

MOVING TOGETHER, BUILDING VALUES

INTEGRATED ANNUAL REPORT 2021

MOVING TOGETHER, BUILDING VALUES

The cover design and rationale mirrors LBS' continued growth and progress as a financially robust and resilient organisation with a resilient and dynamic business model. As it grows and embraces vibrant opportunities amidst a fast changing market landscape, it remains true to its founding values and continues to place stakeholders at the heart of value creation.

LBS remains a people focused organisation and in sustaining financial values, looks to embrace environmental and social performance to stay competitive and equipped for the future.



Corporate Vision

To be an internationally recognised developer, building and inspiring delightful spaces that enhance community living.

Corporate Mission

To consistently deliver exceptional performance through progressive creations, realising value to all stakeholders and enriching communities at large.

MOVING TOGETHER, BUILDING VALUES



D'Island Residence



LIST OF ABBREVIATIONS USED IN THIS INTEGRATED ANNUAL REPORT 2021

LBS or the Company : LBS Bina Group Berhad (200001015875 (518482-H))

LBS Bina : LBS Bina Holdings Sdn Bhd (198201011456 (91181-K))

LBS Group or the Group : LBS and its subsidiaries

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About This Report

INTRODUCTION

For financial year ended 31 December 2021 (“FY2021”), LBS Bina Group Berhad (“LBS” or “the Group”), has adopted integrated reporting (“*<IR>*”) towards providing a more comprehensive view of the Group’s business model and how it creates value for stakeholders.

The adoption of *<IR>* is spurred by a collective commitment from the Board and Senior Management to adopt a multi-capital approach to corporate reporting; where both financial and non-financial resources as well as financial and non-financial outputs and outcomes are given due strategic consideration in the Group’s overall approach to value creation. This marks a transition from pure financial focussed narratives to a more strategic perspective of the Group, especially for providers of capital.

FY2021 is LBS first year of *<IR>* adoption. Going forward, the Group will continue to enhance disclosures in line with the principles-based framework of the Value Reporting Foundation (“VRF”) in future integrated annual reports.

APPROACH TO REPORT CONTENT (BASIS OF PREPARATION)

The LBS Integrated Annual Report 2021 (“IAR2021”) covers the reporting period of 1 January to 31 December 2021 (“FY2021”).

Content for inclusion in the IAR2021, has been determined based on the relevance and significance of said information to the sustainable operations of the business model.

As such, contents provided in IAR2021 are based on the following:

SCOPE

The LBS IR 2021 covers the reporting period of 1 January to 31 December 2021 (“FY2021”).



*Ritma Perdana @ LBS
Alam Perdana*

DETERMINATION OF CONTENT FOR IAR2021:

Capitals Utilised by the Business Model	ESG Information Pertaining to the Business Model	Stakeholders' Growing Role and Influence	Emerging External Trends and Developments
<ul style="list-style-type: none"> • Availability and dependence on capitals • ESG impacts arising from capitals consumption • Resource allocation strategies 	<ul style="list-style-type: none"> • Environmental footprint • Social impacts • Governance of the business model • Group ESG risks and opportunities 	<ul style="list-style-type: none"> • How the “voice” of key stakeholders group such as the community, investors, regulators, government and others impact the business model including business strategies and processes, sustainability performance and future business plans. 	<ul style="list-style-type: none"> • How a wide range of external factors impact and influence the business model, business strategies and business processes.

APPLIED FRAMEWORKS

Determination of content for inclusion in IAR2021 is also based in ensuring compliance with the listing requirements of the regulator, Bursa Malaysia Berhad and relevant accounting, and sustainability frameworks. These include (but are not limited to):

- Companies Act 2016 (“Act”)
- Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad
- Malaysian Code on Corporate Governance 2021 (“MCCG 2021”)
- Malaysian Financial Reporting Standards (“MFRS”)
- International Financial Reporting Standards (“IFRS”)
- Global Reporting Initiative (“GRI”) Standards: Core Option
- Bursa Malaysia Sustainability Reporting Guide – Second Edition
- FTSE4Good Bursa Malaysia Index
- Sustainability Accounting Standards Board (“SASB”) Sector Specific Disclosures
- Taskforce on Climate Change Financial Disclosures (“TCFD”) Disclosures
- United Nations Sustainability Development Goals (“UN SDGs”)

About This Report (Cont'd)

SPECIFIC <IR> CONTENT

IAR2021 provides the following <IR> related content in the dedicated “Our Strategy” section. The content is based on the VRF’s Six Capitals, Seven Guiding Principles and Eight Content Elements of <IR>.

CONTENT ELEMENT	DESCRIPTION	ICON
Who We Are	Description of LBS, its business divisions, principal business activities, location of operations and key facts and figures of the Group.	
Our Business Model	Explanation of LBS’ business model and how the model creates financial and non-financial values. The section also explains how the business model enables LBS to derive business strengths and competitive advantages.	
Our Business Strengths	Overview of the Group’s business strengths and how these are leveraged upon for value creation. Also provided are narratives on how business strengths drive or augment business strategies and business processes.	
Value Chain Processes	Discloses the key processes undertaken in the execution of the Group’s business model, and how external and internal factors may influence these processes.	
Capitals Consumed	Provides information on how the Group’s business activities consume resources and produces outputs and outcomes.	
Our Operating Environment	Highlights the external factors impacting the Group’s business model and how these lead to the development of risks and opportunities.	
Our Risks and Opportunities	Describes all major risks faced by LBS, the potential and actual impacts, the Group’s mitigation measures as well as emerging opportunities.	
Value Creation Model	A summary overview of LBS’ value creation process encompassing resources consumed and values created, both financial and non-financial.	
Outlook and Future Orientation	Identification of key business goals and opportunities as well as strategic priorities in line with presenting the Group’s future focus and orientation for FY2021.	
Strategic Snapshot	A summary review of each business division with key information such as business strengths and strategies, highlights and achievements as well as risks and strategic priorities.	
Management Discussion and Analysis	Provides a comprehensive narration of the Group’s financial performance, as well as non-financial values created from the perspective of management.	

Aside from the IAR2021, further information is provided in other standalone reports:

- Sustainability Report 2021 (“SR2021”) available in hardcopy or at: <https://lbs.com.my/annual-report-2021>
- Corporate Governance Report 2021 available at: <https://lbs.com.my/annual-report-2021>

Information is also available on the Group's website at: www.lbs.com.my

FORWARD LOOKING STATEMENTS

IAR2021 may contain forward-looking statements discussing targets, future plans, operations and performance of LBS based on reasonable, current assumptions. Readers are advised not to place undue reliance on such statements as external factors and developments are beyond the control of the Group such as the onset of a global pandemic. Hence, emerging factors may impact actual value creation and results achieved.

FEEDBACK

Feedback, suggestions or enquiries on this report may be sent to: cs@lbs.com.my

DIRECTORS' STATEMENT OF RESPONSIBILITY

The Board of Directors of LBS have applied its collective mind to present a balanced and comprehensive Annual Report based on good governance practices and guided by VRF's <IR> framework.

The Board also provides assurance that the financial statements audited by Messrs. UHY, were prepared in accordance to the relevant standards and frameworks, including the MFRS, and IFRS.

USEFUL ICONS

Icons are used across IR 2021 to enable easier and seamless page navigation. Following are the principal icons and cross references used:



Tells you where you can find more information within the reports



Tells you where you can find more information online at www.lbs.com.my

Section 1

About LBS

LBS Bina Group Berhad (LBS or the Group) is an investment holding company that is involved in property development and investment activities primarily in Malaysia and China. LBS was established in 1961 when its founder, the late Dato' Seri Lim Bock Seng, began undertaking construction projects in the township of Petaling Jaya. LBS subsequently went on to be listed on the Main Board of Bursa Malaysia Securities Berhad in January 2002.

Today, LBS is a trusted developer of residential, industrial and commercial properties. Whether it is their first home, an upgrade to spacious living, or a place for business – we create inspiring and delightful spaces that are motivated by our purchasers' priorities and their lifestyle needs. Through our subsidiaries, we undertake design and construction, as well as trade in building materials, manufacture

Industrialised Building System ("IBS")
Precast Concrete products and provide civil engineering expertise.

Our activities also encompass developing and managing motor racing circuits, general construction, hospitality, financing through money lending and retail mall operations. Moving forward, we intend to continue to prudently diversify our business portfolio so as to create long-term, sustainable value for the Group and our stakeholders including the communities that we operate in.



The interweaving designs on the outer walls of the LBS Head Office serve to symbolise the enduring bonds between our founder, the late Dato' Seri Lim Bock Seng and his four sons.

Together, they have expanded LBS into a leading property group by infusing it with their core values of unity and the pursuit of excellence. The interwoven pattern then expands into an infinite monogram design, representing LBS' mission of consistently delivering an exceptional performance through progressive creations that present value to all stakeholders and enrich communities at large.



BELIEVE • BECOME • BEHOLD



Our Brand Promise

Empowering Individuals, Enhancing Communities

Here at LBS, we view our employees, homebuyers and the communities that we have created as part and parcel of the LBS Family. We are committed to journeying with them, as well as seeing them empowered to embrace life with all of its opportunities. To this end, we bring our brand promise of "Empowering Individuals, Enhancing Communities" into play.

LBS' workforce comprises talented, experienced and professional individuals who are well versed in a range of fields. Regardless of their area of expertise, we believe in championing

and empowering our people to do their jobs to the best of their abilities. Our desire to help shape the future landscape for a better Malaysia is reflected in our social development efforts which are successfully rolled out in our Corporate Social Responsibility initiatives.

In all that we do, we bring people-centric processes into play and refine them regularly to ensure that we meet the needs of individuals and communities for the long-term. At the same time, we ensure our businesses incorporate the necessary operational efficiencies and uphold excellence so that the Group is able to grow in a consistent and sustainable manner.



"Here at LBS, we endeavour to deliver inspirational spaces that people will call HOME."

We don't just build houses, we shape living habitats for the future."

LBS at A Glance

As At 15 April 2022



*First Interim Single-Tier Dividend of 0.85 sen per Ordinary Share.

*Final Single-Tier Dividend of 1 sen per Ordinary Share. Subject to the shareholders' approval.

Corporate Information

As of 31 March 2022

REGISTERED OFFICE

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BUSINESS ADDRESSES

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KITA @ CYBERSOUTH

KITA @ Cybersouth Sales Gallery
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Hotline: 1700 81 8998

LBS ALAM PERDANA

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Selangor Darul Ehsan
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Hotline: 1700 81 8998

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Bandar Saujana Putra
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Kuala Langat
Selangor Darul Ehsan
Malaysia
Hotline: 1700 81 8998

D' ISLAND RESIDENCE

No. 2A Jalan Timur 9
D' Island Residence
47130 Puchong
Selangor Darul Ehsan
Malaysia
Hotline: 1700 81 8998

SKYLAKE RESIDENCE

No. 2A Jalan Timur 9
D' Island Residence
47130 Puchong
Selangor Darul Ehsan
Malaysia
Hotline: 1700 81 8998

LBS SALES GALLERY@ BUKIT JALIL

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Malaysia
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PRESTIGE RESIDENCE

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Selangor Darul Ehsan
Malaysia
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Perak Darul Ridzuan
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F + 605 548 6137

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F + 605 491 5020

BAYU HILLS, GENTING HIGHLANDS

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Malaysia
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BATU PAHAT

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F + 607 445 8888

SOLICITORS

Aizat Shakeel & Partners
 Ezzah Elia & Associates
 Ganaeswaren & Latib
 H.S.Lim & Malik
 Khairul Azwan & Co
 Lee, Ong & Partners
 Mandy Tan & Partners
 Manjit Singh Sachdev, Mohammad Radzi & Partners
 Nanthakumar & Co
 Ong & Partners
 Rashid Asari & Co
 Skrine
 Stella, Lim & Co
 Steven Tai, Wong & Partners
 Teh Kim Teh, Salina & Co.
 The Law Chambers of Hedzril
 Ting & Ting

AUDITORS

UHY

PRINCIPAL BANKERS / FINANCIERS

Affin Bank Berhad
 Al Rajhi Banking & Investment Corporation (Malaysia) Berhad
 Alliance Bank Malaysia Berhad
 AmBank (M) Berhad
 Bank Kerjasama Rakyat Malaysia Berhad
 Bank of China (Malaysia) Berhad
 Bank Pembangunan Malaysia Berhad
 CIMB Bank Berhad
 HSBC Bank Malaysia Berhad
 Industrial and Commercial Bank of China (Malaysia) Berhad
 Malayan Banking Berhad
 MBSB Bank Berhad
 Public Bank Berhad
 RHB Bank Berhad
 United Overseas Bank (Malaysia) Berhad

STOCK EXCHANGE LISTING

Main Market, Bursa Malaysia Securities Berhad
 since 30 January 2002
 Stock Code : 5789
 Stock Name : LBS
 Sector : Property

WEBSITE

www.lbs.com.my

EMAIL

Customer Service: cs@lbs.com.my

SOCIAL MEDIA

Follow us on:



TikTok
 @lusbina



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 LBS Bina Group



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 lbsbinagroup



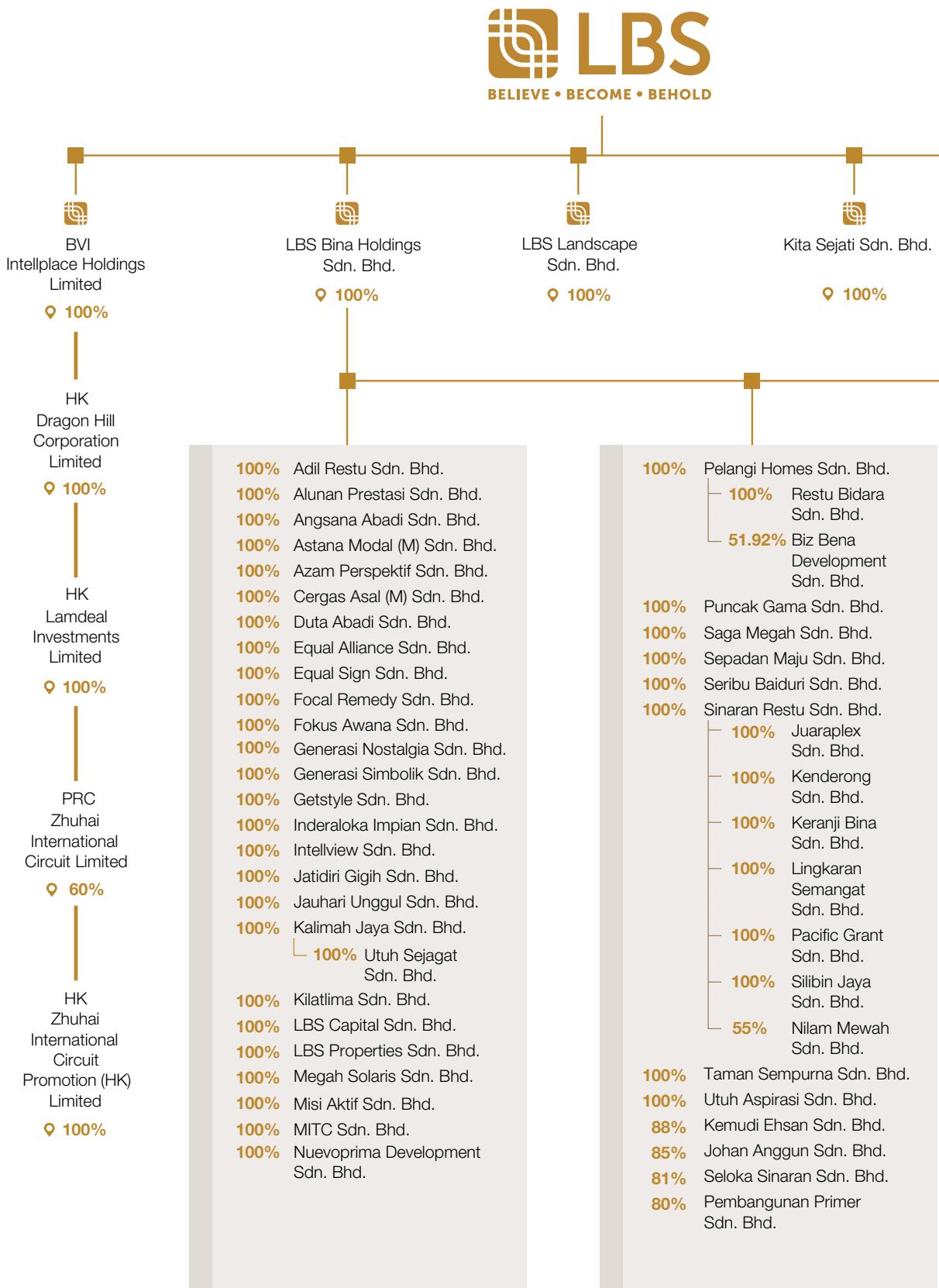
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 LBS Bina Group

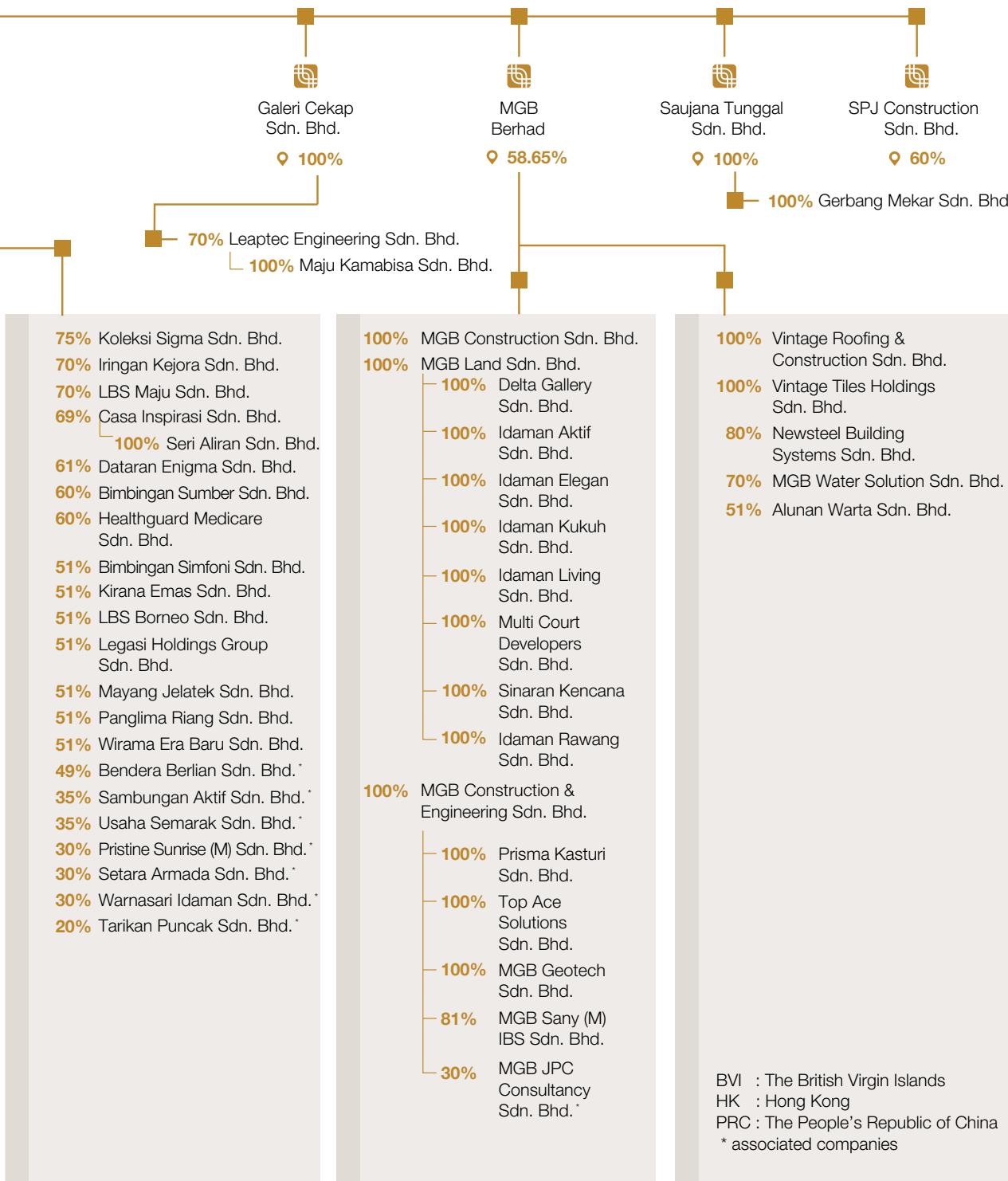


Instagram
 lbsbinagroup

Corporate Structure

As of 31 March 2022





Our Portfolio

In FY2021, LBS successfully completed 4 projects with a total Gross Development Value (“GDV”) of RM1.32 billion and launched a further 14 projects with an estimated GDV of RM1.77 billion. This brings LBS’ ongoing projects to a total of 19 projects with a GDV of RM5.73 billion.

Our property development efforts continue to be concentrated in the Klang Valley, focusing on affordable residential projects and some commercial offering, with projects in high potential growth regions of Johor, Pahang and Perak making up the remainder of our developments. Average take-up rates for all LBS’ projects stand at 75%, while the Group’s unbilled sales totals RM2.46 billion as of 31 March 2022.





KITA @ Cybersouth



LBS Alam Perdana



KITA @ CYBERSOUTH, DENGKIL, SELANGOR

KITA @ Cybersouth takes pride of place as one of LBS' key township projects. Strategically located on 633 acres of Malay Reserved Land in the southern corridor of Greater Klang Valley, the gated and guarded township of KITA @ Cybersouth comprises a mix of single and double-storey terraces, town houses, serviced apartments and commercial lots.

As at FY2021, LBS has completed the construction and vacant possession of KITA Bayu while construction work on KITA Harmoni, KITA Mekar, KITA Impian and KITA Ria remains ongoing. KITA Mesra was launched in FY2021, with 417 acres of land remaining for development within KITA @ Cybersouth.

The affordable, family focused development that enhances liveability within the community has proven to be a hit with take-up rate of 90% for almost all units released at each phase of the development. It boasts accessibility to other parts of the Dengkil, Putrajaya and Cyberjaya region via four major highways, making it a truly connected township within convenient reach of a range of public amenities such as police stations, a fire station, hospitals, parks, transportation hubs and sports arena.

Upcoming launches for KITA @ Cybersouth include the 1,054 units of serviced apartments at KITA Sejati, and the single and double-storey terrace houses and double-storey townhouses of KITA Bestari, both slated to launch in FY2022 with an estimated GDV of RM750 million. Unbilled sales for KITA @ Cybersouth stood at RM818 million.



LBS ALAM PERDANA, BANDAR PUNCAK ALAM, SELANGOR

Meanwhile, the 470-acre LBS Alam Perdana township at Bandar Puncak Alam, Ijok, Selangor saw the launch of a new phase of Ritma Perdana in FY2021. Ritma Perdana's launch comprises 603 units with a total GDV of RM337.7 million, seeing an average take-up of 66%.

These new launches add to the vibrancy of this community-focused development, which features a landscaped back-lane-garden that connects the whole gated and guarded neighbourhood and promotes communal interaction among residents.

Existing projects at LBS Alam Perdana include 980 units of townhouses at Simfoni Perdana, 673 units of double-storey terrace houses of Irama Perdana, as well as 856 units of double-storey terrace houses and 28 units of single-storey semi-detached houses of Rentak Perdana. Earlier phases of Ritma Perdana consists of 250 units of townhouses with a GDV of RM109 million and 298 units of double storey houses with a GDV of RM164 million, while Melodi Perdana comprises an existing 878 units of apartments at Blocks A and B with a GDV of RM321 million.

Designed to cater to a larger spectrum of homebuyers within the market, the varied offering at LBS Alam Perdana has seen average take-ups of 94%, with 884 units completed and handed over for vacant possession as at FY2021 and RM426 million in unbilled sales.

Our Portfolio (Cont'd)



BSP21 @ Bandar Saujana Putra



D'Island Residence



**BANDAR SAUJANA PUTRA,
SELANGOR**

The Group's 850-acre flagship integrated development of Bandar Saujana Putra ("BSP") continues to see tremendous growth in property value, with commercial units of its Saujana Business Park appreciating more than 100%. Launched in 2003, the 11,900 residential and commercial units within this integrated and self-contained township has been completed and delivered to purchasers since 2006. Occupancy rate of this township stands approximately 80%.

The Idaman BSP affordable home project under the Rumah Selangorku Idaman MBI programme is slated to join this mature development in FY2022, offering a truly affordable living within a well-connected township.



**D'ISLAND RESIDENCE,
PUCHONG, SELANGOR**

Comprising bungalows, semi-detached homes, luxury superlink residences, serviced apartments, condominiums and a commercial centre, D' Island Residence is an exclusive island-themed development that is self-sustaining and eco-conscious.

Located just 30km southwest of Kuala Lumpur City Centre and picturesquely framed against a shimmering lake, D'Island Residence consist of the completed Skyvilla high-rise development, phases 1, 2 and 3 of Corallia's exclusive double storey semi-detached homes, and the premium range of landed properties at Nautilus.

Joining the ranks of exclusivity at D'Island Residence in FY2022 is Astella, with 155 units of double storey terrace homes launching in 2022 with a GDV of RM132 million.



LBS SkyLake Residence



Prestige Residence



LBS SKYLAKE RESIDENCE, PUCHONG, SELANGOR

An exclusive development surrounded by nature, LBS SkyLake Residence will complete the vacant possession of its 746 units of serviced apartments with built up area of 545 to 1,063 sq ft in FY2022. The GDV of the development totals RM373 million.



PRESTIGE RESIDENCE, SERI KEMBANGAN, SELANGOR

Located in the prominent landmark of Seri Kembangan within the close vicinity of the Ayer Hitam Forest Reserve, the RM602 million GDV development offers 1,450 units of serviced apartments with three types of unit layouts ranging from 600 to 850 sqft. Characterised as a “chic-ly affordable” and modern development, Prestige Residence saw a 64% take-up rate since its launch in October 2021 as it attracts young professionals and small families looking to settle down and own their first home.

Our Portfolio (Cont'd)



Mercu Jalil



Residensi Bintang Bukit Jalil

Mercu Jalil @Bukit Jalil

MERCU JALIL, BUKIT JALIL, KUALA LUMPUR

Built on one of the highest peaks in Bukit Jalil, befitting its name, Mercu Jalil is an ongoing project constructed on 5.43 acres, 99 years leasehold of residential title land. It consists of two towers, Tower A and Tower B, with a total of 1,360 units, with 680 units in each tower.

With a GDV of RM536 million, Mercu Jalil takes affordability to new heights, offering the finest of city living in a matured and established community.

BY LBS RESIDENSI BINTANG BUKIT JALIL

RESIDENSI BINTANG BUKIT JALIL, KUALA LUMPUR

The 5.47-acre development in the heart of Bukit Jalil, Kuala Lumpur comprising 1,342 units equipped with a selection of over 90 facilities, with a total GDV of approximately RM944 million. The two residential towers have achieved the sales of 85%, with vacant possession available in 2023.



Cameron Golden Hills



Cameron Centrum Precinct 1

GOLDEN HILLS

Cameron Highlands. The way life should be.

