121,835,290	16,202,336	165,650

(a) Being contingent consideration in relation to direct acquisition of YWT recognised by the Group and the Company during the year as disclosed in Note 12(b).

Pursuant to the Shares Sale Agreement ("SSA") signed with the vendors of YWT, the vendors guarantee that profit after tax of YWT for financial year ended ("FYE") 2020 and FYE 2021 shall collectively be not less than RM10.00 million. The Company shall pay the remaining consideration of RM15,437,715 ("Second Tranche Payment") to the vendors. within 4 months after FYE 2021.

The contingent consideration is measured at amortised cost at imputed interest rate of 8.80%.

	Group/Company 2020 RM
Future minimum payments:	
- Repayable later than one year but not later than 2 years	15,437,715
	15,437,715
Less: Future accretion of interest	(1,630,007)
	13,807,708

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

(c) Included in accruals of RM13,145,995 (2019: RM Nil) was accrued construction costs for completed development which pending billings from its contractors.

28. OTHER PAYABLES (cont'd)

(d) Refundable deposits received represent booking fees received from the buyers of the units on the project which will be refundable upon issuance of Certificate of Completion and Compliance.

29. AMOUNTS DUE TO DIRECTORS

Amounts due to Directors are non-trade in nature, unsecured, interest free advances which are repayable on demand.

30. RELATED PARTY DISCLOSURES

Identity of related parties

For the purpose of these financial statements, parties are considered to be related to the Group and to the Company if the Group and the Company have the ability to directly control the party or exercise significant influence over the party in making financial and operating decision, or vice versa, or where the Group and the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

The Group and the Company have related party relationships with its subsidiaries, former associates, Directors, Directors' related companies and key management personnel. Directors' related companies refer to companies in which certain Directors of the Company have substantial financial interests and/or are also Directors of the companies.

Significant related party transactions

	Group		Company	
	2020 RM	2019 RM	2020 RM	2019 RM
Subsidiaries				
(Advances to)/Repayment from	-	-	(4,151,060)	1,190,577
Management fee income	-	-	(215,728)	-
Rental income	-	-	(39,000)	-
Late payment interest	-	-	(1,198,043)	-
Other operating income	-	-	(7,000)	-
Assignment of debts	-	-	(33,517,966)	-
Former associate				
Repayment from	-	-	-	121,267
Directors' related companies				
Trade related				
Furniture and fittings cost	226,800	1,679,849	-	-
Sale of land and completed units	-	(26,766,485)	-	-
Land costs	-	41,393,323	-	-
Construction costs	-	211,829,260	-	-
Repayment to	(104,628,339)	(223,304,388)	-	-

30. RELATED PARTY DISCLOSURES (cont'd)

Significant related party transactions (cont'd)

	Group 2020 RM	Group 2019 RM	Company 2020 RM	Company 2019 RM
Directors' related companies				
Non-trade related				
Operating activities				
Sale of fresh fruit bunches	(1,586,568)	(1,163,175)	-	-
Management fees	478,159	665,680	-	-
Other operating expenses	17,157	664,456	1,590	-
Rental expenses and deposits paid	242,250	1,494,719	223,000	-
Financing activities				
Repayment to	(87,547,872)	(1,146,658)	(66,928)	
Investing activities				
Sale of property, plant and equipment	(199,960)	-	-	-
Repayment from	14,740,580	24,588,510	-	-
Directors				
Assignment of debts	(18,409,154)	-	-	-
Advances from	-	11,347,216	-	-
Corporate shareholder				
Repayment to	(1,706,600)	-	-	-

The significant outstanding balances of the related parties together with their terms and conditions are disclosed in Notes 18, 19, 27, 28 and 29 respectively.

Compensation of key management personnel

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group and of the Company either directly or indirectly. The key management personnel include all the Directors of the Group and of the Company and certain members of senior management of the Company.