**CAMERON GOLDEN HILLS,
CAMERON HIGHLANDS, PAHANG**

Situated at approximately 5,000 feet above sea level, Cameron Golden Hills is set in the country's tranquil highland farming community and tourist destination. The RM589 million GDV development offers shop apartments and a variety of landed properties including double-storey terrace homes, double and triple-storey semi-detached homes and bungalow lots under the Somer Square, Somer Mansion, Barrington Square, Barrington Homes, The Vines, and Vines 2 project names, which have all been completed. The Vines 3 is currently under construction.

C A M E R O N
CentruM
金马仑·中环
@BRINCHANG

**CAMERON CENTRUM,
BRINCHANG, PAHANG**

The mixed development of Cameron Centrum consists of residential, commercial, hotel and retail facilities on an 86-acre property with English Tudor-style architecture in the Brinchang township of Cameron Highlands. Launched in 2017, Precinct 1 offers 58 shop offices priced from RM1.4 million to RM5.5 million. The vacant possession for Precinct 1 has been successfully completed in FY2021, having achieved a take-up rate of 82%.

Our Portfolio (Cont'd)



Emerald Garden 3 @Bandar Putera Indah



Taman Kinding Flora



BANDAR PUTERA INDAH, BATU PAHAT, JOHOR

The 1,288-acre fully integrated township of Bandar Putera Indah boasts over 11,000 units of residential and commercial properties under the Laman Bayu, Emerald Garden 3, Magma Garden and Magma Garden 2 project names.

Phase 1 and 2 of Laman Bayu comprising 365 units of double-storey terrace houses has been completed and handed over as at FY2021, while Phase 3's 62 units priced from RM300,000 was launched in FY2021 with encouraging take-up rate of 50%.

Phases of Emerald Garden 3's single-storey terrace houses are still on-going, while the Magma Garden project introduced in 2013 comprising 612 units in Phase 1 have been duly completed.

Phase 1 of Magma Garden 2 comprising 136 units was launched in FY2017 and Phase 2 of 185 units was launched in FY2021 under the ambit of the Rumah Mampu Biaya developments. This affordable single-storey terrace houses priced from RM150,000 and above, which have been duly completed contributing to an estimated GDV of RM49.8 million. It has seen take up rates of 91%, attesting to the development's appealing value proposition.

As at FY2021, a total of 3,144 units, with a GDV of RM719 million have been completed and handed over to purchasers. Upcoming launches for this development in FY2022 include Imperial Garden double storey Semi-D houses and Emerald Garden 3 single storey terrace house, with 183 units planned for a total GDV of RM89 million. Unbilled sales stands at RM52 million.



TAMAN KINDING FLORA, CHEMOR, PERAK

The 107-acre development located in Tanah Hitam, Mukim Hulu Kinta, Chemor, on the north side of Ipoh, Perak consists of a variety of 789 landed properties which include single-storey cluster terrace houses, single-storey terrace houses and shops designed to suit the current market demand for affordable homes. Aimed at the middle-income bracket, the RM28 million GDV development has seen the launch of 116 units as of FY2021.

RUMAH SELANGORKU IDAMAN MBI

With the purpose of providing viable housing alternatives to the public in Selangor, LBS, in collaboration with the Selangor State Government is embarking on an affordable homeownership initiative called Rumah Idaman.

The 'Rumah Selangorku Idaman MBI' initiative, abbreviated as 'Rumah Idaman', is an affordable housing initiative launched in 2019 by the Menteri Besar Selangor Incorporated (MBI). The high-rise homes in this programme are priced at RM250,000 and include a more-than-decent built-up area of 1,000 square feet (3 bed 2 bath).

Designed with modern living in mind, every 'Rumah Idaman' emphasises comfort and intelligent space usage and layout, with family-centric facilities catered to all ages which include a multi-purpose hall, playgrounds, basketball and takraw courts. Every unit offers a 2-parking bay affair, with a television set, TV cabinet, refrigerator, kitchen cabinet, air conditioners, water heaters and wardrobe.

With this initiative, LBS aims to utilise its extensive experience in developing quality homes for the rakyat to make 'Rumah Idaman' a game changer in the state of Selangor. The objective is to complete 7,210 units across 5 key and strategic locations in Selangor, with a total GDV of RM2.01 billion.

The following five localities have been designated for the 'Rumah Idaman' initiatives:

- Shah Alam (Idaman Cahaya);
- Bandar Saujana Putra (Idaman BSP);
- Dengkil (Idaman Melur and Idaman KITA);
- Puncak Alam (Idaman Perdana); and
- Puchong (Idaman Sari).



*Idaman BSP @
Bandar Saujana Putra*

Our Portfolio (Cont'd)

Ongoing Property Developments

Project	Year of Development's Commencement	Original Development Land Size (Acres)	Remaining Development Land Size (Acres)	Estimated GDV (RM'mil)	Remaining Estimated GDV (RM'mil)	Overall take up rate (%) (as of 31/3/22)
KITA @ Cybersouth	2018	633	417	6885	4620	93
LBS Alam Perdana	2017	470	196	3366	1242	94
Bandar Saujana Putra	2003	850	120	7195	2921	98
D'Island Residence	2011	175	69	2336	1130	95
Residensi Bintang Bukit Jalil	2018	5.47	-	944	-	85
Mercu Jalil	2021	5.43	-	536	-	94
Prestige Residence	2021	7.97	-	602	-	64
LBS SkyLake Residence	2017	5.08	-	372	-	86
Cameron Golden Hills	2010	59	2.05	638	66	92
Cameron Centrum	2017	84.6	78.4	1149	960	82
Bandar Putera Indah	2002	1110	406	1790	895	96
Taman Kinding Flora	2019	92.97	14	205	65.6	79

Property Development 5-Year Performance Data

Project	FY2017	FY2018	FY2019	FY2020	FY2021
Units of property launched	3933	2923	4008	3168	3344
Units of property sold	2480	3379	3810	2600	3178
Total sales (RM'bil)	1.43	1.52	1.63	1.2	1.58

Breakdown of Property Launches' Price Range

Price Range	FY2019		FY2020		FY2021	
	(RM'mil)	%	(RM'mil)	%	(RM'mil)	%
Below RM500,000	1358	83	979	66	998	64
Above RM500,000	272	17	506	34	566	36

Event Highlights

JANUARY

1 LBS 2021 Media Briefing

At the LBS annual media briefing, the Group shared its 2021 performance of surpassing its RM1.2 billion sales target, ending the year with RM 1.58 billion in property sales. LBS also announced its plans to launch 14 new projects in 2022 – which will cover Klang Valley, Johor, Pahang and Perak – amounting to 3,733 units with a Gross Development Value (GDV) of RM1.77 billion.

2 The Launch of #DudukRumah Deals 2.0

In conjunction with MC0 2.0, LBS introduced the #DudukRumah Deals 2.0 campaign, where homebuyers can book participating projects under the Home Ownership Campaign (HOC) with just RM200 and receive a free air conditioner as part of the offer.



3 Launch of Ox-picious 8 Campaign & LBS Virtual Property Page

LBS kick-started the year with Ox-picious 8 campaign, by rewarding homebuyers with incredible deals. LBS also introduced its brand-new Virtual Property Page, where homebuyers can view properties from a selection of LBS projects in the comfort of their home.

4 LBS Foundation Donated RM 21,746.66 to Ajar-Ajar Malaysia

LBS Foundation strengthened their support in championing better education for the underprivileged by contributing to Ajar-Ajar Malaysia, through raising of funds via LBS Virtual Run. The fundraising activity has attracted more than 1,500 individuals to support and contribute to the cause.

5 Flood Donation to Perbendaharaan Negeri Pahang

LBS Foundation donated RM50,000 to the Finance and Treasury for the state of Pahang, among the States with the worst flood situation, to alleviate the state's flood victims who are severely affected by the disaster.

6 Flood Donation to Yayasan Komuniti Negara

LBS Foundation donated RM20,000 to Yayasan Komuniti Negara, under the 'Flood Relief Mission' programme where this donation is used for the supplies and house essentials to the affected flood victims in several states in Malaysia including Selangor, Pahang and Johor.



Launch of Ox-picious 8 Campaign



LBS 2021 Media Briefing

FEBRUARY

1 MGB Officially Launches Affordable Homes Under Rumah Selangorku Idaman MBI

MGB Berhad, a subsidiary of LBS Bina Group, collaborated with the Selangor state government to develop and build more than 7,000 units of Rumah Selangorku Idaman MBI at Shah Alam, Bandar Saujana Putra, Dengkil, Puncak Alam and Puchong. This initiative aims to deliver affordable houses to qualifying citizens, by tapping into MGB's in-house industrialised building system (IBS) pre-cast technology.

2 LBS Soft Launches its First Hotel in Genting Highlands

LBS has announced the soft launch of the SCAPES hotel in Genting Highlands, Pahang. With the opening of this 10-storey first flagship hotel and a total of 176 rooms, it marks the continued growth of LBS's property portfolio.



MARCH

1 Tan Sri Dato' Sri Lim Hock San Appointed as Executive Chairman, Datuk Wira Lim Hock Guan as New Managing Director

Dato Seri Lim Bock Seng, founder of LBS, retired as Non-Independent Non-Executive Chairman and Tan Sri Dato' Sri Lim Hock San succeeded him as the Executive Chairman. Datuk Wira Lim Hock Guan also was appointed as the new Group Managing Director.



2 LBS Partners with Cameron Highlands to Develop Project

LBS' subsidiary Casa Inspirasi Sdn Bhd entered a joint venture with the Cameron Highlands district council for a RM1.5 billion GDV project on a tract of Tanah Rata leasehold land, comprising residential and commercial properties.

IDAMAN
SOLUSI PEMILIKAN
KEDIAMAN TERUNGKUL
Rumah Selangorku Idaman MBI
Harga Standard
RM250,000
"Bantuan perabot asas dan barang elektrik".
*Terbatas pada permohonan yang sah.

TELAH DILANCARKAN | KINI DIBUKA UNTUK JUALAN

Rumah Selangorku Idaman MBI



A joint venture with the Cameron Highlands district council.

Event Highlights (Cont'd)

APRIL

1 Raikan Rezeki Bersama LBS Campaign

LBS introduced the campaign during the Hari Raya Aidilfitri festive season and unveiled its Hari Raya video that touches on the importance of thanksgiving and blessings.



2 LBS Seals Melaka Reclamation and Development Agreement

LBS' subsidiary, Leaptec Engineering Sdn. Bhd., signed a reclamation and development agreement with the Melaka state government for the rights to reclaim and develop an area measuring approximately 1,200 acres.

The proposed reclaimed land will be part of the Melaka Waterfront Economic Zone (M-WEZ) located in the coastline of Melaka state.

JUNE

1 LBS Foundation Donated Hospital Beds & Cash to Banting Hospital

During this pandemic, there has been a high number of COVID-19 cases leading to a shortage of beds in the Emergency Unit of the Banting Hospital. Thus, LBS Foundation has donated hospital beds as well as cash valued at RM6,000 to further assist bed shortages.



LBS Foundation Donated Hospital Beds

JULY

1 Introduction of Vacci-Nation Bonanza Campaign

In support of and encouraging fellow Malaysians to be vaccinated, LBS launched the Vacci-Nation Bonanza campaign by giving out extra cash incentives for homebuyers who have either been vaccinated or have registered for their COVID-19 vaccination.



LBS Seals Melaka Reclamation

AUGUST

1 Online Health Talk on Mental Health Issues at Workplace

LBS Foundation organised an online health talk, presented by Dr. Wan Puspa Melati Bt Wan Abdul Halim. She shared her valuable knowledge and insights on mental health issues at the workplace.

SEPTEMBER

1 LBS Foundation Donates RM30,000 to Yayasan Wilayah Persekutuan (YWP)

LBS Foundation donated RM30,000 to Yayasan Wilayah Persekutuan (YWP) to assist the Yayasan in managing the quarantine individuals at Rumah Prihatin, a shelter that is fully operated by YWP.

2 LBS Fabulous 20-21 1st Lucky Draw

LBS conducted its 1st round of lucky draws for the LBS Fabulous 20-21 campaign, aired via LBS' Facebook Live. A total of 4,386 selected homebuyers were eligible for the 1st lucky draw which comprised 497 amazing prizes.

OCTOBER

1 Launch of Prestige Residence

LBS launched Prestige Residence, a brand new serviced apartment built on eight acres of land in Seri Kembangan, Selangor. Comprising 1,450 units, it has an estimated GDV of RM301mil and is designed with newly established families or empty-nesters in mind.

NOVEMBER

NOVEMBER

2 LBS Foundation Donated RM45,000 to Majlis Perbandaran Kuala Selangor

In contributing to sustainable local businesses and community well-being, LBS plays its part by subsidising the purchase of sampan to be used by rowers at Santuari Kelip-Kelip Kuala Selangor.

DECEMBER

1 LBS Foundation Donated RM 20,000 to Tabung Ikhtiar Selangor Bangkit

In support of providing relief to the affected flood victims, LBS Foundation handed over a donation of RM20,000 at the launching ceremony of Tabung Ikhtiar Selangor Bangkit.



Launch of Prestige Residence



Launch of KITA Mesra

Section 2 Board and Board Committees

BOARD OF DIRECTORS

Tan Sri Dato' Sri Lim Hock San

PSM, SSAP, DSSA, JP
(Executive Chairman)

Datuk Wira Lim Hock Guan

DCSM, DMSM, PJK, JP
(Group Managing Director/Chief Executive Officer)
Redesignated with effect from 14 January 2022

Maj (Hon) Dato' Sri Lim Hock Sing

SSAP, DIMP, JP
(Executive Director)

Dato' Lim Mooi Pang

DIMP
(Executive Director)

Datuk Dr. Haji Baharum Bin Haji Mohamed

DMSM, AMN, PIS
(Senior Independent Non-Executive Director)

Dato' Lim Han Boon

DIMP
(Independent Non-Executive Director)

Datuk Lim Si Cheng

PJN, PIS
(Independent Non-Executive Director)

Dato' Yong Lei Choo

DIMP
(Independent Non-Executive Director)
Appointed with effect from 14 January 2022

AUDIT COMMITTEE

Dato' Lim Han Boon (Chairman)

Appointed with effect from 23 November 2021

Datuk Dr. Haji Baharum Bin Haji Mohamed

Datuk Lim Si Cheng

NOMINATION AND REMUNERATION COMMITTEE

Datuk Dr. Haji Baharum Bin Haji Mohamed (Chairman)

Datuk Lim Si Cheng

Dato' Yong Lei Choo

Appointed with effect from 14 January 2022

ESOS COMMITTEE

Datuk Dr. Haji Baharum Bin Haji Mohamed

Datuk Lim Si Cheng

Datuk Wira Lim Hock Guan

RISK MANAGEMENT COMMITTEE

Datuk Wira Lim Hock Guan (Chairman)

Dato' Lim Mooi Pang

Dato' Lim Han Boon

Lim Kim Kiat

Dato' Yong Lei Choo

Appointed with effect from 14 January 2022

SUSTAINABILITY COMMITTEE

Dato' Lim Mooi Pang (Chairperson)

Tan Sri Dato' Sri Lim Hock San
Appointed with effect from 15 April 2022

Datuk Wira Lim Hock Guan
Appointed with effect from 15 April 2022

Dato' Lim Han Boon
Appointed with effect from 15 April 2022

Dato' Yong Lei Choo
Appointed with effect from 15 April 2022

COMPANY SECRETARIES

Lee Ching Ching

Chooy Wai Nee

Directors' Profiles

TAN SRI DATO' SRI LIM HOCK SAN

PSM, SSAP, DSSA, JP

Executive Chairman/

Non-Independent Executive Director

Male

64 years old

Malaysian

Date of Appointment:

Managing Director: 6 December 2001

Executive Chairman: 1 March 2021

Membership of Board Committees

Member of the Sustainability Committee

Academic/Professional Qualifications

In 1982, Tan Sri Dato' Sri Lim Hock San graduated with First Class Honours in Civil Engineering from the University of Wales, Science & Technology (UWIST), UK. When he returned to Malaysia after the graduation, he joined the family business which were then lorry transportation and construction activities. Within two decades, the company had expanded to include investment holdings in the property development, insurance and tourism industries.

He was appointed the Managing Director on 6 December 2001. With his excellent entrepreneurial skills combined with acquired management and technical experience, Tan Sri Dato' Sri Lim Hock San became the Key Leader and spearheaded the LBS Group to become one of the leading players in the property development industry. On 1 March 2021, he was appointed as the Executive Chairman, following the retirement of Dato' Seri Lim Bock Seng.

Achievements/Awards

Tan Sri Dato' Sri Lim Hock San received the following outstanding accolades:

- Second Prize in the British Steel Corporation Competition for Design in Hollow Steel Section, 1982
- The inaugural Platinum Entrepreneur Award by SMI Association of Malaysia, 2011
- Prestigious Entrepreneur of the Year by Asia Pacific Entrepreneurship Awards (APEA), 2012
- Best Company for Leadership of Property Development of the Year by International Alternative Investment Review (IAIR) Awards, 2014
- World Chinese Economic Summit (WCES) Lifetime Achievement Award for continued efforts in enhancing bilateral relations between Malaysia and China (Guangdong Province), 2015
- The BrandLaureate Hall of Fame – Lifetime Achievement Brand Icon Leadership Awards by Asia Pacific Brands Foundation, 2015
- Global Best Company for Leadership of Property Development of the Year by International Alternative Investment Review (IAIR) Awards, 2016
- Most Affluent Chinese Entrepreneurs Awards, 2016
- Property Insight Prestigious Developer Awards (PIPDA) – Personality of the Year, 2017
- Asia Corporate Excellence & Sustainability Awards (ACES) – Outstanding Leader in Asia, 2017
- Special Distinguished Award for Promotion of China – ASEAN Relations at the 9th World Chinese Economic Summit (WCES), 2017
- Worldwide Excellence Award (WEA) – Person of the Year, 2017
- Queen Victoria Commemorative Medal by The Europe Business Assembly, 2017

- 8th Global Leadership Awards 2018 – Lifetime Achievement Award, 2018
- The BrandLaureate Prominent Business Brand Awards: Most Eminent – Prominent Business Brand Leadership Award, 2018
- The BrandLaureate Special Edition World Awards: Brand Laureate World Brandpreneur Hall of Fame – Lifetime Achievement Award, 2018
- FIABCI Malaysia Property Award – Property Man of the Year, 2018
- Des Prix Infinitus Asean Property Award 2019 – Lifetime Achievement, 2019
- Property Insight Prestigious Developers Awards (PIPDA) 2019 – Lifetime Achievement Award, 2019
- iProperty Development Excellence Awards (iDEA) 2019 – Innovative Leader of the Year, 2019

Philanthropic Contributions

As a philanthropist and an active advocate of social and community works, Tan Sri Dato' Sri Lim Hock San holds the following positions on the organisations below:

- Chairman, Board of Governors of SMJK Katholik
- Chairman, Board of Governors of SJK (C) Tun Tan Siew Sin
- Chairman, Selangor/ K.L Lim Clansmen Association
- President, The Federation of Hokkien Associations Malaysia
- President, Malaysia-Guangdong Chamber of Investment Promotion
- Honorary Life President, Persekutuan Persatuan-Persatuan Ann Koai Malaysia
- Honorary Life President, Persatuan Anxi Selangor Dan W.P. Kuala Lumpur



TAN SRI DATO' SRI LIM HOCK SAN

Executive Chairman of LBS Bina Group Berhad,
Non-Independent Executive Director

- Deputy President, The Federation of Malaysia Lim Associations
- Vice President, Fujian Overseas Exchanges Association 6th Council
- Vice President, The World Lin's Association
- Honorary Life Chairman, Board of Governors of SJK (C) Sungai Way
- Honorary Life Chairman, Selangor Petaling Business & Industry Association
- Honorary Chairman, Rumah Berhala Leng Eng Tian
- Honorary Life President, Gabungan Persatuan Cina Petaling Jaya, Selangor
- Honorary President, Malaysia-China Chamber of Commerce
- Honorary President, Malaysia-China Silk Road Entrepreneurs Association
- Honorary President, The Federation of Malaysian Clans and Guilds Youth Association
- Honorary President, Catholic High School Alumni Association
- Honorary President, Persatuan Penganut Tho Guan Sen
- Honorary President, Young Malaysians Movement
- Honorary Life Adviser, The Federation of Chinese Associations Malaysia
- Honorary Life Adviser, Tan Kah Kee Educational Charity Foundation
- Honorary Adviser, The Federation of Malaysia Chinese Surname Association
- Honorary Adviser, Gabungan Persatuan Keturunan Cina Negeri Sembilan
- Adviser, Persatuan Ko Chow Sungai Way
- Adviser, Kelab Sungai Way
- Adviser, Majlis Pembangunan Sekolah Menengah Jenis Kebangsaan Malaysia

- Advisory Committee, Malaysia China Mergers & Acquisitions Association
- Overseas Representative of the 17th People's Congress of Quanzhou, China
- Overseas Representative, The 5th Session of the 12th Chinese People's Political Consultative Conference 2017
- Overseas Representative, Fujian Chinese People's Political Consultative Conference 2015
- Committee, The 6th China Overseas Exchange Association
- Committee, China Federation 10th Plenary Session
- Committee, Fujian Provincial Federation
- Committee, The 5th China Overseas Friendship Association

Directorships in Public Companies and Listed Issuers

Tan Sri Dato' Sri Lim Hock San is a director of several subsidiaries in the LBS Group. He is an Executive Vice Chairman of MGB Berhad.

Notes

Tan Sri Dato' Sri Lim Hock San is a brother of Datuk Wira Lim Hock Guan (Group Managing Director/Chief Executive Officer), Maj (Hon) Dato' Sri Lim Hock Sing (Executive Director) and Dato' Lim Mooi Pang (Executive Director). He is also a substantial shareholder of the Company.

Tan Sri Dato' Sri Lim Hock San attended all five Board Meetings of the Company held during the financial year ended 31 December 2021.

Directors' Profiles (Cont'd)

DATUK WIRA LIM HOCK GUAN, JP

Group Managing Director/Chief Executive Officer,
Non-Independent Executive Director

Male
60 years old
Malaysian

Date of Appointment:

Executive Director: 6 December 2001
Managing Director: 1 March 2021
Group Managing Director/Chief Executive Officer: 14 January 2022

Membership of Board Committees

Chairman of the Risk Management Committee
Member of the ESOS Committee and
the Sustainability Committee



Academic/Professional Qualifications

Datuk Wira Lim Hock Guan holds a degree in Civil Engineering from the Tennessee Technology University, USA. He started his career as a Civil Engineer upon his graduation.

He was appointed as Executive Director of LBS on 6 December 2001. Subsequently, he was re-designated as Managing Director of LBS on 1 March 2021. On 14 January 2022, Datuk Wira was re-designated as Group Managing Director/Chief Executive Officer of LBS.

With over 30 years of extensive experience in the field of property development and construction, Datuk Wira Lim Hock Guan is in charge of the Group's projects as he is one of the major driving forces behind the LBS Group's successful implementation of projects in the Klang Valley.

Philanthropic Contributions

Being active in community works and non-profit-making organisations, he is the Vice President of Malaysia-Guangdong Chamber of Investment Promotion. He is also a qualified sharpshooter from National Rifle Association, Washington D.C.

Directorships in Public Companies and Listed Issuers

He sits on the board of MGB Berhad, a listed company, as Group Managing Director, and on the boards of several subsidiaries of the Group.

Notes

Datuk Wira Lim Hock Guan is a brother of Tan Sri Dato' Sri Lim Hock San (Executive Chairman), Maj (Hon) Dato' Sri Lim Hock Sing (Executive Director) and Dato' Lim Mooi Pang (Executive Director). He is also a substantial shareholder of the Company.

Datuk Wira Lim Hock Guan attended all the five Board Meetings of the Company held during the financial year ended 31 December 2021.



MAJ (HON) DATO' SRI LIM HOCK SING, JP

Executive Director,
Non-Independent Executive Director

Male

59 years old

Malaysian

Date of Appointment:

Executive Director: 6 December 2001

Membership of Board Committees

Nil

Academic/Professional Qualifications

Maj (Hon) Dato' Sri Lim Hock Sing obtained his Bachelor of Accounting Degree from Eastern Washington University in 1989. Upon his graduation, he started practising as an audit supervisor at Khoo & Co, a local public accounting firm. He was appointed Director of LBS Bina in 1991, entrusted with LBS Group's interests in the states of Pahang and Johor. He was appointed as Executive Director of LBS on 6 December 2001.

Dato' Sri Lim Hock Sing has grown his professional career in the LBS Group with his accountancy background. With over 30 years of experience in property development, he has contributed his invaluable aptitude in matters of finance, marketing and real estate evaluation. He is active in the day-to-day operation of the Group.

Philanthropic Contributions

Dato' Sri Lim Hock Sing's advocacy of community development and environmental conservation is reflected in his position as one of the Trustees in Sultan Ahmad Shah Environment Trust (SASET) since 2012. He is also a contributing member of Persatuan Warga Cinta Negara Malaysia (PENCINTA), and is engaged in central roles for organisations such as the Young Entrepreneurs Association of Malaysia (PUUM) and Sungai Way Hokkien Association.

Being an active advocate of social and community works, Dato' Sri Lim Hock Sing holds the following positions on the board of the organisations below:

- Chairman of Board of Governors of SJK (C) Sungai Way
- Chairman of Persatuan Pengamat Agama Buddha Kunzang Chokhor Ling Selangor
- President of Sungai Way Hokkien Association

He is a committee member of the Malaysia-Kuwait Business Council, an organisation formed under the Malaysia External Trade Development Corporation (MATRADE).

Dato' Sri Lim Hock Sing was awarded the rank of Honorary Major in the 505th Regiment of The Reserve Army of Malaysia by K.D.Y.T.M. Tengku Mahkota Pahang, Tengku Abdullah Al-Haj Ibni Sultan Haji Ahmad Shah Al-Musta'in Billah in 2012.

Directorships in Public Companies and Listed Issuers

Dato' Sri Lim sits on the boards of several subsidiaries of the Group.

Notes

Dato' Sri Lim Hock Sing is a brother to Tan Sri Dato' Sri Lim Hock San (Executive Chairman), Datuk Wira Lim Hock Guan (Group Managing Director/Chief Executive Officer) and Dato' Lim Mooi Pang (Executive Director).

Dato' Sri Lim Hock Sing attended all the five Board Meetings of the Company held during the financial year ended 31 December 2021.

Directors' Profiles (Cont'd)

DATO' LIM MOOI PANG

Executive Director,
Non-Independent Executive Director

Female
55 years old
Malaysian

Date of Appointment:

Executive Director: 16 July 2009

Membership of Board Committees

Chairperson of the Sustainability Committee
Member of the Risk Management Committee



Academic/Professional Qualifications

Dato' Lim Mooi Pang graduated with an Honours Degree in Management Studies from the University of Waikato, New Zealand. She began her career with Messrs. Ernst & Young New Zealand where she attained her qualifications as a member of the New Zealand Institute of Chartered Accountants. She is a Fellow Member of Chartered Accountants Australia and New Zealand.

Prior to her current position, Dato' Lim Mooi Pang was the Director of Finance and Administration with Speedline Technologies, an American multi-national company based in Singapore. Subsequently, she joined LBS and managed the Group's investments in Zhuhai, China, known as Zhuhai International Circuit Ltd (ZIC). Dato' Lim Mooi Pang continues to be the Vice Chairman of ZIC.

She is currently responsible for LBS Group's several corporate functions, mainly in Accounts and Finance, Human Resource, Sales and Marketing, Programme Management Office, Special Project Office, Legal, Hotel, Retail and Secretarial & Corporate Affairs.

Directorships in Public Companies and Listed Issuers

Dato' Lim Mooi Pang sits on the boards of several subsidiaries of the Group.

Notes

Dato' Lim Mooi Pang is a sister of Tan Sri Dato' Sri Lim Hock San (Executive Chairman), Datuk Wira Lim Hock Guan (Group Managing Director/Chief Executive Officer) and Maj (Hon) Dato' Sri Lim Hock Sing (Executive Director).

Dato' Lim Mooi Pang attended all the five Board Meetings of the Company held during the financial year ended 31 December 2021.



DATUK DR. HAJI BAHARUM BIN HAJI MOHAMED

Director,

Senior Independent Non-Executive Director

Male

65 years old

Malaysian

Date of Appointment:

Independent Non-Executive Director: 20 August 2013

Senior Independent Non-Executive Director: 19 April 2014

Membership of Board Committees

Chairman of the Nomination and Remuneration Committee

Member of the Audit Committee and the ESOS Committee

Academic/Professional Qualifications

Datuk Dr. Haji Baharum holds a Bachelor of Social Science (Honours) Degree from Universiti Kebangsaan Malaysia. He also holds a certificate in Business Management from the Asian Institute of Management, Manila, Philippines. He obtained his Master Degree from the European University Institute in Ireland and graduated with a doctorate in Environmental Studies from Universiti Utara Malaysia in 2015.

He started his career as an officer with Majlis Amanah Rakyat (MARA) from 1982 to 1986 and was appointed as the Deputy Director of MARA in the states of Negeri Sembilan from 1987 to 1989 and Sabah from 1989 to 1992. He was a Special Officer to YB Chairman of MARA from 1992 to 1995 prior to his appointment as Principal Secretary to the Deputy Minister in the Prime Minister's Department from 1995 to 1998.

Directorships in Public Companies and Listed Issuers

A former Chairman of Lembaga Pelesenan Kenderaan Perdagangan (CVLB) Semenanjung Malaysia from 2004 to 2006 and Datuk Dr. Haji Baharum was also appointed as Chairman of UDA Holding Berhad from 2006 to 2008. Presently, he is the Executive Chairman of a privately-owned company involved in construction.

Notes

Datuk Dr. Haji Baharum attended all the five Board Meetings of the Company held during the financial year ended 31 December 2021.

Directors' Profiles (Cont'd)

DATUK LIM SI CHENG

Director,
Independent Non-Executive Director

Male
72 years old
Malaysian
Date of Appointment: 20 August 2013

Membership of Board Committees

Member of the Audit Committee, the Nomination and Remuneration Committee and the ESOS Committee.



Academic/Professional Qualifications

Datuk Lim Si Cheng began his career as a journalist in 1968. From 1982 to 1990, he was a State Assemblyman of Bandar Segamat and an Exco Member of Johor State Government from 1986 to 1990. He was appointed as Political Secretary to the Minister of Transport, Malaysia from 1990 to 1995. Following this, he was elected as Member of Parliament Kulai, Johor for three consecutive terms from 1995 to 2008. Datuk Lim then moved to the House of Representatives in Parliament Malaysia and served as Deputy Speaker from 1999 until February 2008. He was a member of the Malaysian Pepper Board from 2008 to 2011.

Philanthropic Contributions

Datuk Lim is very active in community works of various charitable organisations and presently sits on the board of the following organisations:

- Council member of University Tunku Abdul Rahman
- Trustee in Huaren Education Foundation
- Trustee in Chang Ming Thien Foundation
- Committee member of Malaysia Mental Literacy Movement

Directorships in Public Companies and Listed Issuers

Datuk Lim sits on the Board of MAG Holdings Berhad as Independent Non-Executive Director and he is a Board member of Koperasi Jayadiri Malaysia Berhad.

Notes

Datuk Lim attended all the five Board Meetings of the Company held during the financial year ended 31 December 2021.



DATO' LIM HAN BOON

Director,

Independent Non-Executive Director

Male

64 years old

Malaysian

Date of Appointment: 27 August 2020

Membership of Board Committees

Chairman of the Audit Committee

Member of the Risk Management Committee and the Sustainability Committee

Academic/Professional Qualifications

Dato' Lim Han Boon holds a Master Degree in Business Administration from University of South Australia, Australia. He also attended the Senior Management Development Program at Harvard Business School. He is a Fellow member of the Association of Chartered Certified Accountants, United Kingdom, Chartered Accountant of Malaysian Institute of Accountants and a member of Chartered Management Institute, United Kingdom.

Dato' Lim started his career in the Chartered Accounting firm of BDO. Subsequently, he spent more than twenty years in the transportation and maritime logistics industry having worked for Kontena Nasional Berhad, Northport (Malaysia) Berhad, NCB Holdings Berhad as well as Kannaltec Berhad.

He is also no stranger in the Global Business Services/Outsourcing Industry. He spent more than seventeen years in this industry, being the founder of Envo BPO Services Sdn. Bhd., a leading business outsourcing company in Malaysia, specialising in contact centre services.

Directorships in Public Companies and Listed Issuers

He is a Board Member of Kuen Cheng High School Kuala Lumpur. He is also an advisor to Outsourcing Malaysia, a Chapter of PIKOM, the National ICT Association of Malaysia. He was previously the Senior Independent Non-Executive Director at Top Glove Corporation Berhad before his retirement in early 2022.

Notes

Dato' Lim attended all the five Board Meetings of the Company held during the financial year ended 31 December 2021.

Directors' Profiles (Cont'd)

DATO' YONG LEI CHOO

Director,
Independent Non-Executive Director

Female
60 years old
Malaysian

Date of Appointment:

14 January 2022

Membership of Board Committees

Member of the Risk Management Committee, the Nomination and Remuneration Committee and the Sustainability Committee



Academic/Professional Qualifications

Dato' Yong Lei Choo holds an Honours Degree in Bachelor of Arts (Population Studies) from University of Malaya and a Master Degree in Science (Human Resource Development) from Western Carolina University, North Carolina, USA.

She had a distinguished career in the Royal Malaysian Police Force for nearly 36 years before retiring from the Force in 27 October 2021 as Deputy Chief Police Officer of Kuala Lumpur. Notable achievements of Dato' Yong in the Police Force include being the first female Head of Special Branch in the Petaling Jaya Police District in 1998; first Malaysian Chinese woman with the rank of Senior Assistant Commissioner in 2009; first female Special Branch Chief of Penang Police Contingent in 2015 and in the history of the Malaysia Special Branch, the first female Assistant Principal Director of the Malaysia Special Branch (Economic Intelligence Division) as well as the first female Deputy Chief Police Officer of Kuala Lumpur.

During her tenure as a professional police officer, she gained immense experience in investigation, prosecution, administration, anti-human trafficking, international security liaison, research and analysis in police precincts of various states such as Perak, Penang and Bukit Aman head precinct in Kuala Lumpur. She was also commissioned as the Chief VIP Security Team involved in the security detail for the Prime Minister's international excursions. She has attended various Intelligence Analysis and management courses/seminars in both local and foreign training institutions.

Her outstanding performance garnered her a Federal Scholarship from the Public Service Department to pursue her Master's Degree in North Carolina, USA (1995-1997). In 2009, she was conferred Darjah Indera Mahkota Pahang (DIMP) by the Sultan of Pahang.

Directorships in Public Companies and Listed Issuers

Currently, Dato' Yong is the Independent Non-Executive Director of Red Ideas Holdings Berhad.

Notes

Dato' Yong has not attended any Board Meetings of the Company held during the financial year ended 31 December 2021 as she was appointed on 14 January 2022.

Key Senior Management Profiles



DATO' SRI LIM HOCK SEONG

Deputy Chief Executive Officer

Male

56 years old

Malaysian

Date of Appointment:

14 January 2022

Academic/Professional Qualifications

Dato' Sri Lim Hock Seong graduated from Kolej Damansara Utama with a Diploma in Telecommunication and Computer Engineering. He was appointed as Executive Director of LBS on 6 December 2001. He has also been the Director of LBS Bina since 1992.

In the Group's effort to streamline the composition of the Board in line with the Company's steps towards a stronger and more active corporate governance structure, Dato' Sri Lim Hock Seong resigned as Executive Director and was re-designated as Deputy Chief Executive Officer of the Company on 14 January 2022.

He is in charge of property development projects in Perak, monitoring the initialisation, planning, management and overseeing day-to-day operations of the projects.

Directorships in Public Companies and Listed Issuers

He sits on the board of several subsidiaries of the Group and does not hold any directorship in any listed entities and public companies.

Notes

Dato' Sri Lim Hock Seong is a brother of Tan Sri Dato' Sri Lim Hock San (Executive Chairman), Datuk Wira Lim Hock Guan (Group Managing Director/Chief Executive Officer), Maj (Hon) Dato' Sri Lim Hock Sing (Executive Director) and Dato' Lim Mooi Pang (Executive Director).

Philanthropic Contributions

Dato' Sri Lim Hock Seong is actively involved in community works and is a member of Yayasan Ang Koai Selangor, the Malaysian Chinese Association, the Persatuan Hokkien Seri Setia as well as other charitable and non-profit-making organisations.

In recognition of his robust efforts in the social development and wellbeing of the community, he was conferred the Darjah Kebesaran Sri Sultan Ahmad Shah Pahang by the Sultan of Pahang in 2017.

Key Senior Management Profiles (Cont'd)

LIM KIM KIAT

Deputy Chief Executive Officer

Male

35 years old

Malaysian

Date of Appointment:

14 January 2022



Academic/Professional Qualifications

Mr. Lim Kim Kiat graduated with an Honours Degree in Bachelor of Engineering (Engineering Management - Mechanical & Manufacturing) from The University of Melbourne, Australia in 2008.

He started his career with LBS in 2009 in the Corporate Finance Department where he was heavily involved in matters related to corporate planning and financing, as well as the treasury management aspects of LBS and its subsidiaries. He has since taken on various responsibilities which include commercial and corporate banking, cash and capital management, treasury risk management as well as investor relations, in which he has gained extensive knowledge and exposure in the finance and treasury functions within the real estate industry. He is also overseeing the digital transformation team and plays a pivotal role in LBS's digitalisation effort.

Appointed as Executive Director in January 2021, his key focus is to improve the financial and operating performance of the Company, while continuing his contribution to the development of investor relations, credit administration and digital transformation of the Group.

To better reflect the Company's strategic priorities and strengthening of corporate governance structure, Mr. Lim Kim Kiat has resigned as Executive Director and was re-designated as Deputy Chief Executive Officer of the Company on 14 January 2022.

Directorships in Public Companies and Listed Issuers

He currently sits on the board of several subsidiaries of the Group and does not hold any directorship in any listed entities and public companies.

Notes

Mr. Lim Kim Kiat is a son of Tan Sri Dato' Sri Lim Hock San (Executive Chairman) and nephew to Datuk Wira Lim Hock Guan (Group Managing Director/Chief Executive Officer), Maj (Hon) Dato' Sri Lim Hock Sing (Executive Director) and Dato' Lim Mooi Pang (Executive Director).

PUAN SRI DATIN SRI KAREN WANG SWEE HONG

Senior General Manager of Information Technology

Female

62 years old

Malaysian

Date of Appointment:

1 January 2014

CHANG YEE KHIM

General Manager of Accounts and Finance

Female

56 years old

Malaysian

Date of Appointment:

1 May 2006

Puan Sri Karen began her career with the LBS Group in September 1982. She first joined the company as an Office Administrator after completing the ICSA course in London, United Kingdom. During her years of employment, she has served as the Company Secretary, as Personal Assistant to the Managing Director and as Head of the Administration and IT Department.

Under the scope of the IT Department, Puan Sri Karen oversees the components for licensed software and hardware, the telecommunications system, network infrastructure, application servers, access card system, office equipment and the maintenance of computer peripherals within the LBS Group.

She is also actively involved in the Group's social and recreational activities with her advisory role in LBSclub since 2003. LBS club is managed by a committee comprising LBS personnel who are nominated on an annual basis and serves as a platform for internal company events such as monthly birthday celebrations, special contests, fun games, bowling tournaments, treasure hunts and team-building events. She is also the Chief Editor of the LBS monthly e-news publication.

There are two special CSR projects assigned to Puan Sri. They are the annual Kiwanis Motor Treasure Hunt of which LBS has been a major Sponsor for the 15th consecutive year and for the Hospis Malaysia Charity Treasure Hunt which LBS has been a Platinum Sponsor for the 4th consecutive year.

Being a strong advocate for community works, Puan Sri Karen holds the following positions in these non-profit organisations:

- Honorary President, Persatuan Shing An Selangor dan Kuala Lumpur
- Adviser, Gabungan Persatuan Keturunan Cina Negeri Sembilan
- Adviser, Hokkien Association Seri Setia (Women)
- Adviser, Federation of Hokkien Association (Women)
- Adviser, The Federation of Malaysian Lim Associations (Women)

Notes

Puan Sri Karen is the spouse of Tan Sri Dato' Sri Lim Hock San (Executive Chairman) and sister-in-law of Datuk Wira Lim Hock Guan (Group Managing Director/Chief Executive Officer), Maj (Hon) Dato' Sri Lim Hock Sing (Executive Director) and Dato' Lim Mooi Pang (Executive Director).

Chang Yee Khim joined LBS in 2000. She holds a Bachelor of Science (Honours) Degree majoring in Accounting and Economics from the University of Ulster, the United Kingdom. She started her career in a Chartered Accountancy firm in the United Kingdom where she worked for six years, gaining varied audit exposure. Following her return to Malaysia, she joined an entertainment group as Accounts Manager, reporting directly to the Chief Financial Controller on accounting matters.

After four years of service in the entertainment group, she joined LBS to assist in the listing exercise for LBS on Bursa Malaysia's Main Market, which saw the Group officially listed in 2002. Following this, she was appointed to head the Corporate Finance Department where she was responsible for the Group's corporate exercises, bank borrowings and cash flows. During this time, she gained extensive exposure in accounting, finance and general management in the property development industry. She was later promoted to head the Accounts and Finance Department in May 2006 to oversee the accounting, taxation and finance functions of the Group.

Key Senior Management Profiles (Cont'd)

CHEN SAU HIONG

Head of Project – Klang Valley

Male

59 years old

Malaysian

Date of Appointment:

1 January 2021

CHONG SIEW PHENG

General Manager of Treasury

Female

47 years old

Malaysian

Date of Appointment:

1 January 2019

DORIS LEE CHING CHING

General Manager of Secretarial & Corporate Affairs

Female

52 years old

Malaysian

Date of Appointment:

1 May 2006

Chen Sau Hiong joined LBS in July 2011. He holds a Bachelor of Science in Construction Management from Heriot Watt University in the United Kingdom. He is a Corporate Member of Chartered Institute of Building, United Kingdom.

He has more than 30 years of experience in the property development industry with a wealth of experience in planning, development, implementation and maintenance over various projects ranging from the housing sector to commercial and multi-storey development.

Prior to joining LBS, he worked in a public listed company for 20 years and gained extensive experience in project management and other related disciplines. Within his current role, he is responsible for the planning and implementation of building and infrastructure of property developments under the Group, particularly projects in the Klang Valley.

Chong Siew Pheng joined LBS in 2003. She holds a Master of Business Administration (MBA) in Finance and Bachelor of Social Science Degree majoring in Economics from the University of Malaya, Malaysia.

She has 21 years of experience in the property industry. Prior to joining LBS, she worked in a property development company and was in charge of Sales and Credit Administration. She joined the Group in May 2003 in the Marketing Department. In 2009, she took up a new challenge in corporate finance, responsible for project financing in the Group. She was later promoted to Head of Treasury Department on 1 January 2012. As part of her personal and professional development, she subsequently pursued MBA in Finance and completed the course in 2018.

She holds her current position as General Manager of Treasury Department since January 2019 and is responsible for cash management, budget allocation, project development funding and corporate finance of the Group.

Doris Lee Ching Ching joined LBS in 2002. She is a Fellow member of the Institute of Chartered Secretaries and Administrators of the United Kingdom (FCIS). She also holds a Certificate in Professional Photography from Han Chiang Academy of Journalism and had obtained the Certificate in Investor Relations (CIR), United Kingdom, in 2010.

She started her career with an international banking group in 1991. One year later, she left the banking industry and started her practice in chartered secretaryship under the secretarial arm of an international public accounting firm where she gained extensive exposure in various areas including corporate exercises, listing and other special assignments.

In 1997, she joined Instangreen Corporation Berhad ("ICB") as Company Secretary overseeing corporate compliances and public affairs of the Group. Subsequent to the completion of the restructuring of ICB Group under the auspices of the Special Administrators appointed under Pengurusan Danaharta Nasional Berhad Act, 1998 wherein ICB became a wholly-owned subsidiary of LBS, she was transferred to LBS in April 2002.

She is the Company Secretary of the Group and is responsible for statutory compliances and corporate affairs of the Group.

MOHD NASIR ISMAIL

General Manager of Scapes
Hotel

Male

54 years old

Malaysian

Date of Appointment:
7 September 2020

SALLY LAU SAU KHENG

General Manager of Sales and
Marketing Communications

Female

55 years old

Malaysian

Date of Appointment:
1 January 2011

WONG KAH YEEN

General Manager of Credit
Administration

Male

53 years old

Malaysian

Date of Appointment:
1 August 2014

Mohd Nasir Ismail joined the Group since September 2020. He holds a Diploma in Hotel Management from the Malaysian Association of Hotels Training Education Centre (MAHTEC) and the Singapore Hotel and Tourism Education Centre. He is also a certified examiner for Hotel Star Rating from Kementerian Pelancongan Dan Kebudayaan Malaysia.

Prior to joining LBS, he worked with various well-known and reputable hotels such as E&O Residences Kuala Lumpur, Jazz Hotel Penang and Vivatel Kuala Lumpur as General Manager and was a committee member of Malaysian Association of Hotels ("MAH") for the Kuala Lumpur Chapter. Currently, he is a committee member of MAH for the Pahang chapter.

Sally Lau Sau Kheng has been working with the LBS Group since May 1994. Prior to joining the Group, she worked with a well-known leading local bank for three years where she gained exposure in banking administration affairs and built up her skills in client relations. Sally first joined LBS Group's Credit and Sales Department where she gained extensive experience in sales administration, credit control, customer relations, marketing and promotion.

She was promoted to head the Sales and Marketing Communications Department in July 2005 to oversee the operations of the department and was also involved in product planning and promotion, market trends monitoring and aiding in pricing strategy. In July 2009, she was promoted to Assistant General Manager and in 2011 she was promoted again to General Manager of the Sales and Marketing Communications Department. Aside from being in charge of the sales and marketing activities of the Group, she is also responsible for the branding function.

Wong Kah Yeen joined the Group in September 1999. He is a member of the London Chamber of Commerce and Industry with a Third Level Group Diploma in Cost Accounting and Business Management from a local Institute Examination Board (Associated College of The University of Wales, United Kingdom).

Prior to joining the Group, he served as Operations Officer with a leading local bank. With more than seven years of working experience in the banking industry, his areas of expertise includes loan review, security and loan documentation, loan disbursement and customer banking operations.

Key Senior Management Profiles (Cont'd)

STEWART TAN SENG TEONG

General Manager of Zhuhai International Circuit

Male

61 years old

Malaysia

Date of Appointment:
26 November 2009

Stewart Tan Seng Teong joined the Group since 2005. Prior to joining the Group, he had more than 30 years of experience working and running his own businesses in China, both on the mainland and in Hong Kong Special Administration Region.

He began his career in the Hong Kong share market in the late 80s when he co-founded Le Conte, a well-known chocolate manufacturer in China. In 1992, he collaborated with the Zhuhai government to organise the BPR Global Endurance GT Race and the first street race in China. Following the event's success, both parties further collaborated to build the Zhuhai International Circuit ("ZIC"), the first racing circuit on mainland China.

Under Mr Tan's leadership, Zhuhai International Circuit Limited ("ZICL") has gone on to produce China's first racing school, the nation's first formula racing series and more. His efforts have also won him the Business Operator of the Year award at the 6th China Motorsports Award in 2012 and various national awards for the ZIC.

Currently, he is a member of the Board of Directors in ZICL and the General Manager responsible for the overall operation and management of ZICL which includes but is not limited to circuit operation, business diversification, ZIC Upgrading and Transformation Plan, outsourcing and consultation services.

Additional Information for Directors & Key Senior Management

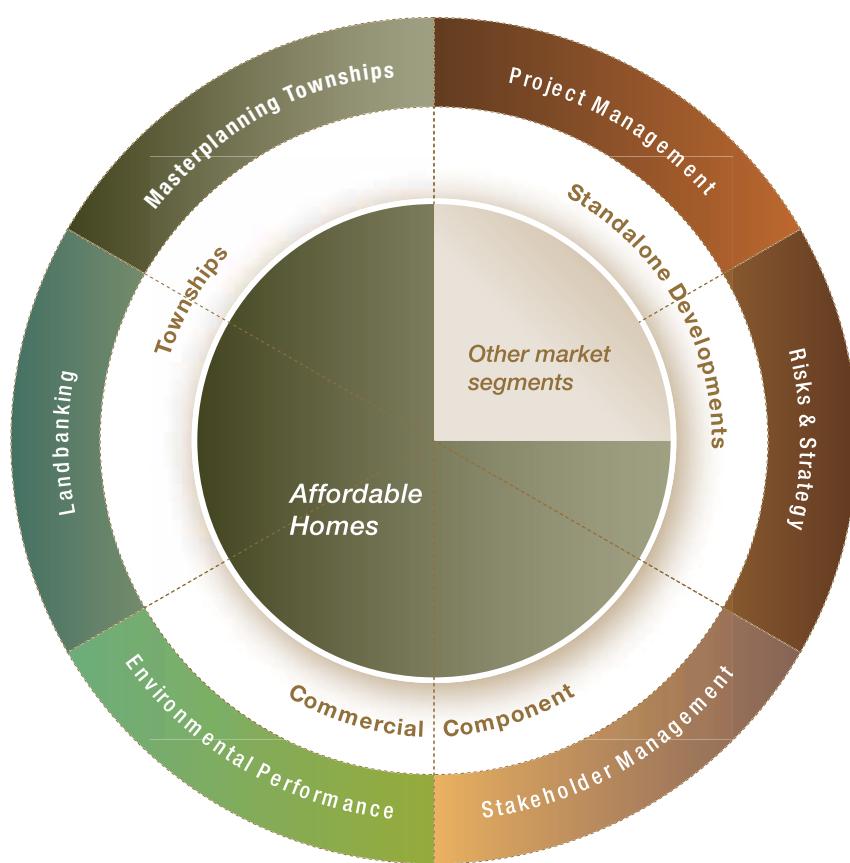
Save as disclosed, the members of the Board and Key Senior Management do not hold any directorship in any listed entity and public companies, have no family relationship with any Director and/or major shareholder of LBS, have no conflict of interest with LBS, have not been convicted of any offences within the past five years other than traffic offences and have not been imposed any public sanction or penalty by the relevant regulatory bodies during the financial year 2021.

Section 3

Our Business Model

95% of LBS' business revenue is derived from property development. However, LBS' approach to property development is distinctive, which enables the Group to derive various and significant competitive advantages.

LBS' business model is centred primarily on the design and build of affordable properties that cater to the middle-income, mass market segment of Malaysian homebuyers. This provides the Group with a strong revenue base as demand for affordable homes remain robust, even during downturns such as recently experienced during the COVID-19 pandemic.



The Group also develops niched, higher-end properties that cater to more affluent market segments. This dual approach of a core centred on affordable properties supplemented by higher margin products provides LBS with a strong revenue base centred on stable market demand, while also benefitting from being able to tap more lucrative, niche segments. The Group also develops commercial properties that complete its portfolio of real estate offerings.

LBS undertakes both large-scale township developments as well as standalone projects. The Group designs and builds landed as well as high-rise units. Both approaches afford various benefits and advantages and complement each other.

In essence, LBS' business model comprises a unique mix of multiple market segments, the ability to undertake large scale developments as well as standalone developments and to build both landed and high-rise units. This provides the Group's business model with a degree of insulation to market shocks and ensures resilience to sustain financial values.

Our Business Model (Cont'd)

The business model is supported by the Group's strategic landbank, its ability to masterplan affordable townships or projects (which is a unique competency by itself), to build and complete projects on time and within budget, driven by its in-house construction and Industrial Building Systems ("IBS") Pre-cast Concrete capabilities and last but not least, the ability to quickly turnaround projects via competent project management.

The LBS business model affords the Group several business and operational strengths. These include flexibility, faster time to market, efficient cost and project control, reduced wastage and environmental and social impacts, higher and improved consistency in build quality and a distinctive ability to undertake and deliver large-scale affordable home projects within budget, on time and within cost.

BUSINESS STRENGTHS AND COMPETITIVE ADVANTAGES DERIVED FROM THE BUSINESS MODEL



The business model is further bolstered by LBS holding a presence across all major stages of the property value chain as depicted below. This provides a further level of strategic control and flexibility in terms of timing, cost, quality and other salient aspects of property development.



Landbanking	Design and Masterplanning	Construction and Development	Project Management
<ul style="list-style-type: none"> LBS holds a large and diverse landbank, strategically located nationwide. By having such a landbank, LBS is better able to strategise its pipeline of projects including types of projects, launch dates and other details. 	<ul style="list-style-type: none"> LBS undertakes its own township and project masterplanning, which enables cost control as well as better control of the final project and the realisation of desired outcomes and results. 	<ul style="list-style-type: none"> LBS has its own construction arm, MGB which is equipped with IBS technology The operational synergy via IBS enables greater efficiency, expedites project completion, ensures consistency of build quality and reduces wastage and resource consumption. 	<ul style="list-style-type: none"> Post completion, LBS continues to remain a stakeholder in its developments, maintaining partial control of portion of its projects to ensure continued stakeholder value creation

For an extended value chain with detailed information on specific business and operational processes, please refer to the **Business Model at Work: Value Chain Processes** section.