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

	Group 2020 RM	Group 2019 RM	Company 2020 RM	Company 2019 RM
Short-term employee benefits	1,060,571	1,595,529	506,311	315,500
Post-employment benefits	456,768	248,112	126,768	-
	1,517,339	1,843,641	633,079	315,500

31. CAPITAL COMMITMENT

The Group has the following commitment in respect of acquisition of lands for development:

	Group	
	2020	2019
	RM	RM
Authorised and contracted for:		
Acquisition of lands	76,014,520	49,545,000

32. SEGMENT INFORMATION

Segment information is presented in respect of the Group's business segments. Segment results, assets and liabilities include items directly attributable to a segment as well as those can be allocated on a reasonable basis.

For management purposes, the Group is organised into the following three (3) operating segments:

(i) Property development - Property development activities and sale of completed units

(ii) Construction - Construction of building

(iii) Trading - Trading of building materials and hardware

Comparative figures for 2019 are not disclosed as the Group mainly consist of property development segment only.

Segment revenue and results

The accounting policies of the reportable segments are the same as the Group's accounting policies described in Note 3. Segment results represent profit or loss before finance costs and tax of the segment. Inter-segment transactions are entered in the ordinary course of business based on terms mutually agreed upon by the parties concerned.

(a) Reporting format

Segment assets

The total of segment asset is measured based on all assets of a segment, as included in the internal management reports that are reviewed by the Chief Operating Decision Maker ("CODM"). Segment total asset is used to measure the return on assets of each segment.

Segment liabilities

Segment liabilities information is neither included in the internal management reports nor provided regularly to the CODM. Hence, no disclosure is made on segment liability.

32. SEGMENT INFORMATION (cont'd)

(b) Allocation basis and transfers

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets, liabilities and expenses.

Segment revenue, expenses and results include transfers between business segments. These transfers are eliminated on consolidation.

(c) Geographical information

No other segmental information such as geographical segment is presented as the Group is principally involved in the investment holding, property development, construction and trading of building materials and hardware activities and operate from Malaysia only.

(d) Major customers

There is no major customer with revenue equal or more than 10% of the Group's total revenue.

32. SEGMENT INFORMATION (cont'd)

Information regarding the Group's total reportable segment is presented below:

	Property development RM	Construction RM	Trading RM	Total reportable segment RM	Non-reportable segments RM	Elimination RM	Group RM
2020							
Revenue							
Sales to external customers	533,972,997	92,025,435	64,798,979	690,797,411	-	6,815,043	697,612,454
Inter-segment revenue	109,329,332	176,256,471	993,850	286,579,653	-	(286,579,653)	-
Total revenue	643,302,329	268,281,906	65,792,829	977,377,064	-	(279,764,610)	697,612,454
Segment profit/(loss) before tax	226,973,305	27,769,003	4,022,338	258,764,646	(9,296,316)	(33,525,649)	215,942,681
Included in the measure of segment profit/(loss) are:							
Cost of sales	426,641,297	173,651,945	60,906,532	661,199,774	-	(240,569,520)	420,630,254
Interest income	(2,578,680)	(860,049)	(136,782)	(3,575,511)	(1,232,234)	2,307,662	(2,500,083)
Interest expenses	15,631,992	210,599	668,674	16,511,265	5,515,305	(12,464,804)	9,561,766
Depreciation of:							
- property, plant and equipment	1,715,798	15,207	10,843	1,741,848	172	-	1,742,020
- investment properties	-	30,083	-	30,083	-	-	30,083
Share of results of associates	-	-	-	-	-	600,347	600,347
Tax expenses	54,211,740	6,800,550	1,047,277	62,059,567	358,551	1,837,623	64,255,741
Inventories written down	6,331,468	-	-	6,331,468	-	-	6,331,468
Loss on disposal of associates	-	-	-	-	-	2,047,979	2,047,979
Loss on remeasurement of trade payables	6,175,271	-	-	6,175,271	-	-	6,175,271
Segment assets	1,019,350,027	232,056,071	72,004,646	1,323,410,744	845,635,355	(1,006,633,203)	1,162,412,896

32. SEGMENT INFORMATION (cont'd)

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

	Group 2020 RM
Segment profit	258,764,646
Dividend income	(16,661,321)
Impairment loss on investment in a subsidiary	15,143,156
Inter-segment profit	(39,516,300)
Interest income	(2,307,662)
Interest expenses	12,464,804
Loss on disposal of associates	(2,047,979)
Other non-reportable segments	(9,296,316)
Share of results of associates	(600,347)
Profit before tax	215,942,681

	Group 2020 RM
Segment assets	1,323,410,744
Elimination of inter-segment transactions*	(89,316,870)
Inter-segment balances	(166,599,227)
Other non-reportable segments	94,918,249
Total assets	1,162,412,896

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

33. FINANCIAL INSTRUMENTS

Categories of financial instruments

The Group's and the Company's financial assets and financial liabilities are all categorised at amortised costs respectively.