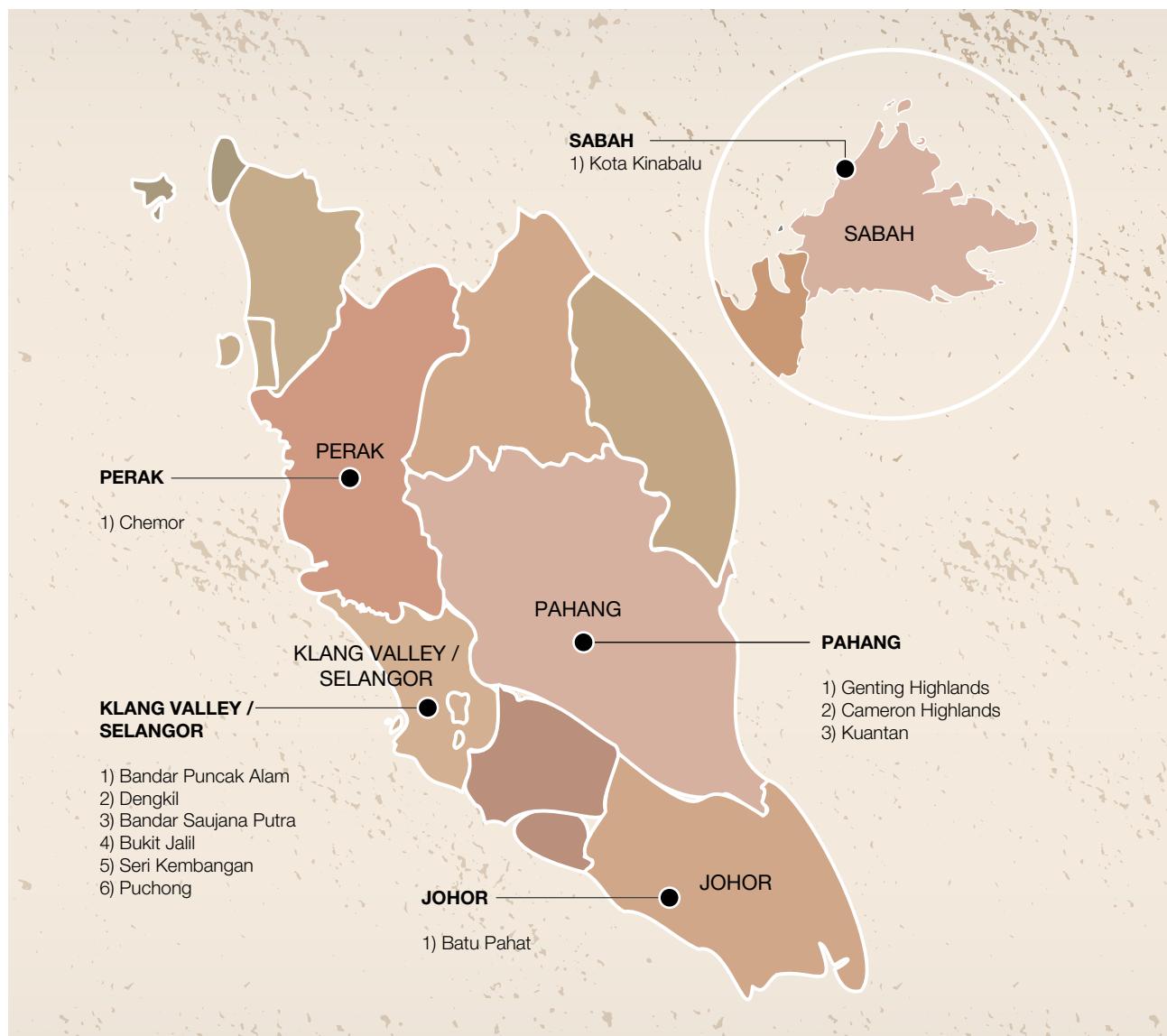
Our Business Model (Cont'd)

GROWING NATIONWIDE PRESENCE

The Group also has an expanding nationwide presence based on its expanding portfolio of completed and under construction projects and its landbank.

Having a diverse geographic presence reduces reliance of sales on a single geographic location. In addition, the multi-geographical approach to property development enables the Group to undertake a wide range of projects that cater to varying market segments of buyers.

Kindly refer to the property portfolio section for a full list of completed and ongoing projects.



Ultimately, the LBS business model enables the Group to effectively respond to existing and emerging market as well as external forces, towards sustaining financial and non-financial value creation (for LBS and its stakeholders).

Values Created:

(Refer to Page 55 to 65 for more information)



Further information on these external forces is provided in the section entitled **A Strategic Response To External Trends And Market Forces**.

Driven By Inherent Business Strengths

LBS' robust business model enables a wide range of business and operational strengths. The Group leverages on these strengths accordingly as mentioned below:

INHERENT BUSINESS STRENGTHS	SIGNIFICANCE TO THE BUSINESS MODEL / VALUE CREATION
ROBUST FINANCIAL POSITION	<p>The Group maintains a healthy cash and asset position with liabilities and commitments comparatively low. This enables the Group to quickly acquire landbank, though the Group's preferred approach (to reduce CAPEX) is to undertake joint-ventures with landowners.</p> <p>The robust financial position enables the Group to invest in digital technologies and also pursue Greentech and other initiatives. Financiers such as banks also are more supportive of providing loans to LBS given the latter's strong balance sheet.</p>
PRODUCT FLEXIBILITY RANGE	<p>LBS is able to provide a wide range of product types catering to differing demographics and income levels. Even within the affordable segment, the Group is able to deliver a wide range of unit variants towards attracting more homebuyers.</p> <p>Beyond the affordable segment, LBS also develops more up-market or niched properties to cater to affluent buyers. Such products afford higher earnings margins.</p>
FASTER TIME TO MARKET AND CLOSE PROJECT CONTROL	<p>With LBS being in control of most stages of its property development process, the Group is best positioned to plan, design, launch and build projects in a systematic fashion. This supports cost-efficiency and faster completion, optimising resources.</p>
HIGHER AND IMPROVED CONSISTENCY IN BUILD QUALITY	<p>Backed by its subsidiary MGB, LBS effectively has an in-house construction company, with fully Integrated construction and development player with extensive IBS capabilities.</p> <p>The use of IBS through MGB, enables faster and more efficient design and construction of homes. It reduces wastage and dependence on manual labour and also reduces defects in the building and construction process. All of these, equate to faster completion of projects, reduced errors and greater cost efficiency.</p>

INHERENT BUSINESS STRENGTHS

SIGNIFICANCE TO THE BUSINESS MODEL / VALUE CREATION

STRONG BRANDING AND PROVEN TRACK RECORD

The LBS brand, developed over the years is synonymous for quality, affordable homes and consumer-oriented lifestyle concepts. A large number of LBS' projects have secured international and local awards, an attestation to the quality of the concept, build and lifestyle afforded by these developments.

The positive reputation and perception translate into continued strong traction for new projects launched by the Group. A significant number of LBS buyers are repeat buyers, or referrals from family and friends who have invested in a prior LBS property.

TOWNSHIP DEVELOPER AND MARKET PHASEABILITY CAPABILITIES

As a developer of townships, LBS is able to masterplan large scale developments that deliver a vibrant socio-economic impact over the short, medium and long-term perspectives.

The Group is also able to leverage on phase-ability, launching specific phases in tandem, with market sentiments and operating conditions to maintain strong control on its capital outlay. Designs can also be changed to suit consumer preferences.

The overall control enables LBS to effectively plan and realise its vision for the township, while maintaining control on costs and other aspects of the development process.

EXPERIENCED AND PROFESSIONAL MANAGEMENT TEAM

The Group is helmed by competent industry professionals with vast experience and diverse expertise. The skills and capabilities of management cover a wide range of disciplines. These include construction and property development, branding and marketing, risks mitigation, sustainability, finance, community and stakeholder relations and many others.

The collective ability of Senior Management provides LBS with a distinct skill set enables LBS to effectively execute its business model and to continue creating stakeholder value.

STRATEGIC LANDBANK

The Group's 2,698-acre landbank comprises strategically located land parcels in the Klang Valley as well as other highly desired locations. The landbank is well positioned in areas that are favoured by homeowners and are experiencing rapid socio-economic growth.

The size and location of the landbank supports multiple development options in terms of masterplanning and project concepts. This affords LBS with flexibility in developing the most commercially viable and market appealing product.

The Group's landbank also continues to appreciate in value annually, thus further increasing the value of Group assets.

Driven By Inherent Business Strengths (Cont'd)

INHERENT BUSINESS STRENGTHS	SIGNIFICANCE TO THE BUSINESS MODEL / VALUE CREATION
STRONG NETWORK OF SUPPLIERS AND BUSINESS PARTNERS	<p>LBS is supported by a proven network of suppliers across its value chain, who provide quality goods and services that support the Group's business model.</p>
ABILITY TO UNDERTAKE AND DELIVER LARGE-SCALE AFFORDABLE HOME PROJECTS	<p>LBS' vast experience in developing affordable homes has enabled the Group to develop a distinctive strategic approach to ensure quality, cost efficiency and faster time-to-market. This includes managing plot ratios, unit sizes and even conceptualising product design.</p> <p>Ultimately, LBS' innate and unique knowledge and skill set enables land optimisation and to deliver the best product possible, while bringing to market, products that are within the purchasing power of the middle-class market segment.</p>
STRONG STAKEHOLDER RELATIONSHIPS THROUGH CSR	<p>LBS continues to have positive business, community and governmental working relationships, built over many decades. The rapport developed has enabled LBS to strengthen its brand reputation as a community-focused property developer, who contributes to nation-building and supports the government's aspirations of providing more affordable homes and quality living for Malaysians.</p>
REDUCED WASTAGE, IMPROVED ENVIRONMENTAL AND SOCIAL FOOTPRINT	<p>LBS continues to invest significantly in community and local infrastructure development via a wide range of social and government sponsored activities as well as the LBS Foundation. Further information is provided in the Sustainability Statement of IAR2021 or the standalone Sustainability Report 2021.</p> <p>Efficient and improved project management enables reduced environmental impacts, reduced disruption to surrounding communities and supports greater recycling of materials.</p>

The Business Model At Work: Value Chain Processes

The following is a depiction of the key business processes within LBS' business model. The illustration depicts the start to end process from landbanking right to after the project is completed and handed over to homebuyers.

VALUE CHAIN PROCESSES



Landbanking

- Key considerations include size and suitability of land parcels in regard to development plans. Issues include soil conditions, and land contours. In the case of new land acquisition, considerations include land valuation pricing, margin of financing as well as encumbrances and other restrictions.



Masterplanning/ Project Design

- Development of a commercially viable concept that is sustainable and complies with environmental and social impact assessments. Focus is played on the viability of the township or development over the short, medium and long-term perspectives. The masterplan must deliver a strong socio-economic stakeholder impact.
- Key aspects include affordable pricing, and appealing lifestyle concepts that optimise plot ratios.



Feasibility Studies

- A key stage to ascertain the suitability of development plans given land size and location, surrounding developments, present socio-economic factors and market sentiments. Importantly, the projects' total value creation impact takes environmental and social impacts into consideration. Financial considerations include cost benefit analysis, estimated profit margins and more.



Regulatory/ Authority Approvals

- Swift approval at all levels are a priority towards ensuring no delays to project launch.
- Conditional approvals may warrant changes to the design and building plans which may incur additional costs or lead to delay in project implementation.
- Imperative that the Group stay abreast with new regulatory developments and requirements, including ESG related developments for RE (use of renewable energy, rainwater harvesting, EV charging and etc.

The Business Model At Work: Value Chain Processes (Cont'd)



Marketing/ Branding launch

- FY2021 has seen a greater transition to more online and digital mediums for marketing and branding efforts in light of the COVID-19 pandemic.
- Key marketing messages and unique selling propositions must resonate with target markets. Matters to consider include achieving ROI in terms of effective reach and sales conversion based on budget spend.
- Marketing launches need to be creative and commercially attractive to overcome resistance factors such as impacted buyer purchasing power post pandemic, high loan rejection rates as well as the high competition within the property market.



Vacant Possession and Handover

- A critical process in developing social capital, specifically customer relationships. A proper workflow is established, driven by technology (largely due to the pandemic) in facilitating unit inspection and handover.
- All defects must be addressed within a stipulated period as per set SOPs.



Construction and Development

- Project works must be undertaken and completed on time, within budget and meet set quality standards.
- This is the most resource intensive process of the value chain and hence focus on reducing environmental footprint is essential. The trade-off is how to achieve cost effectiveness while introducing new technology and innovation to reduce wastage and resource use / transition to RE.
- Focus is also being placed on reducing waste sent to dumpsites and to increase recycling.
- Build quality is vital in reducing defect complaints and expediting project completion to avoid monetary fines as well as enable faster handover of vacant possession units.
- Worker health and safety is also crucial in ensuring a productive construction process.
- The use of IBS enables a more energy and resource efficient and faster construction process.



Project Management and After Sales Service

- Continued management of the township or project is essential to ensure the developments continues to thrive and a vibrant community is nurtured over time. This includes establishing Joint Management Bodies, maintaining ownership of key property components, introducing new lifestyle components and essentially, continuing to play a role within the community.

The Business Model At Work: Capitals Consumed and Values Created

The aforementioned business process consumes a wide range of capitals at each stage of the process. The consumption of capitals often results in short-term trade-offs, with financial capitals typically being traded off to support the growth and sustainability of other capitals.

In the medium and long-term however, these trade-offs support financial outputs and outcomes as they lead to cost savings, increased productivity, lower employee attrition, continued development of intellectual property ("IP") and other advantages. This ultimately translates into growth in revenues and earnings.

CAPITALS	SPECIFIC INPUTS
NATURAL CAPITAL 	<ul style="list-style-type: none"> 2,698 acres located nationwide, including in the Greater Klang Valley, Pahang and Johor. Holding a large landbank leads to several trade-offs. Among these include opportunity costs as financial capital is tied down as inventory or an illiquid fixed asset. However, annual appreciation in land values provides an offset. Refer to the Management Discussion and Analysis section for more information on assets and liabilities. ESG issues come into the fore as climate change and rising temperatures may impact suitability of landbank for development as well as project design plans. Other issues include environmental pollution, land degradation, water scarcity and land degradation over time.
HUMAN CAPITAL 	<ul style="list-style-type: none"> 866 staff comprising a wide range of highly skilled talents from diverse technical and professional backgrounds. The Group's manpower continues to grow. Despite the pandemic, new hires exceed staff attrition. Staff training and development continues to be a focus and this may require additional financial capital. This includes the need for training on OSH and ESG as well as technical / job-related training programmes and courses. Employment benefits including salaries continue to increase annually, which impacts financial capitals. The long-term benefits include higher staff morale, satisfaction and productivity which translate into improved work performance that supports financial performance. Average training hours per employee: 3.4 hours

The Business Model At Work: Capitals Consumed and Values Created (Cont'd)

CAPITALS	SPECIFIC INPUTS
SOCIAL CAPITAL 	<ul style="list-style-type: none"> The value of the group's many and diverse stakeholder engagements and stakeholder relationships with both internal and external stakeholders is hard to quantify, yet it is evident that these relationships are important to value creation. Senior Management continues to closely evaluate stakeholders' concerns and their respective influence / impact on the Group's business model and value creation capability. The financial capital spent on stakeholder engagement activities including CSR to support social capital is a short-term trade off that ultimately offers various medium to long-term benefits such as improved positive brand reputation and recognition, closer working ties with regulatory authorities and other outputs and outcomes.
MANUFACTURED CAPITAL 	<ul style="list-style-type: none"> State-of-the-art IBS Precast Concrete plants located at LBS Alam Perdana township, Bandar Puncak Alam and Nilai, Negeri Sembilan. CAPEX and OPEX for IBS Precast Concrete plants erode financial values in the short term, but offer greater efficiency and productivity to the construction and development process. This, in the long run enables cost efficiency, quickens time to market and project completion, reduces wastage and resource consumption (environmental capital) and improves development cost per unit (financial capital). Key areas of concern include OSH, machinery wear and tear, maintenance costs, errors in the design and build process that leads to wastage, energy and resource consumption. Results: produces up to 6,000 units per year, average QLASSIC Score of 70.67 (derived from 15 completed and ongoing projects). OSH track record: zero fatalities, 0.46 LTI rate, 0.87 million man hours worked.

CAPITALS	SPECIFIC INPUTS
INTELLECTUAL CAPITAL 	<ul style="list-style-type: none"> Intellectual capitals largely comprise of the Group's business model, its business strategies and business processes as well as internal controls, the collective expertise, know-how and skills of the Board and Senior Management, coupled with its IBS system. These are the bedrock of LBS' intellectual capital. In addition, LBS' unique knowledge of creating successful affordable developments (townships and homes), developed over many years is also part of the Group's intellectual capital. This is the unique ability to deliver quality properties at competitive pricing, while ensuring healthy earning margins from projects, despite rising operational and development costs. Trade-offs and issues include ensuring viability of the business model amidst increasing costs and other resource challenges such as lack of construction manpower, rising compliance costs and resource costs and greater focus on environmental considerations. Results: All projects delivered on time and within budget.
FINANCIAL CAPITAL 	<ul style="list-style-type: none"> LBS' financial assets comprise paid-up and authorised capital, share equity, assets, retained profits as well as cash and cash equivalents. As a for-profit organisation, LBS' focus remains on preserving and growing financial capitals annually. However, this consideration must be weighed against sustaining and supporting the growth of other capitals, which promote improved value creation over a wide range of outputs and outcomes. Typically, financial capital is eroded through significant investments into expansion of production capacity and capability, increased payroll costs, landbank acquisition, employee training, employment benefits and general operating expenses. Other common trade-offs include balancing between short-term financial performance and longer-term business goals and objectives. Another trade-off is balancing between investors' demands for increased dividend pay-outs while trying to preserve funds to drive business growth and expansion. Results: FY2021 revenue: RM1.36 billion, Net earnings: RM95.6 million.

ESG Linkage To Business Model And Business Performance

MATERIAL TOPICS (By Descending Order of Importance)	WHY IT MATTERS	MANAGEMENT'S APPROACH AND STRATEGIC RESPONSE
Direct Economic Performance	<p>Direct economic values as reflected in revenues and earnings is essential for the continued growth and progress of LBS and the generation of various economic values for stakeholders i.e. dividends, repayments to financiers and tax payments to the government.</p> <p>As a for profit entity, sustained financial and business performance is essential for defining success and to also drive ESG performance which often requires substantial capital expenditures ("CAPEX") and investments.</p>	<p>The Group continues to implement its business model and leverage on its inherent business strengths to drive financial and business performance.</p> <p>Strategies at the Group, Divisional and Operational level are developed and executed based on the business model and to optimise business strengths.</p> <p>Kindly refer to Business Model and Business Strengths sections for specific information.</p>
Digitalisation and Technology	<p>Digitalisation and technology support improved costs and production efficiencies across business processes and the value chain. It enables faster speed to market and also reduces resource consumption and reduced environmental footprint.</p>	<p>LBS continues to adopt a wide range of digital technologies across its business model, hastened by the onset of the COVID-19 pandemic. This includes greater use of IBS, virtual platforms for marketing and sales as well as backend systems to improve internal processes.</p>
Financial and ESG Risk Management	<p>Comprehensive oversight and mitigation of risks is essential towards effectively managing all risks factors towards ensuring sustained value creation. Given the growing level of risks emanating from environmental and social factors, LBS is cognisant that its business model must be supported by effective financial as well as ESG risk mitigation.</p>	<p>LBS is progressively adopting an expanded risk perspective with non-financial risks such as climate change and labour issues being progressively embedded into the risk management approach.</p> <p>Kindly refer to the Sustainability Statement as well as the Statement of Risk Management and Internal Control for LBS's management approach to risks.</p>
Talent and Labour Management	<p>Talent remains a primary factor for LBS as the development and retention of a professional, high-calibre workforce is a prerequisite for effective execution of the business model. Talent is also vital in driving the ongoing focus on digitalisation and technology and operational efficiency.</p>	<p>LBS has developed a comprehensive strategy for the acquisition, retention and development of talent.</p> <p>Specific information on the Group's workforce is provided in the Sustainability Statement as well as the standalone Sustainability Report.</p>

MATERIAL TOPICS (By Descending Order of Importance)	WHY IT MATTERS (Cont'd)	MANAGEMENT'S APPROACH AND STRATEGIC RESPONSE
Covid-19 Pandemic	<p>As the pandemic transitions into an endemic stage, continued vigilance is necessary as any resurgence may potentially disrupt business operations, especially at operational sites. It may also dampen buying sentiment, which would affect sales.</p>	<p>LBS continues to take all necessary precautions towards addressing potential negative impacts from the pandemic. This includes any prospect of a resurgence due to new virus strains.</p>
Regulatory Compliance	<p>A high level of compliance is necessary to ensure no disruptions to business operations and to reduce reputational risks arising from non-compliance. Good regulatory compliance is also a prerequisite to bid for projects and to undertake contracts.</p>	<p>LBS continues to strengthen and refine its approach across all aspects of its operations to maintain a high-level of compliance as reflected in environmental and social performance, as well as for corporate governance and integrity.</p>
Community Development	<p>LBS believes that sustainable development is achieved through the development of local communities. The socio-economic prosperity and well being of communities is vital towards nation-building, wealth creation, wealth distribution and ultimately developing an equitable society. Such a society then provides a continued market base for the business model.</p>	<p>LBS continues to play a strategic and leading role in local community development, via the LBS Foundation.</p> <p>The Group also supports a wide range of communal infrastructure and services.</p>
Customer Satisfaction	<p>Satisfied customers become brand ambassadors that provide referrals or become repeat buyers / upgraders. This supports financial performance and also strengthens brand appeal and credibility.</p>	<p>The Group continues to focus on customer satisfaction by ensuring positive customer experiences across its value chain. Emphasis is also placed on product quality.</p> <p>Kindly refer to the Business Model at Work: Value Chain Processes for more information.</p>
Ethics and Integrity	<p>Ethics and Integrity are the bedrock of good corporate governance that promotes good business management, averts corruption and improper conduct and ensures a well run organisation based on meritorious professionalism. Ethics and integrity are at heart of robust internal mechanisms and controls that provide the necessary oversight on ESG and business performance.</p>	<p>LBS continues to strengthen good governance by focussing on Board independence, the development of supporting policies, undertaking materiality assessments and effective communication Group wide. Specific information is provided in the Corporate Governance Report and Corporate Governance Overview section of the IAR 2021.</p>
Occupational Safety and Health (“OSH”)	<p>Prevention of OSH incidents are necessary in ensuring zero disruption to business operations that can cause financial loss and loss of reputation among stakeholders. A good OSH performance reassures regulatory and community stakeholders, workers and serves as a means to reflect management's concern for its talent.</p>	<p>LBS has achieved a zero fatality and 0.46 LTI rate for FY2021. Specific information on OSH performance is provided in the Sustainability Statement and the standalone Sustainability Report.</p>

Risks And Opportunities

EXTERNAL FACTOR	DESCRIPTION AND IMPACT TO BUSINESS MODEL	MITIGATION MEASURES
Inability to develop effective oversight on climate change and ESG risks	<p>The increasing focus by financial and other regulators on ESG performance, necessitates organisations to accelerate the development of oversight mechanisms for material ESG matters such as climate change, modern slavery and human rights.</p> <p>Lack of strategic focus as well as pace in developing such oversight may expose the Group to regulatory non-compliance and reduce access to financing and to capital markets.</p>	<p>LBS is progressively expanding its risks oversight and management approach to include ESG risks, notably climate change.</p>
Inability to meet sales target	<p>Economic sluggishness, issues of unaffordability, political instability and other issues may affect buying sentiment, which in turn would affect the realisation of Group sales targets.</p>	<p>LBS continues to focus on the affordable homes segment as the core of its business model, which is generally resilient to macro external forces.</p> <p>LBS continues to offer a wide range of attractive home ownership packages to support sales.</p>
Unsuccessful technological adoption	<p>The Group may face a learning curve in the adoption of technology. At the initial phase, such adoption may not deliver the desired level of results and there may be challenges faced as personnel adjust to the new technologies</p>	<p>Adoption of digitalisation and technology is performed in a phased approach to ensure the organisation can adjust and embrace changes. Adoption is also measured against set KPIs and if necessary, corrective action is taken to ensure implementation remains on track.</p>
Loss of experienced talent / inability to replenish talent	<p>In a highly competitive talent market, acquisition and retention of talent is becoming increasingly more challenging. Talent retention is necessary to ensure internal company knowledge is retained rather than eroded over time.</p>	<p>LBS has established a comprehensive talent management approach, which includes competitive remuneration, benefits, training and various forms of rewards for staff.</p>
Inability to deliver projects on time	<p>Any factors that delay works at project sites may affect the completion and handing over of vacant possession of properties. Such delays would inevitably impact revenue recognition and buyer confidence. It would also lead to late penalty charges being imposed.</p>	<p>LBS continues to implement stringent project management measures to ensure all construction sites continue to meet their progress schedule with all projects delivered on time.</p>
Diminished product quality	<p>Any factor such as new designs, a need to expedite construction works or any other factor can affect end product quality.</p>	<p>LBS continues to adhere to the QLASSIC standard set by CIDB to ensure stringent quality standards.</p>

A Strategic Response to External Trends and Market Forces

A strategic view of the organisation is not complete without a review of the external trends and developments that are impacting the Group's business model, its business strategies and capitals. The external operating environment leads to the development of various material business, operational, financial and ESG risks.

For FY2021, LBS has identified its leading external factors and how these impact the business model and influence Management's approach to creating value.

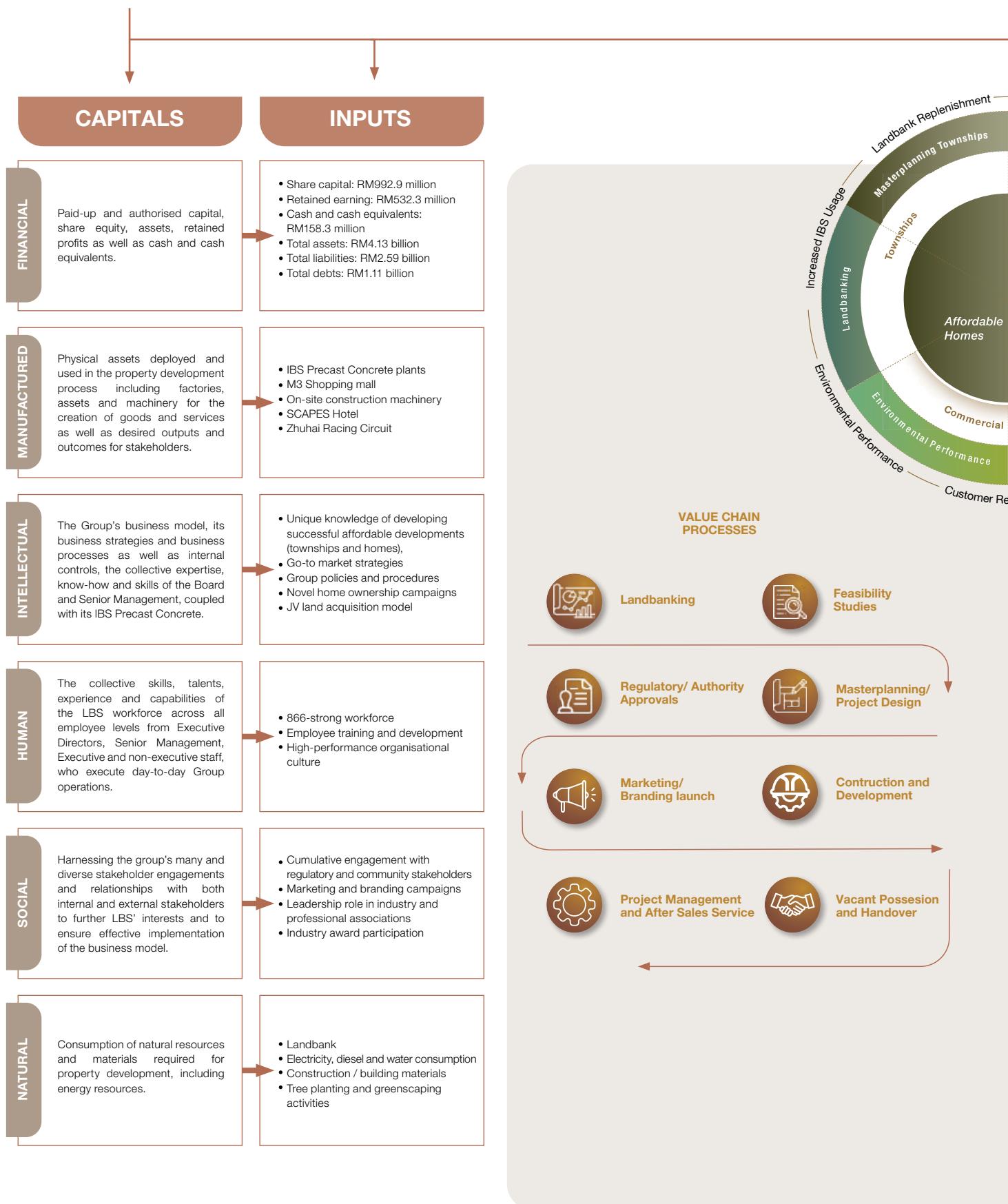
EXTERNAL FACTOR	DESCRIPTION AND IMPACT TO BUSINESS MODEL	IMPACTED CAPITALS	IMPACTED STAKEHOLDERS	RISKS AND MATERIAL CONCERNS
Climate Change	<p>Rising ambient temperatures as well as water scarcity issues and increased occurrence of drought may impact availability of suitable landbank for development. This may also impact township and project masterplanning as new design approaches and concepts may be required to mitigate the effects of climate change.</p> <p>Greater focus will be required in projects for rainwater harvesting, recycling of wastewater, use of natural lighting and ventilation and optimisation of renewable energy ("RE").</p>	   	Homeowners Property Sector The Environment	Financial and ESG Risk Management Regulatory Compliance Energy Consumption Digitalisation and Technology
Political Instability	<p>The present political situation with the possibility of elections in FY2022 has resulted in a general sentiment of uncertainty among businesses, investors and the population.</p> <p>This has led to many stakeholders, especially prospective property buyers adopting a wait-and-see approach. Consequently, this has impacted business activities and investment inflows into the country.</p> <p>The government's focus on economic revival post COVID-19 may also be impacted. There remains a lack of large-scale public-sector infrastructure projects including housing related projects to pump prime the domestic economy.</p>	 	Investors Homeowners Property Sector	Direct Economic Performance Financial and ESG Risk Management Regulatory Compliance

A Strategic Response to External Trends and Market Forces (Cont'd)

EXTERNAL FACTOR	DESCRIPTION AND IMPACT TO BUSINESS MODEL	IMPACTED CAPITALS	IMPACTED STAKEHOLDERS	RISKS AND MATERIAL CONCERNS
Rising Materials Costs	<p>Annually, the price of various raw materials for building and construction continue to rise. These include prices of steel bars, cement and other items.</p> <p>This leads to increasing pressures on earning margins of projects for property players or higher property prices.</p>	  	Homebuyers Suppliers Investors Property Sector	Raw Materials Consumption Direct Economic Performance Customer Satisfaction
Robust Demand for Affordable Homes	<p>Despite the present political uncertainties and sluggish economic growth, demand for affordable homes remains strong, spurred by a growing middle-class segment in Malaysia. This provides certain property developers who focus on the affordable home segment with robust revenue and earnings visibility going forward, provided the right products are built at the right locations for the right target market.</p>	  	Homebuyers Community Property Sector Suppliers Government	Direct Economic Performance Customer Satisfaction Digitalisation and Technology
Slow Economic Growth	<p>Post pandemic, the global and domestic economies continue to see slow or negative growth. Economic recovery remains muted in many countries, including Malaysia.</p> <p>Businesses remain wary to re-invest and grow post the pandemic due to a wide range of factors. Among these include lack of financing or support as well as concerns of a reoccurrence of the pandemic.</p> <p>Consumers, in particular continue to be cautious in spending due to reduced confidence and diminished consumption power, especially for large-ticket items such as properties.</p> <p>Property developers will need to reassess their product portfolio and launch strategies as well as marketing and branding campaigns post pandemic. This includes ensuring affordability given consumers' reduced buying power and propensity to spend, developing new ownership packages and other factors.</p>	   	Government Homeowners Property Sector	Direct Economic Performance Local Procurement and Supply Chains Indirect Economic Values Created

EXTERNAL FACTOR	DESCRIPTION AND IMPACT TO BUSINESS MODEL	IMPACTED CAPITALS	IMPACTED STAKEHOLDERS	RISKS AND MATERIAL CONCERNS
Stakeholders' Growing Power	<p>Progressively, the general community and homeowners have become more empowered in voicing their grievances, concerns and aspirations.</p> <p>In particular, stakeholders are concerned about the impact of new projects in terms of traffic congestion, population density, environmental and social impact and whether existing infrastructure or new infrastructure to be provided can support urban development.</p>	   	<p>Government</p> <p>Homeowners</p> <p>Property Sector</p>	<p>Direct Economic Performance</p> <p>Local Procurement and Supply Chains</p> <p>Indirect Economic Values Created</p>
Technological Innovation	<p>The continued advent of new technologies and innovations across the property value chain provides opportunities for increased efficiency and productivity. It also affords opportunities to reduce negative environmental impacts.</p> <p>Technologies such as Building Information Modelling (“BIM”), IBS and others create new possibilities for a more resource efficient, sustainable and cost-effective approach to property development.</p> <p>Technology also delivers new means to engage stakeholders including homeowners through digital platforms. This is vital in addressing the new normal requirements post the COVID-19 pandemic.</p>	    	<p>Property Sector</p> <p>Homebuyers</p> <p>Suppliers</p>	<p>Raw Materials Consumption</p> <p>Climate Change</p> <p>Energy Consumption</p> <p>Waste Management & Recycling</p> <p>Water Consumption</p>

Value Creation Model





OUTPUTS	OUTCOMES
<ul style="list-style-type: none"> Revenue: RM1.36 billion PATNCI: RM95.6 million Cash and cash equivalents: RM178.8million Total assets: RM4.40 billion Total liabilities: RM2.69 billion Total debts: RM1.08 billion 	<ul style="list-style-type: none"> Unbilled sales: RM2.46 billion RM61.9 million paid for taxes RM83.7 million paid for wages RM1.36 million paid for community investment RM61.5 million repaid to financers
<ul style="list-style-type: none"> 14 launches: <ul style="list-style-type: none"> Total 3,344 units GDV of RM1.77 billion RM1.58 billion in sales Continued high usage of IBS Precast Concrete in construction. Improved QLASSIC levels (average: 70.67) 	<ul style="list-style-type: none"> 2,270 homes delivered to buyers Enabling more middle-income customers to own a home. Accelerated construction and delivery duration Improved finished, built quality
<ul style="list-style-type: none"> Stronger positive market perception A more resilient business model Increased adoption of digitalisation and technology Future-ready business strategies. Strengthened corporate governance Zero reported fines or serious incidents of social / labour non-compliance 	<ul style="list-style-type: none"> Share price appreciation Effective risk mitigation Increased buyer interest including repeat buyers and referrals. Increased Board independence and Board gender diversity
<ul style="list-style-type: none"> 866-strong workforce 14.32% growth 450 permanent employees. 187 new hires 153 turnover Multi-cultural workforce composition 	<ul style="list-style-type: none"> High employee satisfaction, Development of professional local talents Creating higher-income jobs and providing opportunities for career advancement
<ul style="list-style-type: none"> Continued positive, mutually beneficial relationship with all stakeholders, including the government, local community, investors and others 	<ul style="list-style-type: none"> Active support in combatting the COVID-19 pandemic Continued operations of all project sites High product sales Enhanced brand appeal and recognition Inclusion of recommendations in Budget 2022
<ul style="list-style-type: none"> 2,698 acres of landbank GHG Emissions Waste products and recycling Zero reported fines or serious incidents of environmental non-compliance 	<ul style="list-style-type: none"> Stronger, strategic alignment to UNSDGs Development of groundwork for the realisation of a comprehensive LBS Sustainability Framework, including KPIs and targets

Governance of the Business Model

The effectiveness of the organisation and its business model is to a large extent, driven by the robustness of the existing governance structure.

The LBS governance structure provides effective oversight of the business model, in terms of broad strategic direction, as well as day-to-day Group operations. Beyond enabling the effective execution of the business model, the existing governance structure also enables timely identification and mitigation of risks.

Key features of the governance structure are the close working relationships and reporting processes developed which facilitate effective communication across all levels of the organisation, from the Board of Directors to employees and vice versa.

In this manner, the aspirations and strategic goals of Senior Management is well conveyed and executed through the implementation of a comprehensive business plan, while middle management and employees can provide timely and accurate feedback to Management to implement corrective actions, if necessary.

The Board of Directors play an active role in the management of the Group – setting broad strategic direction and goals, with Senior Management responsible for developing a comprehensive business plan and setting macro-level operational strategies and targets.

Middle Management are tasked with executing the developed plans and setting more specific key performance indicators for the financial year. Executives hold the role of executing set action plans and programmes towards the realisation of KPIs and targets. The approach enables strong control, swift and accurate decision making and a shared direction across the Group.

Further information on specific Board Committees and the governance structure is given in the **Corporate Governance Overview Statement** and the Corporate Governance Report available here: <https://lbs.com.my/annual-report-2021>



Board of Directors

Ensuring the Group remains aligned with its set Vision and Mission. In tandem, with the Group Vision and Mission, the Board set broad strategic direction and aspirations.

The Board is tasked with driving ESG within the business model. This includes establishing material ESG matters, ensuring policies are in place to support good corporate governance, to champion a conducive organisational culture and to engage stakeholders on a timely manner, including shareholders. Matters of financial, business and operational risk also come under the Board's purview.

The Board performs its many duties, through its respective Board Committees. Each Committee executes its duties in accordance to its respective Terms of Reference ("TOR"). The Board reviews and approves the Company's annual operating budget.



Senior Management

Based on the approved annual operating budget and broad strategic directions, Senior Management is tasked with developing operational goals and targets. This includes capital allocation, timing of product launches, major CAPEX and OPEX strategies, marketing and branding campaigns including design and lifestyle concepts of products as well as employee welfare and ESG performance. In essence, Senior Management is responsible for effectively executing the business model and to create value for the Group.

Senior Management tracks the performance of the Group across a multi-capital lens and where necessary, may institute corrective measures of refinement of strategies to ensure sustained value creation. This may be in response to external developments. Senior Management reports to the Board of Directors based on a regular basis to share updates on company performance.

Middle Management

Middle Management is tasked with executing the strategic plans set by Senior Management. This encompasses effective implementation of developed business plans, to ensure all frameworks and processes are robust and functioning, to lead employees in accomplishing day-to-day work tasks and to drive the organisation on a day-to-day basis.

As much as possible, in a decentralised structure, middle management has the discretion to adopt measures such as develop refined plans or mitigation measures to ensure high performance. Where required, for urgent or serious matters, middle management would confer with Senior Management.

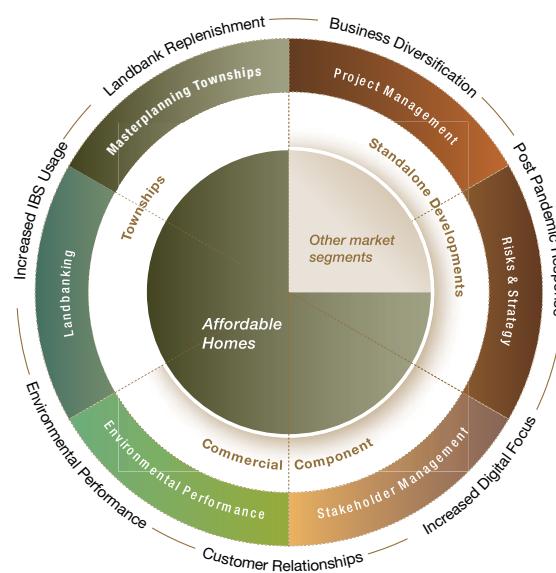
Increasingly, middle management is being given an expanded focus to review performance not just in terms of financial KPIs but also from ESG perspectives. These include employee satisfaction, employee attrition, OSH, electricity and water consumption, waste produced, raw materials consumption, customer / stakeholder feedback and others.

Strategic Priorities And Future Orientation

In sustaining value creation, LBS has outlined the following broad strategic priorities and focus areas which are aimed at strengthening its business model as well as access to capitals.

The following strategic measures are aimed at ensuring the relevance and resilience of the business model, going forward, given the Group's risk exposure and the ensuing impacts from external developments as well as stakeholder concerns and aspirations.

In essence, the business model remains intact with the following strategic measures added to enable enhanced value creation capabilities to increase the resilience and competitive capability of the business model. This is especially important amidst increasing market competition and a post-pandemic economic scenario.



IBS Precast Concrete Usage

In response to rising costs and increasing market competition, LBS will look to increase its level of IBS Precast Concrete usage within the business model. This will enable greater cost efficiency and productivity, while also reducing costs, wastage and reducing resource consumption and thereby environmental footprint.



Increased ESG Focus

LBS intends to further reduce its environmental footprint through greater adoption of RE and IBS, reduction in carbon emissions and to reduce waste by increasing recycling across its business processes.

The Group also intends to further cascade its ESG approach to its suppliers and extended value chain.

The use of more eco-friendly products such as VOC paint, inclusion of EV charging points and other measures will be increasingly introduced in LBS' projects. This will eventually pave the way for LBS to design and build certified green buildings and green projects.



Business Diversification

LBS will look to develop more recurring revenue streams, including ownership of assets such as malls, hotels and commercial developments that enable rental income.

This will reduce reliance on pure developmental revenues and earnings.

Such assets may be designed, developed and owned by the Group or purchased outright from the market. The present post-pandemic scenario presents many potential distressed assets for acquisition.

Retention / ownership of such assets may set the Group to progressively evolve from a pure play property developer into a conglomerate business model.



Developing Stronger Customer Relationships

Strong customer relationships is insulation against challenging economic conditions. A brand that is favoured or preferred by customers is better positioned to continue experiencing strong customer traction.

Hence, a key focus is to engage stakeholders, notably customers through both digital branding and marketing activities as well as customer events towards strengthening brand awareness and customer rapport.

Towards this end, LBS shall increase its investments in marketing spend for FY2022.



Greater Stakeholder Engagement

Given the growing level of influence from stakeholders on the property sector, LBS will increase its level of stakeholder engagement with key stakeholders beyond customers.

This includes conducting community surveys, undertaking townhalls with residents. These plans are in addition to existing social events such as festive gatherings and CSR activities.



Expanding Digital Capabilities

The pandemic has proven that online or digital technology can be highly effective in reaching customers while also streamlining processes within the business model.

Hence, LBS aims to continue its ongoing adoption of digital mediums and technologies to automate business processes, to eliminate redundancies, expedite time to market and to hasten the entire process from project design to project handover. The goal is to increase efficiency that will support quicker launches and turnover of projects to increase revenue and earnings.



Landbank Replenishment

The Group remains constantly on the lookout of securing more strategic land to shore up its existing landbank.

Specific strategies include acquiring both large-scale landbank for township development at the suburbs of the Klang Valley, as well as smaller land parcels for high-rise developments in vibrant, up and coming urban epicentres.

Section 4

A Message From Our Executive Chairman

Dear Valued Shareholders,

It is a great honour to address you all as the Executive Chairman of LBS Bina Group Berhad (“LBS” or the “Group”). Having assumed the office upon the retirement of our beloved Founder and my dear father Dato’ Seri Lim Bock Seng and just before his passing, the gravity of the responsibility thrust upon my shoulders to ensure the continuity of his exceptional legacy is not lost on me.

I am committed to bring that same passion for quality, equality and innovation in my role as the Executive Chairman to continue serving our people, our clients and all stakeholders.

This Company is very close to my heart and I wish to continue playing a role in adding value by providing strategic support to the leadership team, ably led by Group Managing Director / Chief Executive Officer Dato Wira Lim Hock Guan, who will exercise operational control of the business.

TAN SRI DATO’ SRI LIM HOCK SAN

Executive Chairman of LBS Bina Group Berhad,
Non-Independent Executive Director
Effective 1 March 2021



Nurturing A Strong Talent Pool

My focus as Chairman will be on the strategic macro-direction of the Group, with talent development as a priority to ensure the sustainability of the organisation. It is my ardent hope to continue fostering a conducive, high-performing organisational culture at LBS centred on meritocracy and competence that will ensure the Group's competitiveness and resilience to endure any future shocks or challenges. Throughout this pandemic, our employees have been the bedrock of our resilience, pushing forward in the face of adversity to continue delivering time and again. And in today's fast-changing and dynamic operating environment, talents who are technologically savvy and who think along the triple bottom-line of people, planet and profit are essential in ensuring long-term value creation and success of the organisation.

Hence, the goal is to develop and nurture highly skilled talent force across all facets of our Group's operations who are well positioned to drive improved performance and lead the next phase of LBS' growth.

One of the concrete steps we have taken to that effect is the formation of the Programme Management Office ("PMO") in FY2021, helmed by Dato' Cynthia Lim.

The PMO was created to be the driving force for organisational renewal and transformation, bringing fresh impetus, ideas and improved structure and systems across the Group. The PMO is assigned in driving change in three key aspects of LBS. These are People, Processes, and Technology.

Our workforce is one of our most important assets and hence, the PMO's focus is to realises Management's aspirations to retain and develop the LBS workforce towards further cultivating a high-performance culture, centred on high-calibre professional talent.

The external marketplace is ever changing and immensely challenging. The continued development of a capable workforce will strengthen the Group's ability to respond dynamically to a turbulent operating environment.

Our focus on talent management and development is supported by initiative to embrace and ramp up technological capability; which will streamline work processes, optimise productivity and drive cost and

operational efficiencies.

Technology is essential in driving competitive ability and it is vital that we equip our people with the tools and processes to harness the benefits of digitalisation, automation, Big Data and other emerging trends to drive improved business and operational results.

Empowering Corporate Governance

In addition to talent development, I am also keen to embrace my responsibility as Chairman to strengthen the governance processes of the Group towards making LBS more attractive to investors, fund managers and other stakeholders of the Group. To that end, I am pleased to announce that LBS has committed to the adoption of Integrated Reporting ("<IR>") to align our regulatory disclosures to international best practice standards.

As they say, the journey of a thousand miles begins with a single step, and the Integrated Reporting adoption journey of LBS took off in FY2021 with the engagement of an <IR> consultant. Subsequently, LBS adopted the principles of Integrated Reporting and held training workshop. The findings from that training workshop forms the basis for the strategic disclosures you see in the pages of this report.

As we progress on that journey over the next 3 to 5 years, we strive to gradually improve our disclosures to provide a clear, concise yet complete and meaningful communication of LBS's competitive advantages and

our unique ability to create value over the short, medium and long term.

We believe this improved practices will help to strengthen internal processes while enhancing the trust we've built with our stakeholders over the past few decades.

Beyond financial and operational disclosures, LBS has also taken the initiative to publish our first standalone Sustainability Report for FY2021. Complementing this Integrated Report, the Sustainability Report will focus on the non-financial values created by LBS, as measured across environmental, social and governance ("ESG") aspects that have grown in importance by leaps and bounds in recent years.

Its heightened emphasis is in tandem with the growing realisation globally of how financial performance is intricately linked to our ESG actions, as well as our relationships with stakeholders. Hence, sustainability is not just about doing good, it makes good business sense, and we would be remiss if we do not accord it the priority it deserves.

A Measured Strategic Response to Operating Conditions

Without a doubt, FY2021 was another extraordinary year as the world and the country continued to feel the effects of a new normal scenario dictated by the ups and downs of the pandemic. The various movement control orders in FY2021 continued to disrupt regular business

A Message From Our Executive Chairman (Cont'd)

operations, especially at construction sites, which also faced a workforce shortage due to our nation's migrant worker crunch.

However, having established new normal working processes and procedures in FY2020, work was regularised and expedited and by end FY2021, all sites were operating at regular pace, helped along by the rapid rollout of the nation's immunisation programme.

Despite the disruptions and difficulties experienced, we continue to register improved business and financial performance in FY2021.

LBS successfully launched a total of 3,344 units of residential properties in FY2021 with a combined worth of RM1.6 billion. Our sales team logged a whopping RM1.58 billion in property sales, far exceeding our RM1.2 billion sales target, helped along by the creative execution of successful marketing campaigns during the year.

Underpinned by strong sales, Group revenue in FY2021 reached a record high of RM1.36 billion, a 24.4% increase from the previous year's with net profit improving to RM95.6 million in FY2021, a 115.24% increase year-on-year.

Our achievement reflects the robustness of our business model and the efficiency of our processes that enables fast, but quality build and completion. This supports timely revenue recognition and the continued efforts to yield cost-efficiency through business process re-engineering and the progressive incorporation of digitalisation and technology across our value chain.

Also key was our ongoing transition to digital medium to drive customer engagement, branding and marketing and sales. The pandemic had accelerated our adoption of such channels, but by adhering to a strategic approach, the Group has progressively developed a seamless model that links backend systems with frontline, customer facing

channels.

The result has been swifter and more customised responses, enhanced customer service and experience and greater market reach. Cumulatively, these have enabled improved sales and consequently record revenues and higher earnings for FY2021.

Notably, the IBS Pre-cast Concrete system has also played a key role in our development model. IBS Pre-cast has grown over the years to reach the capacity of producing 6,000 units of properties per year via our 2 IBS precast plants, which accords us 33% savings on construction time, 31% savings on labour and a 49% reduction on site labour cost in total.

In FY2021 alone, we have completed more than 4,000 units of properties and achieved an encouraging CIDB IBS score of 84 points. Importantly, through IBS Pre-cast, we are able to further realise our aspirations of building more quality, affordable homes towards enabling more middle-income Malaysians, especially young families to own a home.

LBS has always looked to cater to the middle-income mass segment of Malaysians, who require a quality home that is not only within their budget, but set in an infrastructure-rich environment that can help them realise a truly affordable lifestyle.

This, we have consistently done since our inception, and has been the bedrock for our continued success and progress. Hence, we are pleased to support the Selangor Government's Rumah Selangorku Idaman MBI affordable housing initiative with a commitment to deliver 7,210 affordable homes worth RM2.01 billion that meets the definition of truly affordable homes. We are proud to do our bit to alleviate the state and nation's affordable housing shortage while strengthening our brand positioning in this niche.

Despite the continued increases in raw material prices and labour costs in FY2021, which increases

construction costs, we have managed to competitively price our products to meet real market demand. Through innovation and continuous improvement, we continue to enhance the efficiency of our internal processes to deliver an attractive value proposition to prospective buyers.

Our performance reflects the many strategies and measures taken to sustain financial and non-financial value creation. This includes engagement with a wide range of stakeholders to create awareness of our strategic response to the operating conditions of FY2021, and to also receive feedback where possible. In our experience, the inclusion of the views of our stakeholders have consistently led to mutually beneficial win-win outcomes, and we are committed to continue engaging with them regularly to find solutions that benefit all parties. Notably in the year under review, we actively engaged with the government, regulators, financiers and the larger investment community to ensure we are well capitalised and well positioned to advance our strategic ambitions.

LBS presented a proposal of measures to stimulate the housing market ahead of the Government's tabling of Budget 2022, and we are pleased to see some of our wish list items incorporated, including the removal of Real Property Gains Tax ("RPGT") for properties sold 6 years after acquisition, and the provision of the Housing Credit Guarantee Scheme for lower income households. We believe these initiatives will go a long way to stimulate the property sector and support the larger economic recovery of the nation in FY2022 and beyond.

Future Plans and Acknowledgements

At LBS, we always believe that the future belongs to those who plan for it today. We have high hopes to continue our track record of consistent operational and financial delivery, built on the back of strong strategies and adaptive policies. Plans include diversification towards developing more recurring income streams for the Group. Property development shall remain at the heart of LBS' business model, supplemented by the ownership of recurring income assets such as shopping malls, hotels and other value accretive assets.

Our initial forays into property ownership and rental have been fruitful with many valuable insights gleaned. These will hold us in good stead as we look to expand our portfolio of assets. A larger portfolio will also offer new opportunities and lays the pathway to reduce our dependence on pure property sales.

Going forward into FY2022, the global and national economy remains uncertain. While the pandemic has largely shifted to an endemic stage, it continues to persist, and any subsequent wave of infections may curtail the present nascent recovery in the global and domestic economy. The continued downward impact has resulted in cautious GDP projections, which translates to affected incomes and spending power and also reduced public and private sector investments.

However, as proven in FY2020 and FY2021, demand for affordable homes remain strong and relatively sheltered from the ups and downs of the economy.

Our plans include launching of 2,604 new units into the Klang Valley market with a total GDV of RM1.11 billion, consisting of serviced apartments, single and double-storey terrace houses, and double-storey townhouses in the KITA @ Cybersouth and LBS Alam Perdana townships, as well as Astella at D'Island Residence. New projects in other areas include

the Bayu Hills apartment in Genting Highlands (642 units with a total GDV of RM492 million); Taman Kinding Flora single storey cluster link and terrace houses in Chemor, Perak (248 units with a total GDV of RM64 million); the Emerald Garden 3 single storey terrace houses, Imperial Garden double storey Semi-D houses in Bandar Putera Indah, Johor (183 units with a total GDV of RM89 million).

We continue to be on the lookout for land in strategic growth areas within the Klang Valley as well as other areas across the country.

Meanwhile, our digital transformation thrust continues to be a priority for the Group. We will continue to work hard together to achieve our goals towards improving our sales, revenue and profit. We also aim to maintain our dividend policy to payout at least 30% of profit after tax in the coming year.

In this, I am ably supported by the Management and Board of Directors of LBS that have recently undergone a reshuffling of appointments and designations towards improving corporate governance oversight. This sees the appointment of Dato' Yong Lei Choo upon the retirement of Datuk Lim Tong Lee, and the resignation of Dato' Sri Lim Hock Seong and Lim Kim Kiat as Executive Directors of LBS and their subsequent appointments as Deputy Chief Executive Officers of LBS. This has streamlined LBS' board towards an equal representation of 4 executive directors and 4 independent non-executive directors, as compared to a 6:4 ratio previously, as well as greater women representation in our boardroom with a 25% female composition.

We hope our shareholders recognise our efforts in advocating gender diversity and equality in our board as part of LBS' step towards implementing a stronger and more active corporate governance structure within the Group.

We pledge to do our utmost to ensure the continued success and

sustainability of the group in the five dimensions of people, planet, peace, prosperity, and partnership. Importantly, we shall continue to focus on developing local talents, towards providing the Group with the skills and acumen to spur accelerated growth and value creation. This includes the next echelon of leaders and ultimately developing a high-calibre professional, talent pool for the property development and construction sector.

Thank you to all our shareholders, investors, employees, customers, and business partners, for continuing to have faith in us, and to the state and national governments, regulators, members of media, suppliers and contractors and the local communities, for your continued support. May we continue to step forward, moving together towards developing shared value creation for both the Group and all stakeholders.

Management Discussion And Analysis

OVERVIEW

Despite the challenging market conditions due to the pro-longed COVID-19, LBS Bina Group Berhad (“LBS” or the “Group”) has logged another year of commendable performance, surpassing our 2021 sales target of RM1.2 billion with total sales of RM1.58 billion. Our swift action in embracing the changes of the new normal as well as the collaborative spirit of LBS team members have helped to ensure we continued to perform at our best in these times of uncertainty.