Financial Risk Management Objectives and Policies

The Group's financial risk management policy is to ensure that adequate financial resources are available for the development of the Group's operations whilst managing its financial risks, including credit risk, interest rate risk and liquidity risk. The Group operates within clearly defined guidelines that are approved by the Board and the Group's policy is not to engage in speculative transactions.

The following sections provide details regarding the Group's exposure to the abovementioned financial risks and the objectives, policies and processes for the management of these risks.

33. FINANCIAL INSTRUMENTS

Financial Risk Management Objectives and Policies (cont'd)

(a) Credit risk

Credit risk is the risk of financial loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises principally from its receivables (which consist of trade receivables and other receivables) and contract assets. The Company's exposure to credit risk arises principally from amounts due from former associates and subsidiaries. There are no significant changes as compared to prior year.

Trade receivables and contract assets

Risk management objectives, policies and processes for managing the risk

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit risk is minimised and monitored via strictly limiting the Group's associations to business partners with good credit rating. Credit evaluations are performed on all customers requiring credit over a certain amount.

At each reporting date, the Group assesses whether any of the trade receivables and contract assets are credit impaired.

There are no significant changes as compared to previous year.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk from receivables is represented by the carrying amounts in the statements of financial position.

Concentration of credit risk

The Group determines concentration of credit risk by monitoring the profiles of its receivables on an ongoing basis.

As at 31 December 2020, the Group have significant concentration of credit risk arising from the amount owing from 3 customers (2019: 2 customers) constituting 35% (2019: 28%) of gross trade receivables of the Group.

Recognition and measurement of impairment loss

Trade receivables and contract assets from property development and sale of land segment ("Collaterised receivables")

The Group recognises a loss allowance for expected credit losses on a financial asset that is measured as receivable and a contract asset if the credit risk on that financial instrument has increased significantly since initial recognition. The Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition as the trade receivable and contract assets are determined to have low credit risk at the reporting date.

33. FINANCIAL INSTRUMENTS (cont'd)

Financial Risk Management Objectives and Policies (cont'd)

(a) Credit risk (cont'd)

<u>Recognition and measurement of impairment loss</u> (cont'd)

Trade receivables and contract assets from property development and sale of land segment ("Collaterised receivables") (cont'd)

For the purposes of measuring expected credit losses, the estimate of expected cash shortfalls shall reflect the cash flows expected from collateral and other credit enhancements that are part of the contractual terms and are not recognised separately by the Group. The estimate of expected cash shortfalls on a collateralised financial instrument reflects the amount and timing of cash flows that are expected from foreclosure on the collateral less the costs of obtaining and selling the collateral, irrespective of whether foreclosure is probable (ie the estimate of expected cash flows considers the probability of a foreclosure and the cash flows that would result from it).

The Group has possession of the legal rights to the properties sold and property developed by its subsidiaries and this had served as a collateral and in the event of defaults by the purchaser, the expected cash shortfall from selling the collateral less the cost of obtaining and selling the collateral is immaterial.

Trade receivables and contract assets from construction contract segment ("Non-collaterised receivables")

In managing credit risk of trade receivables, the Group manages its debtors and takes appropriate actions (including but not limited to legal actions) to recover long overdue balances and to ensure that receivables that are neither past due nor impaired are stated at their realisable values. Any receivables having significant balances past due more than 1 year, which are deemed to have higher credit risk, are monitored individually.