Hence, it is with great pleasure that we present to you the Management Discussion and Analysis of our inaugural Integrated Report, which will provide a brief review of the business and operational performance of LBS for the financial year ended 31 December 2021 (“FY2021”), while setting out an overview of our plans and prospects for the coming years. Where possible, allusions are made to the Section 3 where a deeper discussion on our business model, operating environment, risks, strategic priorities and other information can be found. This is in line with the best practice in Integrated Reporting as we endeavour to provide a clear and complete yet concise narrative of our value creation activities and strategies.

2021'S OPERATING ENVIRONMENT

MACRO-ECONOMIC PERSPECTIVE

The year 2021 presented a challenging operating environment for the property development sector brought about by the pandemic.

While the arrival of vaccines offered hope on the pandemic horizon, the global economy was met with continued volatility in 2021 as Covid-19 cases surged amid the emergence of new viral variants of concern. Lockdown measures were imposed that disrupted global supply chains and increased material prices, forced closure of business premises including sales galleries, and affected domestic sectors reliant on foreign labour such as construction, with its impact trickling down to property players. The prolonged pandemic's effect on Malaysia's economy also led to rising unemployment and shrinking incomes, reducing purchasing power of potential homeowners.

The political climate in Malaysia went through some challenging times, ultimately resulting in a change in Government administration in August 2021.

Thankfully, the successful national immunisation campaign that ramped up in Q3 of 2021 has helped to transition the country's pandemic management towards Phase 4 of the National Recovery Plan by Q4 of 2021, where movement restrictions were lifted and all sectors of the economy were allowed to operate with adherence to health and safety protocols.

The positive development heralded the gradual recovery of the property market and contributed to a positive growth rate of 3 to 4% for our nation's GDP according to Bank Negara Malaysia's projections, compared to a contraction of -5.6% in the preceding year. Accommodative fiscal policies such as a low Overnight Policy Rate (“OPR”) of 1.75% maintained since July 2020 and the lowering of mortgage rates from 4.2% in mid-2019 down to about 2.9 to 3.15% in end of October 2021 also bode well for the property development sector.

Additionally, policies such as Real Property Gains Tax (“RPGT”) exemption and the extension of the Government's Home

Ownership Campaign (“HOC”) until 31 December 2021 saw the continuation of stamp duty waiver for loan agreements and instrument of transfer as well as the lifting of 70% financing cap for third housing loan onwards during the period, which served to further stimulate the property development sector by incentivising home ownership and upgrading of homes.

Further information on the trends and statistics that shaped the Malaysian property market and consequently LBS’ strategic response are discussed in page 76 (**Operating Environment**) and pages 63 to 65 (**A Strategic Response to External Trends and Market Forces**) of this report.

2021 GDP Growth

3-4%

OPR

1.75%

Mortgage Rate

3.15%

THE PASSING OF OUR FOUNDER

Amid the trials and tribulations of 2021, LBS also had to grapple with the profound loss of our founder and former Chairman of the Group, Dato’ Seri Lim Bock Seng, who passed away on 28 March 2021.

Dato’ Seri Lim Bock Seng served as Chairman of the Group from 6 December 2001 until his retirement on 1 March 2021, with his involvement spanning over 40 years since the Company’s early activities in the supply and transportation of building materials to its transition into a construction company and eventually, the well-respected public-listed property developer of today.

He has left an indelible mark on the DNA of the LBS brand, inspiring the LBS family to Believe, Become and Behold as we worked to realise his vision for the Group. It is founded on his belief that all Malaysians deserve a quality home that not only inspires, but enriches the lives of the community. His exceptional commitment to our homebuyers, our employees, and in creating a culture of equality and innovation at LBS, has positioned the Group to continue growing and working to serve future generations of Malaysians.

He has left his legacy in the capable hands Tan Sri Dato’ Sri Lim Hock San, who succeeded him as the Executive Chairman of LBS, with Datuk Wira Lim Hock Guan serving as the new Group Managing Director/Chief Executive Officer. Both Directors have been a major force behind the Group’s aggressive growth into a household name, and have more than demonstrated their abilities to continue leading the Group.

The LBS family will honour the memory of Dato’ Seri Lim Bock Seng by dedicating ourselves to building on his legacy with the same energy, drive and commitment he has shown to this beloved Company.

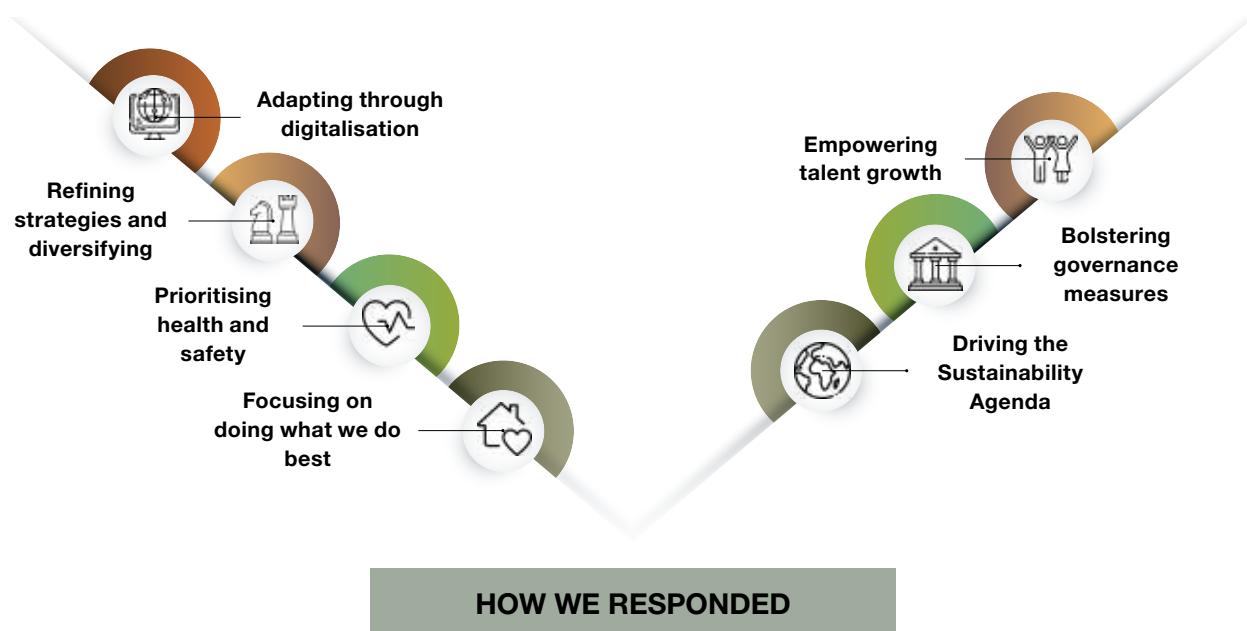
Management Discussion And Analysis (Cont'd)

OPERATING YEAR IN REVIEW

OUR STRATEGIC RESPONSE

Against this backdrop, LBS remained resolute and optimistic of our ability to continue delivering results par excellence despite the adversities. The Group redoubled our efforts to focus on doing what we do best – providing quality yet affordable homes and improving our services.

We placed our trust in LBS' robust value creation approach and the strength of our business model that leverages on our competitive advantage as a leader in affordable housing and a property player with a hand in almost all main phases of the property value chain. This, coupled with our unique mix of multiple market segments, allowed us to leverage on the interdependency within the Group to counter the volatility of the macro-economic environment.



A Digital Transformation Roadmap was unveiled to ramp up our digitalisation journey, which began in 2019 to align our internal processes with our new operating reality, reduce costs and increase efficiencies. Digital platforms such as virtual showrooms, websites, email marketing ("EDM"), as well as popular social media platforms like WhatsApp, Facebook, Instagram, and YouTube were utilised in supporting our mainstream customer touchpoints to better reach out to our target audience, particularly the younger generation of house buyers.

Health and safety measures introduced in 2020 continued to be in place in 2021, ensuring that the Group's premises and construction sites comply with all relevant standard operating procedures ("SOP") to maintain our eligibility to continue operating. These helped reduce the pandemic's impact on our construction sites' work progress, keeping projects on track for Vacant Possession ("VP") delivery dates and reducing cost overruns.

Project launches were carefully planned to keep pace with market sentiment, focusing on our quality affordable homes niche in the Klang Valley region where demand remains stronger, as well as in Pahang and Perak. These are supported by timely creative campaigns crafted from our keen understanding of the changing needs of customers and our earnest desire to help alleviate the hardships of the people. Aside from that, marketing and publicity also focused on building customer confidence in the LBS brand as a developer with a strong delivery track record that has never failed a single project.

Although sales performed very well initially, the setbacks brought on by additional lockdown measures prompted us to readjust our expectations to a more prudent sales target. Foresight and planning were key in ensuring strategic changes were implemented where necessary, and the cautious sentiment early on helped put in place the property launch strategy and marketing campaigns to encourage homeownership and paved the way for growth in sales momentum for the rest of the year.

While property remains the core bread and butter of the Group, LBS also looked into diversification within the sector and into other markets to hedge against future volatility. This includes a greater mix of commercial, retail and industrial properties to complement our residential portfolio, exploring new regions in Malaysia and potentially overseas, and venturing into the hospitality industry, amongst other potential segments.

Internally, emphasis is placed on strengthening our talent pipeline. Efforts are made to empower younger talents to take the reins of the Company, with high potential employees fast-tracked for leadership positions while the old guard continued to lead by example in the embodiment of our core values. Despite an overall tightening of operational cost, training and talent development programmes continued to be given priority to nurture a progressive and engaged workforce that will be the foundation for our future growth.

Aside from human capital development, across our business units, we were also conscious of the need to preserve and enhance our manufactured, intellectual, social and natural capitals alongside financial, recognising the significance of all six key capitals to the long-term value creation ability of the Group.

This comes as the Group commits to the adoption of Integrating Reporting, ahead of any regulatory requirement, striving towards best practice in corporate governance to better serve all our stakeholders. Continued stakeholder engagement to better understand individual groups' needs and concerns guided our strategies in resource allocation and risk management towards ensuring our sustainable performance in the year under review and beyond.

Additional discussion on our capital allocation and identified risks and opportunities can be found on pages 57 to 59 (**Our Capitals Consumed and Values Created**) and page 62 (**Risks and Opportunities**) of this report.

"Affordability remains the key concern for homebuyers and therefore, we will take a conservative approach and continue to focus our strategy of building properties and townships based on the 3 main pillars of Affordability, Connectivity and Community."

**LBS Executive Chairman,
Tan Sri Dato' Sri
Lim Hock San**

Management Discussion And Analysis (Cont'd)

HIGHLIGHTS & ACHIEVEMENTS

On the back of the LBS family's hard work, dedication and tenacity to see the company through the current adversity, LBS turned in another profitable year in FY2021, with improvements in our fiscal performance as compared to FY2020 while logging several noteworthy achievements.

A total of 3,344 units of residential properties worth RM1.6 billion were launched in 2021, with the marketing team carrying out creative campaigns to spur take up of LBS' new and existing property line-up. The achievement of RM1.58 billion in property sales, far exceeding the RM1.2 billion adjusted sales target, speaks to the effectiveness of these campaigns and our property creations in addressing the needs and wants of homeowners today.

Construction progress was disrupted by the Full Movement Control Order ("FMCO") and Enhanced Movement Control Order ("EMCO") in Selangor during the year under review, impacting MGB heavily as most of the construction sites were located there. Notwithstanding the unprecedented challenges, MGB group had completed 5 projects with a combined contract value of RM529 million in the year under review with average QLASSIC score of 71.

Our landbanking efforts in 2021 saw us secure the rights to reclaim and develop an area measuring approximately 1,200 acres through a reclamation and development agreement ("RDA") between the Melaka state government ("State Government") and Leaptec Engineering Sdn. Bhd. ("LESB"), an indirect 70%-owned subsidiary of the Group, for a cash consideration of RM94.86 million. The procurement of this strategic landbank grants the Group access to a new industrial and commercial development market along the busy Straits of Melaka, and allows us to leverage our foothold in the Guangdong province of China to explore bilateral investment cooperation that will drive the Group's future earnings.

In another future-forward move, our venture into the hospitality industry took off early in the year with the official launch of the 10-storey SCAPES Hotel in Genting Highlands, Pahang. Offering 176 rooms at the heart of Pahang's scenic hill country, the opening of this flagship hotel marks the continued growth of LBS' property portfolio as we strive towards sustainability through diversification.

Beyond operational sustainability, the Group also made strong strides on the Environmental, Social and Governance ("ESG") fronts. The Board has committed to the adoption of 4 new policies in FY2021, namely:

1. Gift, Entertainment and Hospitality Policy
2. Donation and Sponsorship Policy
3. Environmental Policy
4. Human Rights Policy

FY2021 also marks the first year LBS produced our very own standalone Sustainability Report to better communicate our ESG focus areas, targets and performance to all our stakeholders.

"LBS has been able to sustain its earnings growth as a result of carefully planned launches and the team's relentless effort to push forward with garnering sales and bookings despite the effects of the Covid-19 pandemic."

**LBS Executive Chairman,
Tan Sri Dato' Sri
Lim Hock San**



**5x Winner of the
Top Ten
Developers
Award 2020/2021**
at the BCI Asia Awards

Our continuous effort on sustainability is one of the key reasons that LBS was once again named among the Top Ten Developers Award 2020/ 2021 at the BCI Asia Awards (“BCIAA”), one of the most coveted awards for architecture, developers, and construction sectors regionally. This marks the fifth year that LBS has received this recognition, ranked among the best in Hong Kong, Indonesia, Malaysia, Philippines, Singapore, Thailand and Vietnam based on the extent of our projects' sustainability.

FY2021 also saw LBS being awarded the Community CSR Award in iProperty Development Excellence Awards (“iDEA”) 2021 for our pandemic-related donations and education and community-centric Corporate Social Responsibility (“CSR”) initiatives carried out in 2020 through the LBS Foundation. We have continued to lend a helping hand to the needy in FY2021, contributing RM40,000 in cash or kind to various charities, welfare homes, pandemic-affected healthcare systems and needy families.

Please see LBS' FY2021 standalone Sustainability Report for more information on our ESG and CSR activities.

FINANCIAL PERFORMANCE

The LBS Group recorded strong improvement in our financial performance for FY2021. The Group achieved a revenue of RM1.36 billion which contributed to a profit before tax (“PBT”) of RM176.8 million for the 12-month period ended on 31 December 2021, representing an increase of 25% and 44% compared to FY2020's revenue and PBT of RM1.1 billion and RM123 million respectively.

The Property Development segment remains the main contributor to the Group's performance, with the division's property projects in the Klang Valley accounting for more than 80% of the Group's revenue for the year under review. The Group's achievement of profit after tax and non-controlling interests (“PATNCI”) of RM95.6 million compared to the RM43.7 million of FY2020 is attributed to the positive take-up rates and steady construction progress of projects such as KITA @ Cybersouth, Alam Awana Industrial Park, Residensi Bintang Bukit Jalil, LBS Alam Perdana and LBS SkyLake Residence.

The breakdown of revenue by segment and other financial indicators are provided below.

FY2021	
RM1.36 billion	Revenue
RM176.8 million	PBT
RM95.6 million	PATNCI
RM1.3 billion	Shareholders' Fund
RM178.8 million	Cash and Cash Equivalents

Segment	FY2021 Revenue (Included inter-segment) RM'000	FY2021 Profit / (Loss) before tax RM'000
Property Development	1,302,298	176,270
Construction and Trading	583,579	37,010
Motor Racing Circuit	21,266	(6,367)
Hotel	1,983	(7,165)
Management and Investment	512,921	(19,435)
Others	18,967	(3,505)
TOTAL	2,441,014	176,808

Management Discussion And Analysis (Cont'd)

INDICATOR		FY2020 (Restated)	FY2021	% Change between FY2020 and FY2021
Group revenue	(RM'000)	1,096,331	1,365,757	24.58%
Group administrative and operating expenses	(RM'000)	177,763	220,462	24.02%
Group earnings before interest, taxes, depreciation, and amortisation	(RM'000)	242,763	303,431	24.99%
Group profit before tax	(RM'000)	123,037	176,808	43.70%
Group profit after tax	(RM'000)	66,735	114,922	72.21%
Finance costs	(RM'000)	67,536	61,490	-8.95%
Total equity	(RM'000)	1,535,409	1,707,416	11.20%
Total assets	(RM'000)	4,126,042	4,395,214	6.52%
Total liabilities	(RM'000)	2,590,633	2,687,798	3.75%
Total debts	(RM'000)	1,113,782	1,081,356	-2.91%
Cash and cash equivalents	(RM'000)	196,393	178,788	-8.96%
Debt to equity ratio		0.73	0.63	-12.69%
Basic earnings per share	(sen)	2.15	5.16	139.98%
Net assets per share	(RM)	0.83	0.84	1.32%

Shareholders' funds rose by RM16.3 million to RM1.31 billion in FY2021 from RM1.29 billion in FY2020. The Group's cash and cash equivalents as at FY2021 stands at a healthy RM178.8 million, placing us on solid footing to continue investing in landbanking and other opportunities to ensure the long-term growth of the Group.

The Management is of the opinion that the Group achieved a commendable performance in FY2021, surpassing expectations given its operating scenario. Amid continued volatility in the local and global market, LBS remains resolute in managing our financial position prudently to ensure the Group is prepared to meet any challenges or opportunities in the years to come.

Please see the **Financial Statements** on pages 163 to 345 for a thorough accounting of the Group's financial position and monetary activities in the year under review.

DIVIDEND DECLARED

Given the favourable performance and after careful consideration of our upcoming financial capital requirements, the Board of Directors is pleased to maintain our dividend policy payout of at least 30% of the PATNCI. First Interim Single-Tier Dividend of RM0.0085 per ordinary share in respect of the FY2021 was declared on 15 April 2022 and to be paid on 14 July 2022 to depositors registered in the Record of Depositors on 30 June 2022. LBS proposed a Final Single-Tier Dividend of RM0.01 per ordinary share in respect of the FY2021 which is subject to the approval of the shareholders at the forthcoming 22nd Annual General Meeting. The dividend declaration is in line with our commitment to consistently reward our shareholders for their continued faith in the Group.

OUTLOOK

BUSINESS RISK

As with any business, the operations of LBS is subject to various financial, operational and market risks that may affect our performance and plans for the future. These are diligently monitored by the Risk Management Committee of the Board with appropriate strategies and changes implemented as the situation evolves to address emerging risks and capitalise on new opportunities that may arise from these risks.

The Board has observed no extraordinary risks that may critically impair the Group's ability to continue as a going concern and are satisfied with the risk profiles of our ongoing and upcoming ventures.

The key risks and opportunities of the Group are disclosed on page 62 of the **Risk and Opportunities** section.

PROSPECTS AND PLANS

As we enter 2022, the Malaysian economy appears to be emerging from the pandemic since the reopening of all economic sectors in the fourth quarter of 2021. The path to recovery in 2022 is supported by a commitment from the Government to prevent future lockdowns amid high vaccination rates achieved in the population and the rollout of booster shots to strengthen the immunity of the rakyat.

With these developments, the nation's GDP is projected to grow by 5.2% in 2022 which is a step up from the 3.4% estimated for 2021, driven by increased consumer spending from pent-up demand, the recovery of the labour market and the anticipated rebound of public investment in infrastructure development projects.

The government has allocated RM1.5 billion to continue funding low-cost housing projects with an additional RM2 billion allocation to assist eligible low-income earners to own a home through the Housing Credit Guarantee Scheme. As a leading affordable housing developer, LBS aims to continue our focus on this segment of the market which remains the most resilient. Our investment in the IBS Precast Concrete plants will be well positioned to support the nation's affordable housing goal and provide a steady stream of projects for the Group in the coming years.

The Group has a strong portfolio of on-going property projects with an estimated GDV of RM5.73 billion, landbank reserves of 2,698 acres and RM2.46 billion in unbilled sales which will see the LBS Group safely into FY2022 and beyond.

Additional information on our future plans are disclosed in the **Strategic Priorities and Future Orientation** section of the report on pages 70 to 71.

Management Discussion And Analysis (Cont'd)

SEGMENTAL REVIEW

PROPERTY DEVELOPMENT

The Malaysian property market performed softer than expected in FY2021 due to the prolonged pandemic. The reimposition of restrictions dampened economic activities for much of the year, affecting job stability, consumers' spending power, and placed downward pressure on housing prices. Closure of sales galleries and construction slowdown were some of the operational issues the property development division grappled with, alongside tighter lending practices that slowed housing loan approvals and consequently, sales.

Governmental initiatives introduced to stimulate the property market such as the HOC, RP GT exemption and stamp duty waiver helped to offset the negative impacts of the pandemic on the homeownership journey.

LBS also countered these setbacks by embracing new norms of doing business, practicing strict SOP adherence, accelerating the digitalisation of our processes and leveraging digital platforms to complement our traditional sales and marketing routes, while actively readjusting our plans and strategies to the evolving situation.

Through prudent and proactive management, the Property Development division successfully clocked in RM1.58 billion in property sales, surpassing our 2021 target by 31%. The encouraging sales came to fruition thanks in part to the roll out of creative marketing campaigns during the year:

<p>#DudukRumah Deals 2.0 13 January – 4 March 2021</p> <p>Homebuyers of LBS' participating projects under the HOC are treated to a booking fee of only RM200, a free 1.0hp air conditioning unit, moving in cash incentives, plus waivers on legal, disbursement, stamp duty and transfer fees on their SPA and loan agreements. Initially launched in April 2020, the campaign was reintroduced to reduce the upfront payment and spending on home appliances for homeowners.</p>	<p>Ox-picious 8 1 January – 31 March 2021</p> <p>In conjunction with the Year of the Ox lunar new year celebration, the Ox-picious 8 campaign allows homebuyers to enjoy huge savings when they purchase from a selection of LBS residential properties, with zero exit fee, a home furnishing package, flexi payment scheme, HOC goodies, free legal fees, low booking fees and loyalty rewards among the perks on offer, and be in the running to win lucky draw prizes worth more than RM1 million.</p>	<p>Raikan Rezeki Bersama LBS 8 April – 30 June 2021</p> <p>During the run-up to Hari Raya, the 'People's Developer' also introduced the Raikan Rezeki Bersama LBS campaign, offering 7 incredible deals including HOC goodies, low booking fees, loyalty rewards, flexi payment scheme, free legal fees, home furnishing package and full payment refund if the loan is declined. Homebuyers also stand a chance to bring home more than RM445,000 worth of Duit Raya and walk away with lucky draw prizes worth more than RM1 million.</p>
<p>#DudukRumah Deals 3.0 1 – 14 June 2021</p> <p>With the reimposition of the Full Movement Control Order, LBS once again brought back the #DudukRumah Deals 3.0 campaign for participating LBS projects under the HOC. In the third iteration of this campaign, bookings can be made with a fee of RM200 only, and homebuyers are entitled to stamp duty exemption on the Memorandum of Transfer ("MOT") and on loan agreement.</p>	<p>Vacci-Nation Bonanza 1 July – 31 December 2021</p> <p>In true patriotic spirit, LBS unveiled the Vacci-Nation Bonanza campaign in support of Malaysia's vaccination drive at the peak of the pandemic, offering more than RM565,000 cash incentives to simultaneously promote homeownership and vaccine uptake among the rakyat. Aside from that, homebuyers of participating LBS properties also enjoy HOC goodies, low or waived legal, booking and exit fees, loyalty rewards, flexi payment scheme, home furnishing package and participation in the LBS Fabulous 20-21 Lucky Draw.</p>	<p>LBS Fabulous 20-21 1 January 2020 – 31 December 2021</p> <p>The first LBS Fabulous 20-21 lucky draw was streamed on LBS' Facebook Live on 11 September 2021, with 497 prizes worth more than RM445,000 given out. A total of 4,386 eligible homebuyers who purchased homes from participating LBS properties during the campaign period stood a chance to win cars, motorcycles, bikes and other gadgets and prizes. Meanwhile, a second round of the lucky draw has been planned for those who have yet to win any prizes and for new buyers with valid SPA closed before 31 December 2021.</p>

"The exceptional sales achieved amid this tough operating environment illustrates that we are building in the right areas and delivering affordable housing which satisfies the needs of the general public."

**LBS Executive Chairman,
Tan Sri Dato' Sri
Lim Hock San**



Cameron Centrum Precinct 1

The successful sale of inventories, strong take up rates and steady progress for the construction of ongoing development projects contributed to a revenue recognition of RM1.36 billion for the Property Development segment in FY2021, and a PBT of RM176.3 million. Development projects within the Klang Valley remained as the largest revenue contributor, accounting for more than 80% of the Group's revenue for FY2021.

The division has also successfully handed over vacant possession of 2,570 units worth RM1.3 billion in the year under review.

In terms of property launches, LBS unveiled a total of 3,344 units in 2021 with a combined worth of RM1.6 billion consisting of KITA @ Cybersouth, LBS Alam Perdana, Bukit Jalil and Prestige Residence in Seri Kembangan within the Klang Valley, terrace houses in the Bandar Puteri Indah township in Batu Pahat, Johor, and new phases at Taman Kinding Flora, Chemor, Perak.

Going into 2022, the outlook for the property market continues to be cautious but more optimistic with public health policies and practices shifting towards managing Covid-19 as an endemic disease. Revival of business activities leading to greater job security is expected to improve homebuying interest, buoyed by an urgency to take advantage of the favourable homeownership incentives such as the HOC that has been extended till the end of the year.

The 18.5% increase in transactions for properties priced under RM500,000 in the first half of 2021 compared to the corresponding period in 2020, according to data from the National Property Information Centre, is a positive sign of the property market's recovery trajectory which is expected to carry into 2022 and beyond.

The Government's removal of real property gains tax on properties sold after 5 years from when it was first acquired in its tabling of Budget 2022 is well received by the property industry as it will help encourage home ownership and home upgrades in the coming years. Furthermore, the provision of RM2 billion in guarantees under the Housing Credit Guarantee Scheme for those without a steady income will improve housing loan accessibility for gig-workers, small time business owners, farmers and lower-income households, enlarging the pool of potential homeowners which will in turn benefit affordable housing developers such as LBS.

Management Discussion And Analysis (Cont'd)

In line with these developments, LBS has unveiled plans to launch 14 new projects in 2022 with 3,733 units in total and an estimated GDV of RM1.77 billion.