In determining the recoverability of these receivables, the Group considers any change in the credit quality of the receivables from the date the credit was initially granted up to the reporting date. Receivables are monitored on a going concern basis via Group's management reporting procedures and action will be taken for long outstanding debt. The Group is exposed to significant concentration of credit risk to a customer, a body incorporated by the Government of Malaysia. The expected credit loss rate on the amounts outstanding from the customer are considered low as it has low risk of default and strong capacity to meet its contractual cash flow obligations in the near term and adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the said Body to fulfil its contractual cash flow obligations.

Trade receivables from trading segment ("Non-collaterised receivables")

In managing credit risk of trade receivables, the Group manages its debtors and takes appropriate actions (including but not limited to legal actions) to recover long overdue balances and to ensure that receivables that are neither past due nor impaired are stated at their realisable values.

The Group assesses impairment of trade receivable on collective basis. The Group uses an allowance matrix to measure ECL of collective assessed receivables as they are grouped based on shared credit risk characteristics, the days past due and similar types of contracts which have similar risk characteristics.

33. FINANCIAL INSTRUMENTS (cont'd)

Financial Risk Management Objectives and Policies (cont'd)

(a) Credit risk (cont'd)

Recognition and measurement of impairment loss (cont'd)

Trade receivables from trading segment ("Non-collaterised receivables") (cont'd)

Loss rates are calculated using a 'roll rate' method based on the probability of a receivable or group of receivables progressing through successive stages of delinquency.

Loss rates are based on actual credit loss experienced over the prior years. The Group also considers differences between (a) economic conditions during the period over which the historic data has been collected, (b) current conditions and (c) the Group's view of economic conditions over the expected lives of the receivables. Nevertheless, the Group believes that these factors are immaterial for the purpose of impairment calculation for the year.

Any receivables having significant balances past due more than 240 days from different customer profiles are deemed to have higher credit risk. The Company has subsequently recognised a loss allowance of 100% against all receivables after 240 days (credit-impaired) because historical experience has indicated that these receivables are generally not recoverable.

Impairment losses

The following table provides information about the exposure to credit risk and ECLs for trade receivables and contract assets as at the reporting date which are grouped together as they are expected to have similar risk nature.

	Group	
	2020	**2019**
	RM	**RM**
Collaterised receivables		
Trade receivables		
Not past due	39,969,160	30,517,720
Past due:		
1 day to 30 days	17,453,450	11,995,462
31 days to 120 days	26,293,659	42,811,502
More than 120 days	27,846,093	30,511,937
	71,593,202	85,318,901
	111,562,362	115,836,621
Retention sum held by contract customers	2,763,142	128,000
Contract assets	165,708,857	105,402,173
	280,034,361	221,366,794

33. FINANCIAL INSTRUMENTS (cont'd)

Financial Risk Management Objectives and Policies (cont'd)

(a) Credit risk (cont'd)

Impairment losses (cont'd)

	Group 2020 RM	Group 2019 RM
(Cont'd)		
Non-collaterised receivables		
Trade receivables		
Not past due	56,165,216	4,794,636
Past due:		
1 day to 30 days	5,234,791	-
31 days to 120 days	6,851,652	9,165,347
More than 120 days	16,026,025	7,664,670
	28,112,468	16,830,017
	84,277,684	21,624,653
Retention sum held by contract customers	4,742,999	-
Contract assets	11,765,081	8,389,521
	100,785,764	30,014,174
	380,820,125	251,380,968

Credit impaired

Trading segment

Trade receivables that are determined to be impaired at the reporting date relate to debtors that have defaulted on payments subsequent to 240 days after credit period. These receivables are not secured by any collateral or credit enhancements.

Receivables that are not past due nor impaired

Property development segment

Trade receivables that are neither past due nor impaired comprise property purchasers mostly are with end financing facilities from reputable end-financiers whilst the others are creditworthy debtors with good payment records.

Construction contract segment

Trade receivables that are neither past due nor impaired are creditworthy debtors with good payment records and mostly are regular customers that have been transacting with the Group.

Trading segment

Trade receivables that are neither past due nor impaired are creditworthy debtors with good payment records and mostly are regular customers that have been transacting with the Group.

33. FINANCIAL INSTRUMENTS (cont'd)

Financial Risk Management Objectives and Policies (cont'd)

(a) Credit risk (cont'd)

Receivables that are past due not impaired

Property development segment

Trade receivables that are past due but not impaired are secured in nature and comprise property purchasers mostly are with end financing facilities from reputable end-financiers whilst the others are creditworthy debtors with good payment records. The Directors are of the opinion that these debts should be realisable in full without material losses in the ordinary course of business.

Construction contract segment

The Group has not provided for impairment for these trade receivables as there has been no significant changes in their credit quality and the amounts are still considered recoverable according to historical repayment trend of these trade receivables. The Group does not hold any collateral or other credit enhancement over these balances.

Trading segment

The Group has not provided for impairment for these trade receivables as there has been no significant changes in their credit quality and the amounts are still considered recoverable. Theses trade receivables relate mostly to customers with slower repayment patterns, for whom there is no history of default. The Group does not hold any collateral or other credit enhancement over these balances.

Amounts due from subsidiaries

Risk management objectives, policies and processes for managing the risk

The Company provides unsecured loans and advances to its subsidiaries. The Company monitors the ability of the subsidiaries to repay the loans and advances on an individual basis.

Exposure to credit risk, credit quality and collateral

As at the end of the financial year, the maximum exposure to credit risk arising from amounts due from subsidiaries are represented by the carrying amount in the statements of financial position. Loans and advances provided are not secured by any collateral or supported by any other credit enhancements.

Recognition and measurement of impairment loss

Amounts due from subsidiaries are repayable on demand. For receivables that are repayable on demand, expected credit losses are assessed based on the assumption that repayment of the receivables is demanded at the reporting date.

33. FINANCIAL INSTRUMENTS (cont'd)

Financial Risk Management Objectives and Policies (cont'd)

(a) Credit risk (cont'd)

Amounts due from subsidiaries (cont'd)

Recognition and measurement of impairment loss (cont'd)

Generally, the Company considers receivables from subsidiaries have low credit risk. The Company assumes that there is a significant increase in credit risk when the subsidiaries' financial position deteriorates significantly. As the Company is able to determine the timing of payments of the subsidiaries when they are payable, the Company considers subsidiaries' receivables to be credit impaired when the subsidiaries are unlikely to repay the receivables to the Company in full given insufficient highly liquid resources when the receivable is demanded.

The Company determines the probability of default for these receivables individually using internal information available.

As at year end, there were no indications of impairment loss in respect of amounts due from subsidiaries.

Financial guarantees

The Group and the Company provides financial guarantees to financial institution and third parties suppliers in respect of banking facilities and credit limit granted to its subsidiaries. The Company monitors on an ongoing basis the results of the subsidiaries and repayments made by the subsidiaries to financial institution and suppliers.

Exposure to credit risk, credit quality and collateral

The Group's maximum exposure to credit risk amounting to RM17,408,381 (2019: RM15,200,910) representing the outstanding suppliers' balances recorded by a subsidiary as at the end of the reporting period.

The Company's maximum exposure to credit risk amounting to RM104,599,719 (2019: RM Nil) representing the outstanding banking facilities and suppliers' balances of the subsidiaries as at the end of the reporting period. The financial guarantees are provided as credit enhancements to the subsidiaries' banking facilities and suppliers.

Recognition and measurement of impairment loss

The Company assumes that there is a significant increase in credit risk when subsidiaries' financial position deteriorates significantly. The Company considers a financial guarantee to be credit impaired when:

- The subsidiaries are unlikely to repay its credit obligation to the bank or suppliers in full; or
- The subsidiaries are continuously loss making and is having a deficit in shareholders' fund.

The Company determines the probability of default of the guaranteed loans individually using internal information available. The fair value of the financial guarantees is negligible as the probability of the financial guarantees being called upon is remote at the initial recognition.

33. FINANCIAL INSTRUMENTS (cont'd)

Financial Risk Management Objectives and Policies (cont'd)

(a) Credit risk (cont'd)

Other receivables and deposits

Other receivables are considered to have low credit risk as they are not due for payment at the end of the reporting period and there has been no significant increase in the risk of default on the receivables since initial recognition. Accordingly, for the purpose of impairment assessment for these receivables, the loss allowance is measured at an amount equal to 12-month expected credit losses which reflects the low credit risk of the exposures. The Group has assessed a debtor which is past due more than 1 year as credit impaired. As such, the Group has written off the debt due from a debtor as disclosed in Note 6.