State / Region	Project	No. of Units	GDV (RM million)
KITA @ Cybersouth			
Klang Valley	• KITA Sejati – serviced apartments	1,054	347
	• KITA Mesra – townhouses & double storey terrace houses	257	119
	• KITA Bestari – single and double-storey terrace houses and townhouses	817	387
LBS Alam Perdana			
Pahang	• Melodi Perdana – serviced apartments	321	120
	D'Island Residence		
	• Astella – double storey terrace houses	155	132
Genting Highlands			
Perak	• Bayu Hills – serviced apartments	642	492
	Taman Kinding Flora		
	• single storey cluster link houses	90	22
	• single storey terrace houses	158	43
Bandar Putera Indah			
Johor	• Emerald Garden 3 – single storey terrace houses	79	30
	• Royal Garden – double storey Semi-D houses	104	55
	• Laman Bayu 4 – double storey terrace houses	56	23
TOTAL		3,733	RM1.77 billion

As a responsible developer, the Group is pleased to support the Selangor Government's Rumah Selangorku Idaman MBI affordable housing initiative with a commitment to deliver 7,210 affordable homes across 6 strategic locations worth RM2 billion. This will go a long way towards meeting the state's goal of 30,000 homes by 2025 and help to address the nation's affordable housing shortage, estimated to number in the 1 million range, while further strengthening LBS' foothold in the quality affordable homes niche. The Group has announced plans to launch 5 Rumah Selangorku Idaman MBI projects, which will be constructed using precast concrete from the Group's IBS plants, at the following locations and timelines:

- Idaman BSP at Bandar Saujana Putra in 2022
- Idaman Cahaya at Shah Alam in 2022
- Idaman Sari at Puchong in 2022
- Idaman Melur at Cybersouth in 2022
- Idaman Perdana at Bandar Puncak Alam in 2023

Aside from new launches, LBS has 18 ongoing development projects worth RM5.73 billion in estimated GDV and a landbank of approximately 2,744 acres, which will keep the Group busy for the next 10 to 15 years. We continue to be on the lookout for strategically located land parcels in the Klang Valley and other states experiencing rapid socio-economic growth to replenish our landbank for future development and strengthen the Group's asset position.

With unbilled sales standing at RM2.46 billion providing clear earnings visibility for the coming 2 to 3 years, the Management is confident that the Property Development division will continue to perform well in the coming years.

CONSTRUCTION AND TRADING

Malaysia's construction industry was also impacted by the pandemic during FY2021, affecting productivity level and causing supply chain disruptions, albeit to a lesser degree compared to FY2020. Construction activities were allowed to operate at full capacity for much of FY2021, with strict SOP adherence, except during the implementation of FMCO starting from 1 June 2021 until its gradual easing in the fourth quarter when vaccination ramped up. The sector also faced a labour crunch due to the expiration of work permits of foreigners who form the bulk of the sector's workforce.

During FMCO and EMCO, all construction activities in affected areas were halted, particularly in Selangor, where most of the MGB's construction sites are located. This resulted in the suspension of work for approximately 2 months until the country moved to the National Recovery Plan ("NRP"), allowing various business sectors to gradually re-open.

Despite these setbacks, the Construction and Trading division of LBS made good progress by ramping up construction activities when restrictions were lifted, enabling higher recognition of profit. These were derived from projects such as KITA Harmoni, KITA Impian and LBS SkyLake Residence, completed during the year, with strong momentum achieved on the Residensi Bintang Bukit Jalil, Mercu Jalil, KITA Impian and Ritma Perdana projects.

The increase in the division's manufacturing and trading capacity of precast concrete products at our plants in Alam Perdana and Nilai went a long way in enabling the completion and delivery of these projects on time, within budget, and to the desired quality level. The total production capacity has since been ramped up to deliver a total installed capacity of 6,000 units of properties per year using IBS Precast Concrete.

For the FY2021, Construction and Trading segment achieved revenue and PBT of RM583.6 million and RM37 million respectively as compared to revenue of RM498 million and PBT of RM10.8 million for the FY2020. The increase in revenue and PBT were mainly due to rapid construction progress and cost savings from completed construction contracts. The revenue and PBT were primarily contributed from in-house projects.

The division's joint venture with LBS on the Rumah Selangorku Idaman MBI affordable housing projects have also made good progress in getting the relevant approvals, ensuring that we remain on track to meet our delivery timelines.

Notably, the Group has secured six Rumah Selangorku Idaman MBI projects to build a total of 7,210 affordable homes priced from RM250,000. We have received more than 4,000 registration inquiries, with 1,312 units fully booked in our first project, Idaman BSP in Bandar Saujana Putra.

Going forward, the Construction and Trading division will continue to focus on enhancing operational uptime through stringent compliance with the new pandemic SOPs. Emphasis will also be placed on better cost measurement and management to improve operational margins, and better use of our Industrialised Building System ("IBS") precast concrete plants to enhance efficiencies.



Construction at LBS Alam Perdana

While our precast concrete activities serve to fulfill internal orders at the moment, the Group has put in place plans for the IBS business to contribute external revenue and profit.

Though the outlook for the construction sector remains uncertain due to the re-emergence of new Covid-19 variants of concern, the division is hopeful that the pandemic will be brought under control with the rollout of booster shots under the national plan to transition the country towards the endemic phase of disease management. The Government's commitment to avoid future lockdowns plus the unveiling of property industry stimulus in Budget 2022 augurs well for the national economy and the construction industry.

Management Discussion And Analysis (Cont'd)

With robust strategies to strengthen processes put in place, the Management is optimistic of the division's ability to capture new construction opportunities from external sources arising from this scenario while continuing to deliver quality builds that meets the high expectations of the Group. The division's existing orderbook stands at RM1.9 billion, with additional internal projects in the pipeline that will contribute positively to the Group's earnings prospects.

MOTOR RACING CIRCUIT

The motorsport industry in China, where LBS' motor racing circuit subsidiary Zhuhai International Circuit Limited ("ZIC") operates, experienced a resurgence in FY2021 as many provinces around China reopened after a year of halt in sporting competition activities due to the Covid-19 pandemic.

However, with borders still closed, there were no international races at ZIC. Besides its own club races and an endurance race, there were only 2 championships – China Endurance Championship and China GT took place in ZIC in 2021.

For the FY2021, Motor Racing Circuit segment recorded revenue of RM21.3 million and loss before tax ("LBT") of RM6.4 million as compared to revenue of RM23.2 million and PBT of RM3.7 million for the FY2020. The increase in LBT was mainly due to one off gain arising from the write back of provision for claims in FY2020.

Leveraging on ZIC's expertise in this area, the division derived a higher income from the provision of consultancy services, securing a consultation contract with Fuxin International Circuit at Liaoning, Northeast of China.

The ecological transformation of an old pit mine into Fuxin International Circuit makes it the first of its kind in the world, in which ZIC is providing consultation services.



Following a high-level visit by Zhuhai Mayor Huang Zhihao and his Cabinet to ZIC in October 2021, ZIC would collaborate with the High Technology Zone authorities for further upgrading and transformation plans under China's 14th Five-Year plan, targeting automobile high technology driven development.



Challenges to the motorsport industry go beyond the pandemic, with shortage of parts and logistical issues. In addition, the advent of electric vehicles (EV) on the horizon would see a gradual diminishing interest in motorsport industry.



ZIC's General Manager Stewart Tan hosting the visit by the Zhuhai Mayor and members of his Cabinet.

HOTEL

Malaysia's hotel industry was one of the sectors most affected by the pandemic, which saw many mergers and acquisition deal-making in the year under review from local and foreign interests. This investment interest in the hotel business signals strong market confidence in the rebound of tourism and hospitality in the post-pandemic era driven by pent-up demand.

Amid this scenario, LBS commenced business of its first hospitality property, the SCAPES hotel at Midhills in Genting Highlands, Pahang in November 2020, ahead of its official launch on 1 February 2021. The 10-storey flagship hotel of LBS located in the heart of Pahang's pristine hill country has 176 rooms to provide holidaymakers an idyllic escape surrounded by top tourist attractions. Amenities within SCAPES Hotel include gym, lap pool, family pool, wading pool, aqua deck, outdoor jacuzzi, and a kid's zone. Hotel guests can enjoy these great facilities before exploring the top tourist attractions nearby which include a golf course, theme parks, premium outlet stores, and stunning cable car rides.

For the FY2021, the hotel operation recorded a revenue and LBT of RM2 million and RM7.2 million respectively. This is attributable to the prolonged lockdown and travel restrictions for much of the year which affected occupancy rate and revenue.

The reopening of the SCAPES hotel in November 2021, in tandem with the reopening of the tourism sector and lifting of interstate travel restrictions for fully-vaccinated individuals, contributed to the revenue recognition in the year under review.

Barring any unforeseen circumstances, the Group is confident that our hotel business will see improved performance going forward with the Government's commitment to avoid further lockdowns in the future and the high vaccination rates achieved in the nation.

MANAGEMENT AND INVESTMENT

For the FY2021, the Management and Investment segment achieved revenue and LBT of RM512.9 million and RM19.4 million respectively as compared to revenue of RM195.3 million and LBT of RM12 million for the FY2020.

The increase in revenue was mainly arising from intra-group dividend income, while the increase in LBT was mainly due to decrease in intra group interest income and increase in administrative expenses.

OTHERS

Others segment mainly comprises retail mall, car park management, provision of finance through money lending service and treasury management services.

For the FY2021, Others segment recorded revenue of RM19 million and LBT of RM3.5 million as compared to revenue of RM5.9 million and LBT of RM3.6 million for the FY2020.

The increase in revenue was mainly arising from intra-group interest income from treasury management services.

Group Financial Highlights

		2017 ^{1&2}	2018 ²	2019 ²	2020 ³	2021
Revenue	(RM'000)	1,347,412	1,122,088	1,325,260	1,096,331	1,365,757
Profit before tax	(RM'000)	189,527	159,135	154,065	123,037	176,808
Profit after non-controlling interests	(RM'000)	102,687	85,560	67,511	43,741	95,619
Share capital	(RM'000)	901,193	922,232	922,473	922,887	922,887
Equity attributable to owners of the parent	(RM'000)	1,282,514	1,349,454	1,348,655	1,291,594	1,307,866
Basic earnings per share	(sen)	6.99	5.53	3.93	2.15	5.16
Gross dividend per share						
- ordinary share	(sen)	8.20	1.80	– [#]	1.45	1.85^{##}
- redeemable convertible preference share ("RCPS")	(sen)	–	6.60	6.60	6.60	6.60
Net assets per share	(sen)	186.70 [@]	86.57	87.25	82.71	83.80

Remarks

- 1 Restated following the adoption of the MFRS framework, MFRS 9 and MFRS 15.
- 2 The comparative figures have not been restated following the adoption of the IFRIC Agenda Decision on MFRS 123 *Borrowing Costs*.
- 3 The comparative figures have been restated following the adoption of IFRIC Agenda Decision on MFRS 123 *Borrowing Costs*.

Share dividend distribution on the basis of 3 treasury shares for every 100 existing ordinary shares held, fractions of treasury shares will be disregarded.

First Interim Single-Tier Dividend of 0.85 sen per ordinary share has been declared by the Board of Directors on 15 April 2022 and to be paid on 14 July 2022.

Final Single-Tier Dividend of 1 sen per ordinary share to be approved by the shareholders at the forthcoming 22nd Annual General Meeting.

@ The comparative figures have not been restated to reflect the adjustments arising from the share subdivision and bonus issue.

Financial Calendar

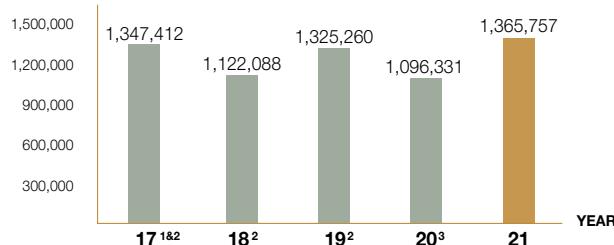
Financial Year Ended 31 December 2021

Announcement of Quarterly Results:

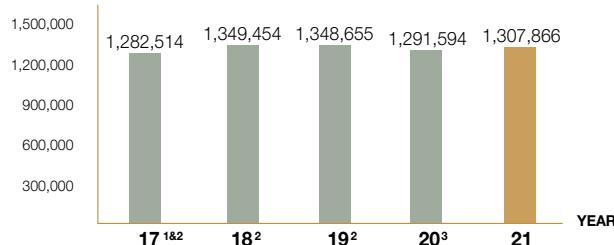
First Quarter ended 31 March 2021
 Second Quarter ended 30 June 2021
 Third Quarter ended 30 September 2021
 Fourth Quarter ended 31 December 2021

20 May 2021
 30 August 2021
 23 November 2021
 24 February 2022

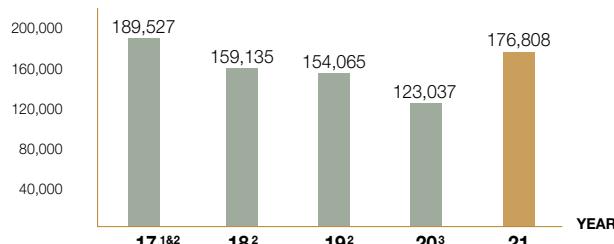
REVENUE
(RM'000)



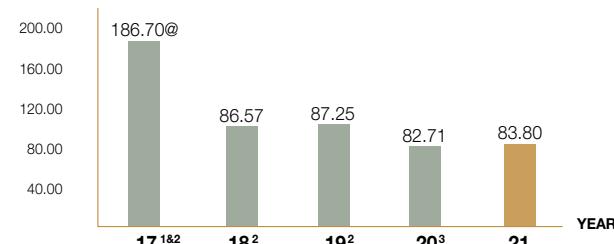
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT
(RM'000)



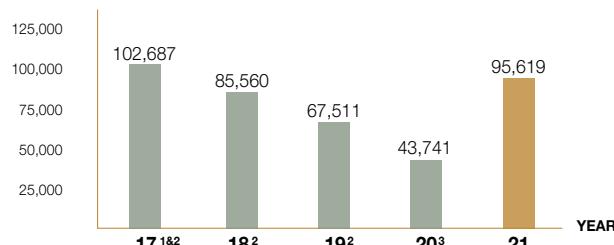
PROFIT BEFORE TAX
(RM'000)



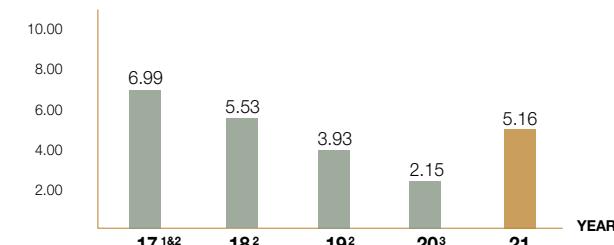
NET ASSETS PER SHARE
(SEN)



PROFIT AFTER NON-CONTROLLING INTERESTS
(RM'000)



BASIC EARNINGS PER SHARE
(SEN)



Statement of Value Added Distribution & Simplified Financial Statement

In providing a more comprehensive value creation perspective of LBS, for its FY2021 disclosures, the Group has included total values created as measured in terms of economic value generated and distributed to stakeholders.

Value Created and Distributed

No.	Item	2020 [#] RM'000	2021 RM'000
1	Economic value generated	1,113,271	1,379,594
2	Economic value distributed	1,078,802	1,290,516
3	Operating costs	846,938	1,044,339
4	Community investment	1,437	1,359
5	Employee salaries & benefits	74,090	83,747
6	Corporate taxation	56,302	61,886
7	Finance costs	67,536	61,490
8	Dividend expenses	28,043	28,855
9	Distribution to holders of perpetual sukuk	4,456	8,840
10	Economic value retained	35,663	95,923

Further explanation on the Group's financial performance, notably with regards to economic values generated and retained in FY2021 is provided in the Management Discussion & Analysis section of this report.

Simplified Statement of Assets

No.	Item	2020 [#] RM'000	2021 RM'000
1	Property, plant & equipment	44,141	50,588
2	Right-of-use assets	307,933	372,537
3	Investment properties	147,880	162,142
4	Deferred tax assets	48,508	58,571
5	Trade and other receivables	378,562	605,339
6	Deposits, cash and bank balance	302,200	282,753
7	Inventories	2,121,330	2,145,554

Simplified Statement of Liabilities and Shareholders' Equity

No.	Item	2020 [#] RM'000	2021 RM'000
1	Share capital	922,887	922,887
2	Other reserves	(160,906)	(202,304)
3	Retained earnings	532,298	590,474
4	Trade and other payables	1,379,288	1,532,265
5	Total debts	1,113,782	1,081,356
6	Deferred tax liabilities	38,496	39,515

Remark

The comparative figures have been restated following the adoption of IFRIC Agenda Decision of MFRS 123 *Borrowing Costs*.

Investors Relations

A primary aspect of LBS's approach to stakeholder engagement is the continued emphasis on effective communications with investors and shareholders and the investment community, including fund managers, analysts, investors and the regulator, Bursa Malaysia.

The objective of such engagements, which are held throughout the financial year is to provide the aforementioned stakeholders with timely and accurate information on the Group's financial and operational performance, which goes towards providing a fair and truthful perspective of LBS. Such engagements and disclosures are also performed to ensure best practice compliance with the requirements set by the regulator.

This includes the mandatory quarterly announcements on financial performance and other announcements providing information that is deemed material in impacting business and operational performance. Such announcements are made available on the Bursa Malaysia site and also on the Investor Relations section of the Group's website.

The Group maintains a dedicated investor relations website, where material information is made available in a timely manner and frequently updated as required. Information on the website includes the company's annual report, quarterly results, financial highlights and other materials.

An email address is provided for anyone who wishes to submit queries or seek further clarification. All enquiries are responded to on a timely basis.

However, LBS' engagement with the investor community goes well beyond mandatory announcements and its website. Like in similar years, FY2021 saw the Group actively engage with the investment community via face-to-face or virtual meetings, through roadshows, townhall briefings and other avenues.

Despite the effects of COVID-19, the Group has not been deterred in its effort to provide a comprehensive and strategic narrative of LBS' past performance as well as the Group's future prospects and plans. The transition to online mediums has enabled continued direct and active engagement and has in fact, enabled increased engagement.

All investor relations communications and engagements are spearheaded by LBS' Investor Relations unit.

As stipulated by the Bursa Malaysia Listing Requirements, LBS holds an annual general meeting ("AGM"). The AGM's agenda typically comprises motions for deliberation and approval by shareholders, detailed presentations on the Group's business performance as well as future plans and other pertinent information.

All AGMs are attended by the full Board as well as relevant Senior Management personnel. The Chairman of the Board encourages questions from attendees as a step towards transparent and open communication with shareholders.

As mentioned, LBS publishes its mandatory annual report. FY2021, LBS has gone the extra mile to enhance its disclosures with a voluntary adoption of the IR framework. This is in line with enabling providers of capital, especially financial capital to gain a more comprehensive understanding of the Group's business model, its multi-capital value creation approach and also its future orientation and strategic priorities going forward.

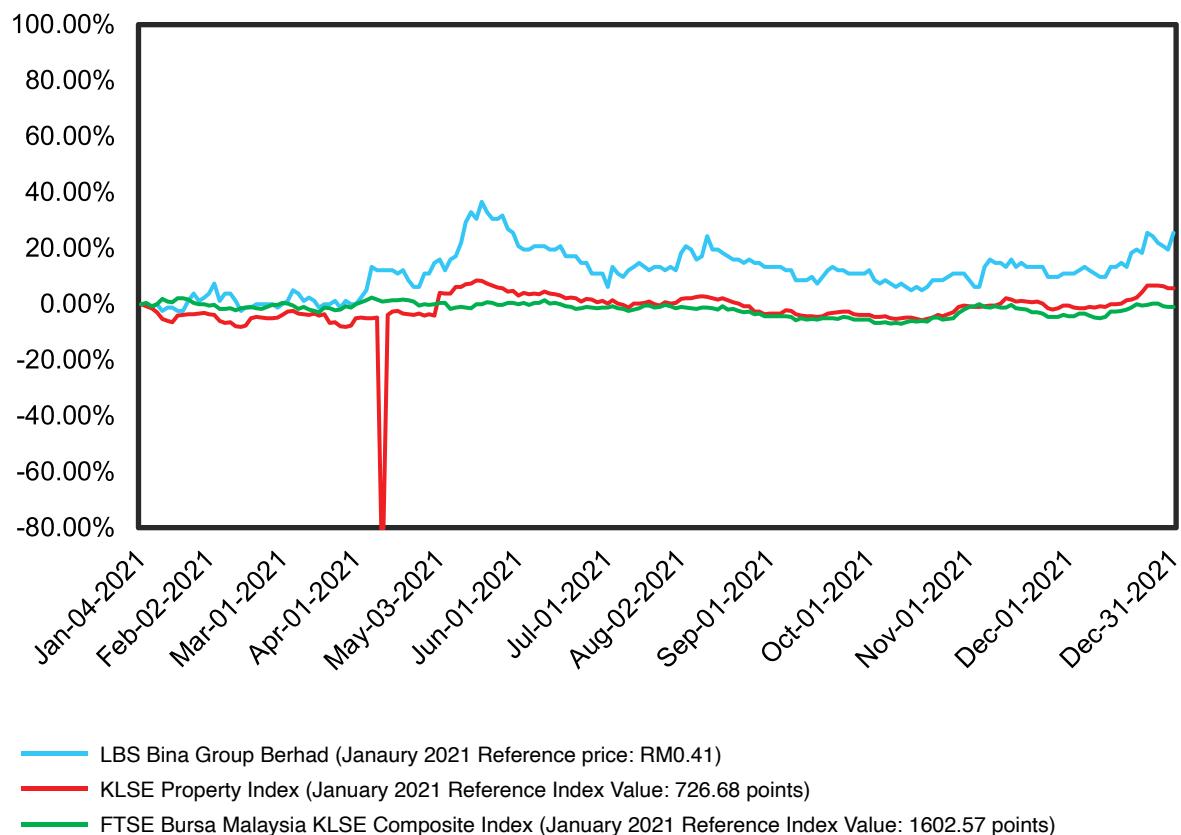
The adoption of <IR> is a reflection of the Board's and Senior Management's commitment to strengthen disclosures and to provide greater transparency to stakeholders based on the guiding principles and content elements of the principle-based framework of the VRF.

Following is a snapshot of the various investor relations activities undertaken in FY2021:

- 116 announcements to Bursa Malaysia and on the Group's website
- 6 physical meetings with institutional shareholders
- 11 virtual meetings and engagements
- 1 virtual AGM
- Covered by 5 research houses (CGS – CIMB Securities, PublicInvest Research, JF Apex Securities Berhad, KAF Research and RHB Research) with all 5 providing buy calls.

SHARE PRICE PERFORMANCE

- Share Price Performance for the period of January 1 2021 to 31 December 2021:
- High (27 October 2021): RM0.59
- Low (7 January 2020): RM0.39
- Market Capitalisation (as at 31 December 2021): RM823.73 million

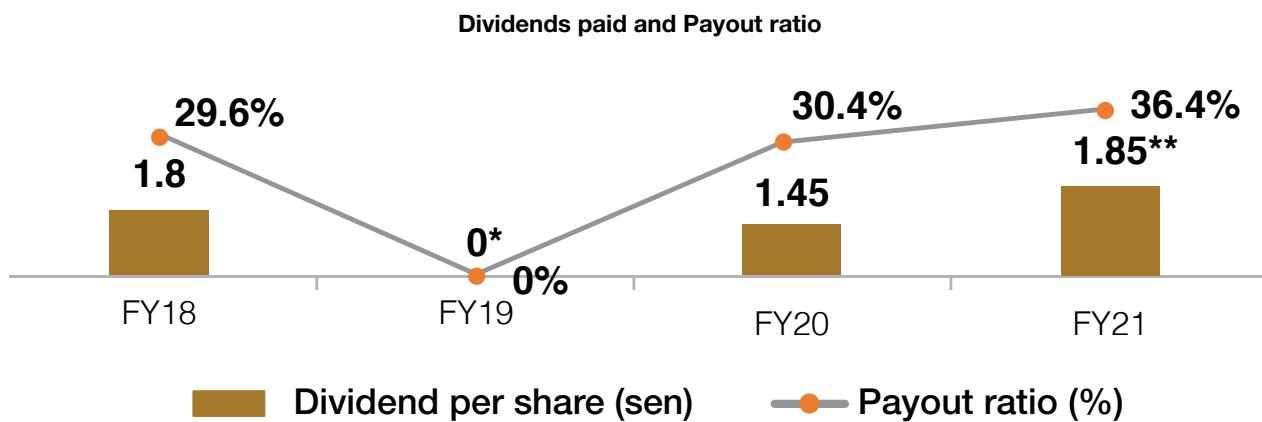


Investors Relations (Cont'd)

Year-on-year change (%)	
LBS	28.05
KLSE Property Index	-3.17%
KLSE Composite Index	-3.68 %

DIVIDEND PERFORMANCE

- Dividend per share: 1.85** sen for FY2021
- Dividend payout policy: 30%



Notes:

* LBS distribute Dividend in Specie for FY2019.

**First Interim Single-Tier Dividend of 0.85 sen per Ordinary Share.

**Final Single-Tier Dividend of 1 sen per Ordinary Share. Subject to the shareholders' approval.

INVESTOR RELATIONS CONTACT DETAILS

Feedback or enquiries can be sent to:

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 Email : shuwain@imejjiwa.com

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Section 5 Sustainability Statement

INTRODUCTION

This Sustainability Statement is an abridged version of the full LBS Sustainability Report 2021 ("SR2021"). The purpose of this statement is to provide readers a summarised but comprehensive perspective of LBS' sustainability performance as measures across environmental, social and governance ("ESG") perspectives.

The full SR2021 is available for download at: LBS Sustainability Website: <https://lbs.com.my/sustainability/>. This statement has been prepared in accordance with the Bursa Malaysia Sustainability Reporting Guide Second Edition.

Disclosures have been scoped to the holding entity of LBS and its operating companies and subsidiaries, including the property development division; LBS Bina Holdings Sdn Bhd's Head Office and our construction division, MGB Berhad's Head Office, and the construction sites in Malaysia where MGB is the main contractor.

We exercise a "local-where-we-operate" practice. Going forward, LBS will aim to increase its supply chain and environmental disclosures given the potential ESG impacts arising from the same. Financial data has been assured by the Group's External Auditor.

Both the SR2021 and this sustainability statement have been reviewed by the Board of Directors and the Sustainability Committee.

DETERMINING OF MATERIAL TOPICS AND CONTENT

In determining content, LBS has applied the following aspects to determine material ESG content for inclusion:

- Topics that impact the Group's value creation capabilities
- Topics that impact stakeholders
- Topics that have high environmental and social impacts

REPORTING PERIOD

SR2021 covers the financial reporting year from 1st January 2021 to 31st December 2021 ("FY2021").

FORWARD LOOKING STATEMENT

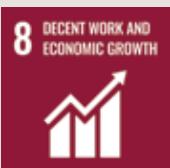
Any forward-looking statements such as targets, future plans, operations and forecast figures are based on reasonable current assumptions. Readers are advised not to place undue reliance on such statements as our business is subject to risks and uncertainties beyond LBS' control. Actual results may differ.