Cash and cash equivalents

The cash and cash equivalents are held with banks and financial institutions. As at the reporting date, the maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position. These banks and financial institutions have low credit risks. Hence, a loss allowance is not necessary.

(b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's and the Company's exposure to interest rate risk arises mainly from interest-bearing financial assets and liabilities.

The interest rate profile of the Group's and of the Company's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period was:

	Group		Company	
	2020	**2019**	**2020**	**2019**
	RM	**RM**	**RM**	**RM**
Floating rate interest				
Financial assets	144,531,370	4,949,240	-	-
Financial liabilities	(222,215,243)	(91,131,271)	(112,523,134)	-
	(77,683,873)	(86,182,031)	(112,523,134)	-

The Group and the Company are exposed to interest rate risk through the impact of rate changes in floating rate fixed deposits, short term funds and borrowings. The interest rates of fixed deposits and borrowings are disclosed in Note 20 and Note 24 respectively. Changes in 100 basis point in interest rates would not have material impact on the profit after tax of the Group and of the Company.

33. FINANCIAL INSTRUMENTS (cont'd)

Financial Risk Management Objectives and Policies (cont'd)

(c) Liquidity risk

Liquidity risk is the risk that the Group and the Company will encounter difficulties in meeting financial obligations associated with financial liabilities. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through use of stand-by credit facilities.

The Group's and the Company's liquidity risk management policy is to manage their debt maturity profile, operating cash flows and the availability of funding so as to ensure that refinancing, repayment and funding needs are met. In addition, the Group and the Company maintain sufficient levels of cash and available banking facilities at a reasonable level to their overall debt position to meet their working capital requirement.

In prior year, all of the Company's liabilities at the reporting date mature within one year or repayable on demand.

33. FINANCIAL INSTRUMENTS (cont'd)

Financial Risk Management Objectives and Policies (cont'd)

(c) Liquidity risk (cont'd)

The table below summarises the maturity profile of the Group's and of the Company's financial liabilities as at the end of the financial year based on contractual undiscounted repayment obligations:

			<--------------------------Contractual Cash Flows			-------------------------->
	Carrying amount RM	**Contractual cash flows RM**	**Within one year RM**	**Between 1 and 2 years RM**	**Between 2 and 5 years RM**	**More than 5 years RM**
Group						
2020						
Trade payables	182,713,777	182,713,777	153,228,307	29,485,470	-	-
Other payables	95,506,108	97,136,115	81,698,400	15,437,715	-	-
Borrowings:-						
- bank overdraft	320,005	320,005	320,005	-	-	-
- banker's acceptance	20,583,852	21,818,883	21,818,883	-	-	-
- revolving credit	10,000,000	10,545,000	10,545,000	-	-	-
- term loan	191,311,386	235,877,433	21,531,809	32,815,467	133,156,238	48,373,919
Lease liabilities	3,965,195	4,312,693	1,493,227	1,301,310	1,515,751	2,405
	504,400,323	552,723,907	290,635,631	79,039,962	134,671,989	48,376,324

33. FINANCIAL INSTRUMENTS (cont'd)

Financial Risk Management Objectives and Policies (cont'd)

(c) Liquidity risk (cont'd)

The table below summarises the maturity profile of the Group's and of the Company's financial liabilities as at the end of the financial year based on contractual undiscounted repayment obligations: (cont'd)

			<--------------------------	Contractual Cash Flows	------------------------->	
	Carrying amount RM	**Contractual cash flows RM**	**Within one year RM**	**Between 1 and 2 years RM**	**Between 2 and 5 years RM**	**More than 5 years RM**
Group						
2019						
Trade payables	107,350,992	138,681,610	107,350,992	5,695,941	20,973,824	4,660,853
Other payables	121,835,290	121,835,290	121,835,290	-	-	-
Borrowings:-						
- Term loan	91,131,271	139,446,764	15,361,268	15,240,674	44,295,330	64,549,492
Lease liabilities	4,287,057	4,810,452	1,283,832	1,507,144	1,771,335	248,141
	324,604,610	404,774,116	245,831,382	22,443,759	67,040,489	69,458,486
Company						
2020						
Other payables	16,202,336	17,832,343	2,394,628	15,437,715	-	-
Borrowings:-						
- revolving credit	10,000,000	10,545,000	10,545,000	-	-	-
- term loan	102,523,134	119,738,653	7,548,008	18,953,042	93,237,603	-
	128,725,470	148,115,996	20,487,636	34,390,757	93,237,603	-

34. FAIR VALUES INFORMATION

Financial instrument at fair value

As the financial assets and liabilities of the Group and of the Company are not carried at fair value by any valuation method, the fair value hierarchy analysis is not presented.

There were no material transfer between Level 1, Level 2 and Level 3 during the financial year.

Financial instrument other than those carried at fair value

Financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

The financial assets and financial liabilities maturing within the next twelve (12) months approximated their fair values due to the relatively short term maturity of the financial instruments and insignificant impact of discounting.

The carrying amount of long term floating rate loans approximates their fair value as the loans will be re-priced to market interest rate on or near reporting date.

The carrying amount of long term deferred payable approximately its fair value as the market interest rate on initial recognition is approximately same as the current market interest rate.

35. CAPITAL MANAGEMENT

The Group's objectives when managing capital is to maintain a strong capital base and safeguard the Group's ability to continue as a going concern. The Group monitors and maintains an optimal debt-to-equity ratio that complies with debt covenants and regulatory requirements.

The Group monitors capital using net debt-to-equity ratio which is the net debt divided by total equity. Net debt includes lease liabilities and borrowings, less cash and cash equivalents whilst total equity is equity attributable to Owners of the Company.

The net debt-to-equity ratios at end of the reporting period are as follows: -

	Group	
	2020	**2019**
	RM	**RM**
Lease liabilities	3,965,195	4,287,057
Borrowings	222,215,243	91,131,271
Less: Cash and cash equivalents	(214,279,976)	(69,200,635)
Total net debts	11,900,462	26,217,693
Total equity attributable to Owners of the Company	618,538,231	311,895,441
Debt-to-equity ratio (%)	2%	8%

35. CAPITAL MANAGEMENT (cont'd)

	Company 2020 RM	Company 2019 RM
Borrowings	112,523,134	-
Less: Cash and cash equivalents	(1,860,519)	(329)
Total net debts	110,662,615	(329)
Total equity	620,928,406	47,215,685
Debt-to-equity ratio (%)	18%	*

* *Not meaningful*

The Group and the Company are in compliance with all externally imposed capital requirements.

36. COMPARATIVE FIGURES

(i) The comparative figures are reclassified to conform with the current year's presentation.

	As previously reported RM	Reclassification RM	As restated RM
Company			
2019			
Statements of financial position			
Non-current assets			
Amount due from an associate	17,598,217	(17,598,217)	-
Other receivables	-	17,598,217	17,598,217
Statements of cash flows			
Cash flows from Investing Activities			
Repayment from subsidiaries	-	1,190,577	1,190,577
Cash flows from Financing Activities			
Repayment from subsidiaries	1,190,577	(1,190,577)	-

(ii) The comparative figures for the Group were prepared retroactively as a continuation of the financial statements of the accounting acquirer (Blossom Group's financial statements) following the reverse acquisition as disclosed in Note 12(a). Correspondingly, the comparative figures for the Group covered the financial year from 1 January 2019 to 31 December 2019 as this was deemed to be the Blossom Group financial year end as a result of the retroactive application of the reverse acquisition method.

37. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

On 26 February 2020, the Company entered into Shares Sale Agreement ("SSA") with the vendors of the following entities, proposed share consolidation and proposed for private placement which detailed out as follow:

(a) Acquisition of the following subsidiaries:
- 100% equity interest in Blossom Eastland Sdn. Bhd.
- 100% equity interest in Rantau Urusan (M) Sdn. Bhd.
- 100% equity interest in Yik Wang Trading Sdn. Bhd.

(collectively known as "Proposed Acquisition")

(b) Proposed share consolidation of 25 existing ordinary shares for 1 new ordinary share.

(c) Proposed private placement of up to 135,000,000 new consolidated ordinary shares

On 14 July 2020, the Company via an Extraordinary General Meeting obtained the shareholders' approval on the abovementioned acquisition.

The SSA became unconditional on 21 July 2020 and the Proposed Acquisition was completed on 31 July 2020.

On 25 August 2020, LPB Development Sdn. Bhd. entered into a conditional sale and purchase agreement with Symphony Hills Sdn Bhd to purchase lands located at Mukim Batang Padang for a total consideration of RM29.86 million. As at year end, the condition precedent has yet to be fulfilled and therefore the purchase has not been recognised in the financial statements and has been disclosed as capital commitment.

On 21 September 2020, one of the subsidiary, Taraf Nusantara Sdn. Bhd. ("TNSB") entered into a Joint Development and Shareholders Agreement with Tenaga Danawa Sdn. Bhd. to jointly develop 4 parcels of lands held under Mukim Batang Padang, Daerah Batang Padang, Negeri Perak which measuring approximately 229.73 acres into a mixed development project. Subsequently, a jointly controlled company named Lagenda Tapah Sdn. Bhd. was incorporated on 16 October 2020 where TNSB holds 125,000 units of ordinary shares and Tenaga Dawana Sdn Bhd holds the remaining 125,000 units of ordinary shares.

On 30 October 2020, the Company entered into a memorandum of understanding with BDB Land Sdn. Bhd. ("BDBL"), a wholly-owned subsidiary of Bina Darulaman Berhad, to declare the respective parties' intentions to establish a basis of co-operation and collaboration for the purpose of the development of affordable homes. On 6 April 2021, LPB Development Sdn. Bhd. ("LPBD"), a wholly-owned subsidiary of the Company had entered into a Joint Venture and Shareholders Agreement with BDBL to incorporate a jointly controlled company named BDB Lagenda Sdn. Bhd. where LPBD holds 1 unit of ordinary share and Bina Darulaman Berhad holds the remaining 1 unit of ordinary share.

<u>Coronavirus (Covid-19) outbreak</u>

The Coronavirus (COVID-19) outbreak was identified in Wuhan, China in December 2019. The World Health Organisation ("WHO") has declared the outbreak a Public Health Emergency of International Concern on 30 January 2020 and subsequently WHO declared the COVID-19 outbreak as global pandemic on 11 March 2020. Following the WHO's declaration, the Malaysia Government has on 16 March 2020 imposed the Movement Control Order ("MCO") starting from 18 March 2020 to restrain the spread of COVID-19 outbreak in Malaysia. Throughout the MCO, most businesses were not allowed to operate, except those categorised as "Essential Services".

37. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR (cont'd)

Coronavirus (Covid-19) outbreak (cont'd)

Since the commencement of MCO, the Group's business operations were not badly affected as the property development industry was categorised as "Essential Services" and was allowed to operate during Conditional MCO ("CMCO") and Recovery MCO ("RMCO"). In addition, the Group was mainly engaged in affordable housing projects during the year which are in demand.

On 11 January 2021, the Malaysia Government has announced MCO 2.0 commencing from 13 January 2021 to 18 February 2021. On 16 February 2021 and 2 March 2021, the Government of Malaysia announced extension of MCO, CMCO and RMCO until 18 March 2021 in respective states. The Management does not expect significant impact to the Group's business operations.

38. EVENTS SUBSEQUENT TO THE END OF FINANCIAL YEAR

On 21 January 2021, the Company completed its private placement of 85,000,000 units of ordinary shares at an issue price of RM1.11 per share.

On 21 January 2021, the Company had increased its paid up share capital of RM183,775,000 via conversion of RCPS to ordinary share pursuant to the conversion of 250,000,000 RCPS to 250,000,000 new ordinary shares at the ratio of 1 RCPS to 1 new ordinary share.

On 22 February 2021, the Board of Directors has declared an interim single tier dividend of 2.5 sen per ordinary share for the financial year ended 31 December 2020. The entitlement date has been fixed on 10 March 2021. The interim dividend is payable on 9 April 2021 and will be credited into the entitled depositors' securities accounts maintained with Bursa Malaysia Depository Sdn Bhd.