SUPPORTING THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

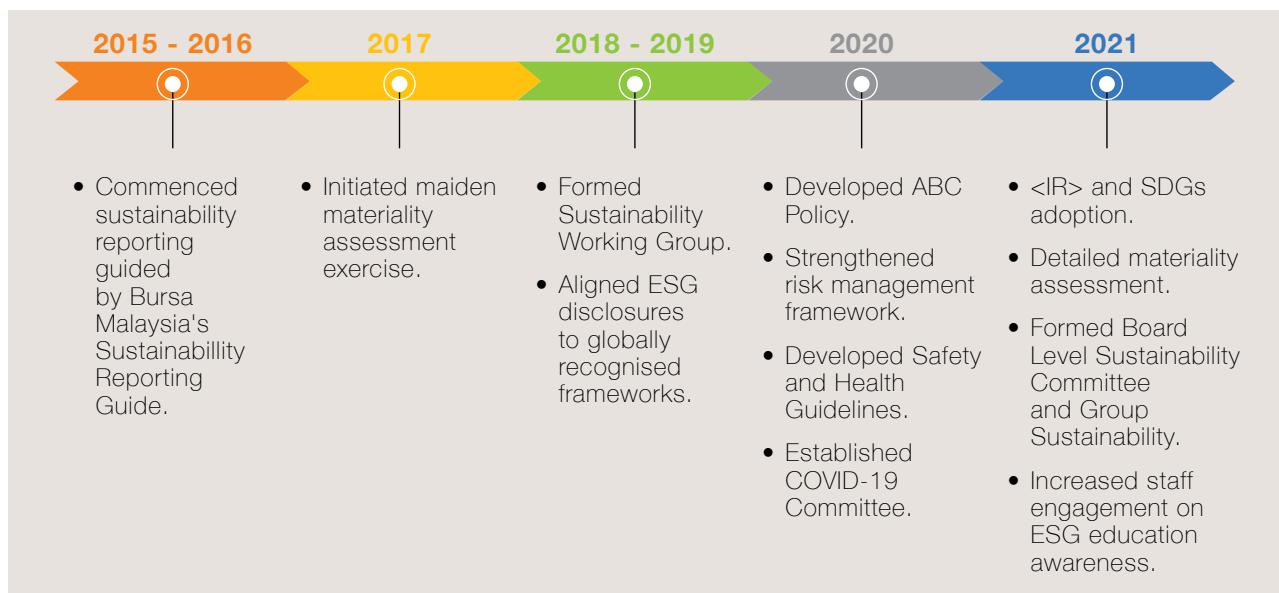
In assessing its sustainability highlights and achievement, LBS has aligned its progress to selected United Nations Sustainable Development Goals ("UN SDGs"). The rationale is to provide a larger sustainability context to LBS ESG journey and agenda and to ensure that its attempts to create value truly deliver positive outcomes and support the realisation of a more equitable society and a better world.

Sustainability Statement (Cont'd)

RESULTS	LINKAGE TO UN SDGS	LINKAGE TO MATERIAL TOPICS
<p>Zero reported cases of corruption, zero cases of non-compliance or unethical conduct.</p> <p>Established Gift, Entertainment and Hospitality Policy as well as Donation and Sponsorship Policy.</p>		<ol style="list-style-type: none"> 1. Climate Change 2. Community Development
<p>Zero incidents of safety and health non-compliance, zero fatalities, 0.46 LTI rate.</p> <p>10.6% worker representation on OSH Committees and Enforcers in LBS HQ office.</p>		<ol style="list-style-type: none"> 3. Covid-19 Pandemic 4. Customer Satisfaction
<p>Zero human rights violations during the reporting period, zero incidents of non-compliance with regard to labour matters.</p> <p>Diverse workforce ethnicity composition, 100% of employees appraised annually.</p> <p>1,510.75 training hours with an average of 3.4 hours per employee.</p>		<ol style="list-style-type: none"> 5. Digitalisation and Technology 6. Direct Economic Performance 7. Energy Consumption 8. Ethics and Integrity
<p>Established Group Sustainability.</p> <p>Established climate change risks.</p> <p>21.31% water consumption reduction year-on-year.</p> <p>18,243kg of waste recycled and prevented from being sent to landfills.</p> <p>Planted more than 1,846 trees at the hill side town of Cameron Highlands alone.</p> <p>Published Scope One, Two and Three emissions data as well as emissions intensity data.</p>	  	<ol style="list-style-type: none"> 9. Financial and ESG Risk Management 10. Indirect Economic Values Created 11. Labour Rights 12. Local Procurement and Supply Chains 13. Occupational Safety and Health

RESULTS	LINKAGE TO UN SDGS	LINKAGE TO MATERIAL TOPICS
Increased female board representation as well as number of independent directors on the Board.		
RM1.34 billion in revenues and RM104 million in after tax profits. 77% local procurement spend. More than RM74 million paid out to employees in benefits and bonuses, including payments for statutory retirement savings.		14. Raw Materials Consumption 15. Regulatory Compliance 16. Talent and Labour Management 17. Water Consumption
Built various community infrastructure and supported diverse societal causes. Driving urban regeneration to revive local economies and communities.		18. Waste Management and Recycling

MILESTONES AND SUSTAINABILITY JOURNEY



Sustainability Statement (Cont'd)

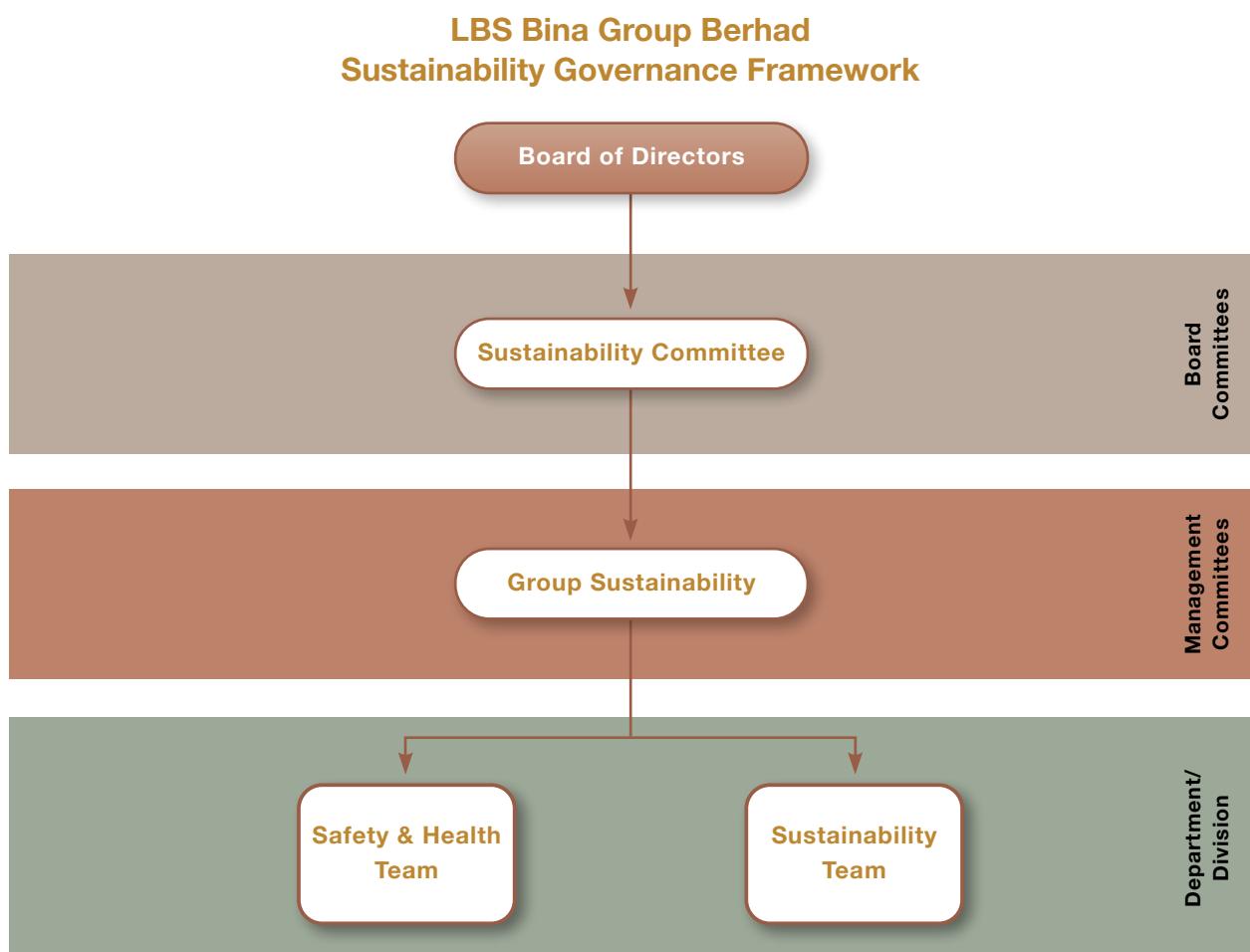
GOVERNANCE OF SUSTAINABILITY

LBS has put in place a robust governance structure to drive its ESG agenda. The governance structure enables Board and Senior Management oversight on material sustainability topics, as well as risks and opportunities arising from said topics. The structure ultimately, lends itself to the continued development of an ESG oriented culture across the organisation and across the value chain.

In FY2021, LBS formed its Group Sustainability (“GS”) comprising dedicated personnel to oversee material ESG concerns and to develop action plans for the realisation of set goals and targets. The GS is mandated to drive the sustainability and ESG awareness across the Group through on going engagement activities.

Through the aforementioned sustainability governance structure, LBS’ Board of Directors have oversight on material ESG topics. These include OSH, climate change, resource consumption and others. Reports on these topics as well as other forms of information are periodically brought to the Board’s attention for deliberation and decision making.

In line with the aspirations of the industry regulator, Bursa Malaysia (and various sustainability reporting frameworks), LBS is exploring the feasibility of linking the remuneration of its Board and Senior Management to the realisation of ESG goals and targets.



GOVERNANCE THROUGH ADHERENCE TO LOCAL LEGISLATION AND LAWS

Good corporate and sustainability governance is also driven across LBS via adherence to local laws, industry best practices and recommended corporate governance practices of the regulator, Bursa Malaysia. In addition, LBS also aligns itself with the practices of the Malaysian Code on Corporate Governance 2021 (MCCG 2021).

LBS has attained the following licenses / certifications:

License	Issuing Body	Purpose
Advertising Permit and Developers License ("APDL")	Ministry of Housing and Local Government ("KPKT")	To grant property developer permission to advertise and sell property. And to ensure property developer complies with rules around fair and legal practice.
Manufacturing License for IBS	Malaysian Investment Development Authority ("MIDA")	A manufacturer is required by law to obtain a manufacturing license from MIDA if it meets a certain threshold. The Industrial Coordination Act (ICA), 1975 requires person(s) engaging in any manufacturing activity to obtain a license from the Licensing Officer in respect of the manufacturing activity. The ICA was introduced to ensure an orderly development and growth of the country's manufacturing sector.
Business Premises Licenses	Respective State Authorities/ Town Council	All businesses in Malaysia are required to apply for business premises license from the respective State Authorities. The requirements for the application may vary according to each local authority.
Personal Data Protection Act ("PDPA")	Ministry of Communication and Multimedia Commission ("MCMC")	To ensure all personal data collected by LBS are stored and processed in accordance and compliance with the Personal Data Protection Act 2010 ("PDPA"), the applicable regulations, guidelines, orders made under the PDPA and any statutory amendments or re-enactments made of the PDPA.

Sustainability Statement (Cont'd)

ETHICAL CONDUCT, CORPORATE INTEGRITY

LBS has established its Directors' Code of Ethics and its Employee Handbook towards guiding internal and external stakeholders on expected corporate norms and behaviour. The Directors' Code of Ethics can be viewed here: <https://lbs.com.my/wp-content/uploads/2021/09/CodeofEthics-20140527website.pdf>.

On February 24, 2022, the Board of Directors of LBS approved two new policies: Gift, Entertainment and Hospitality Policy as well as Donation and Sponsorship Policy. Both policies can be viewed at: <https://lbs.com.my/corporate-governance/>.

LBS has established a Whistleblowing Policy and whistleblowing channel. Both internal and external stakeholders have access to the channel and are reminded of its existence periodically. In FY2021, there were zero cases reported under the WB channel.

LBS maintains an apolitical view and hence does not favour or promote the agenda of any political party. Neither is the Group affiliated to any political organisation.

ZERO TOLERANCE STANCE ON ANTI-CORRUPTION

Pursuant to Section 17A, LBS has established its Anti-Bribery and Corruption ("ABC") Policy and Whistleblowing ("WB") Policy. The ABC Policy clearly defines the organisation's no-compromise position on corruption while defining what constitutes as corrupt acts.

100% of Board members and employees have provided signed acknowledgement of having read and understood the ABC Policy. The ABC Policy is cascaded to all new staff during their induction session. Regular refresher activities are held to remind and reinforce the anti-corruption agenda to all staff. All supplier forms include the ABC Policy.

A full corruption risk assessment is scheduled for FY2022. In FY2021, there were zero cases of non-compliance or unethical conduct and zero reported cases of corruption.

Human Resources Department conducts regular training and awareness sessions on anti-corruption towards refreshing employees' awareness and knowledge and to reinforce the no compromise culture Group wide. 89% of the Board, Senior Management and employees have received anti-corruption awareness and training.

STAKEHOLDER ENGAGEMENT

In FY2021, LBS has continued to feel the pulse of its stakeholders – engaging them through multiple communication channels and approaches. In FY2021, our engagements with stakeholders have provided continued useful insights that have further reinforced our assessment of ESG material topics.

Stakeholder Group	Mode of Engagement	Frequency of Engagement	Issues of Concern
Shareholders/ Investors	<ul style="list-style-type: none"> • Annual General Meeting • Annual Report • Quarterly Financial Report • Analyst Briefing • Extraordinary General Meeting • Regular Shareholder Communication • Announcement on Bursa Malaysia and Corporate Website 	<ul style="list-style-type: none"> • Annually • Annually • Quarterly • As and when needed • As and when needed • Monthly one-to-one and group • As and when needed 	<ul style="list-style-type: none"> • Economic Performance • Corporate Governance • Anti-Corruption
Employees	<ul style="list-style-type: none"> • Annual Performance Appraisal • Briefing and Trainings • Events, Celebrations and Sports • Management, Operational and Committee Meetings • Townhall Meetings 	<ul style="list-style-type: none"> • Annually • Periodic • Weekly and Periodic • Weekly and Periodic • Half-yearly 	<ul style="list-style-type: none"> • Training & Education • Employment • Occupational Safety and Health • Market Presence • Local Communities • Diversity & Equal Opportunities • Anti-Corruption

Sustainability Statement (Cont'd)

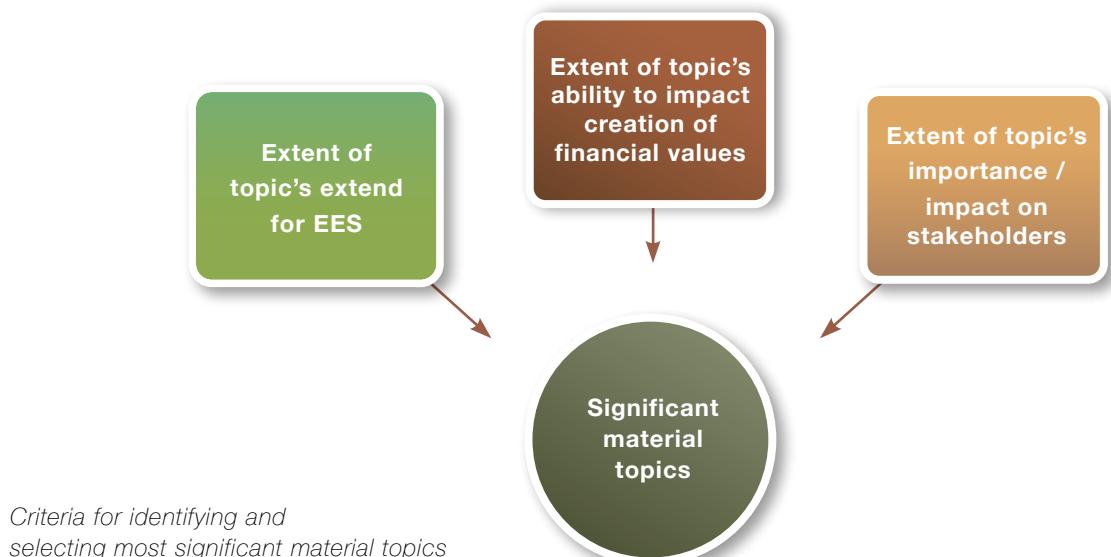
Stakeholder Group	Mode of Engagement	Frequency of Engagement	Issues of Concern
Customers	<ul style="list-style-type: none"> Feedback Channels such as Emails, Phone Calls, Hotlines, and Helpdesk Corporate Website and Social Media Channels Product Launches and Roadshows Marketing and Promotion Programmes and Events 	<ul style="list-style-type: none"> As and when needed 	<ul style="list-style-type: none"> Economic Performance Corporate Governance Procurement Practices Customer Health & Safety Anti-corruption
Government/Regulators	<ul style="list-style-type: none"> Income Tax Filing Annual Return Official Meetings and Visits Industry Events and Seminars 	<ul style="list-style-type: none"> Annually Annually As and when needed As and when needed 	<ul style="list-style-type: none"> Corporate Governance Anti-corruption
Suppliers/Contracts	<ul style="list-style-type: none"> Product Launches and Roadshows Meetings and Site Visits Supplier Assessment System Briefings and Trainings 	<ul style="list-style-type: none"> As and when needed As and when needed As and when needed As and when needed 	<ul style="list-style-type: none"> Corporate Governance Procurement Practices Anti-corruption
Local Communities	<ul style="list-style-type: none"> Community Outreach and Development Programmes Strategic Partnerships Charitable Contributions Corporate Website and Social Media 	<ul style="list-style-type: none"> Periodic Upon Mutual Agreement As and when needed As and when needed 	<ul style="list-style-type: none"> Local Communities
Media	<ul style="list-style-type: none"> Press Releases Site Visits Interviews Events Website and Social Media 	<ul style="list-style-type: none"> As and when needed 	<ul style="list-style-type: none"> Corporate Governance Customer Health & Safety

ASSESSING AND PRIORITISING MATERIAL TOPICS

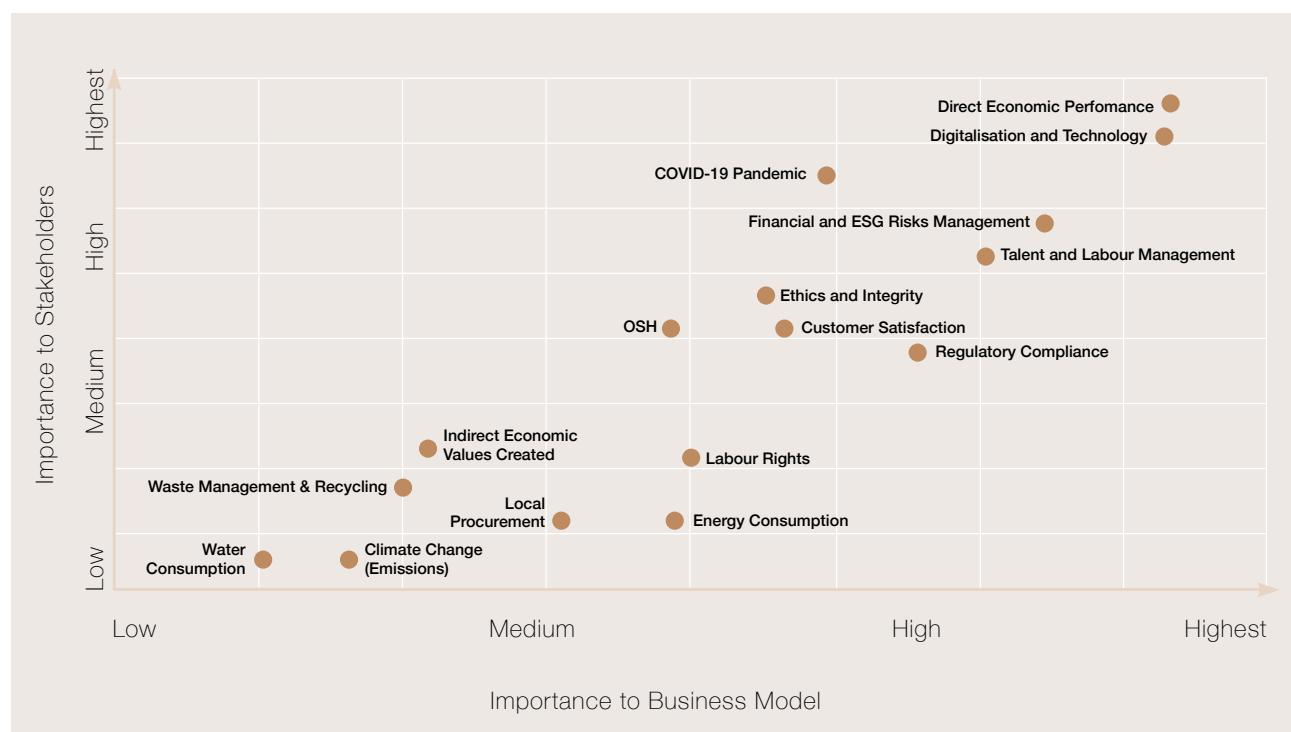
A thorough Materiality Assessment Exercise ("MAE") involving the participation of the Board of Directors, Senior Management and employees was conducted for LBS by an external ESG Advisory firm. In determining materiality, the following criteria were applied :

- Topics that impact the business model (including capitals)
- Topics that impact stakeholders
- Topics that impact economic, environmental and social performance (creation of financial and non-financial values)

The topics were assessed using a detailed ranking and ratings system supported by a weightage system allotted to topics based on the following criteria:



FY2021 Materiality Matrix



Sustainability Statement (Cont'd)

DIRECT ECONOMIC VALUES CREATED

The continued generation of financial values such as revenues and profits are essential to sustain the business operations of any for-profit entity. Often, financial performance is necessary to drive environmental and social performance. ESG strategies and action plans typically require some level of financial investments, especially at the start of the initiatives.

Specific information on financial and operational performance as well as the Group's business model and strategies are given in the Management Discussion and Analysis section of this Integrated Annual Report 2021 ("IAR2021").

INDIRECT ECONOMIC VALUES CREATED

	FY2019 [#] (RM'000)	FY2020 [@] (RM'000)	FY2021 (RM'000)
Economic value generated	1,319,338	1,087,237	1,357,858
Economic value distributed	1,259,398	1,051,574	1,261,935
Operating costs	1,021,156	826,998	1,024,818
Community investment	1,339	1,437	1,359
Employee salaries and benefits	76,261	66,380	74,245
Corporate taxation	67,077	57,912	63,580
Finance costs	59,219	66,348	60,239
Dividend expenses	34,347	28,043	28,855
Distribution to holders of perpetual sukuk	-	4,456	8,840
Economic value retained	59,939	35,663	95,923

Remarks

The comparative figures have not been restated following the adoption of the IFRIC Agenda Decision on MFRS 123 *Borrowing Costs*.

@The comparative figures have been restated following the adoption of IFRIC Agenda Decision on MFRS 123 *Borrowing Costs*.

CREATING VALUES THROUGH THE PROPERTY DEVELOPMENT BUSINESS MODEL

With its focus on quality, affordable properties, LBS' business model generates a wide range of socio-economic multiplier effects. At every stage of the value chain, values support economic growth as well as usher improvements to society.

01

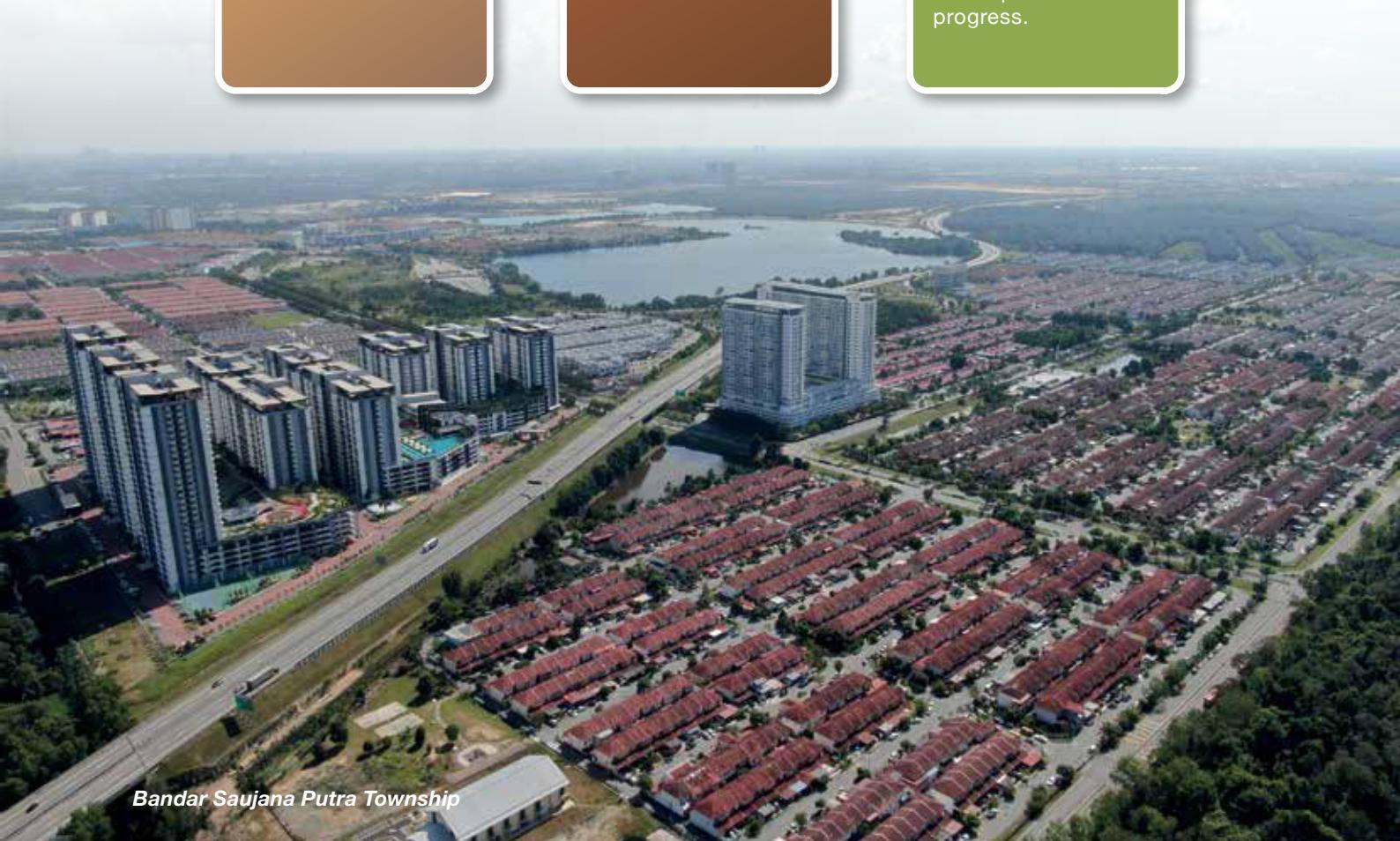
Our business model generates jobs, unlocks idle land, ushers development into new areas (thereby reducing the pressures on urban epicentres), and enables more Malaysians to own a home.

02

Home ownership can offer many benefits to families, individuals and society as a whole. This includes social mobility, access to better education and healthcare, improved job opportunities and more.

03

Property development supports infrastructure development such as roads, highways and schools. It enables the creation of catchment populations that allow businesses to commence and sustain operations. Ultimately, the industry is a key catalyst for urban development and progress.



Indirect economic values is also generated through various community infrastructure projects and services supported. These include construction of the RM55.53 million 4-lane Bandar Saujana Putra ("BSP") Flyover and the urban regeneration of Cameron Highlands as well as various other projects.

Sustainability Statement (Cont'd)

PRODUCT AND SERVICE QUALITY

LBS aligns to CIDB's QLASSIC quality assessment system for finished units. Through the IBS expertise provided by subsidiary, MGB, LBS continues to achieve consistent and improving QLASSIC scores for its property projects.

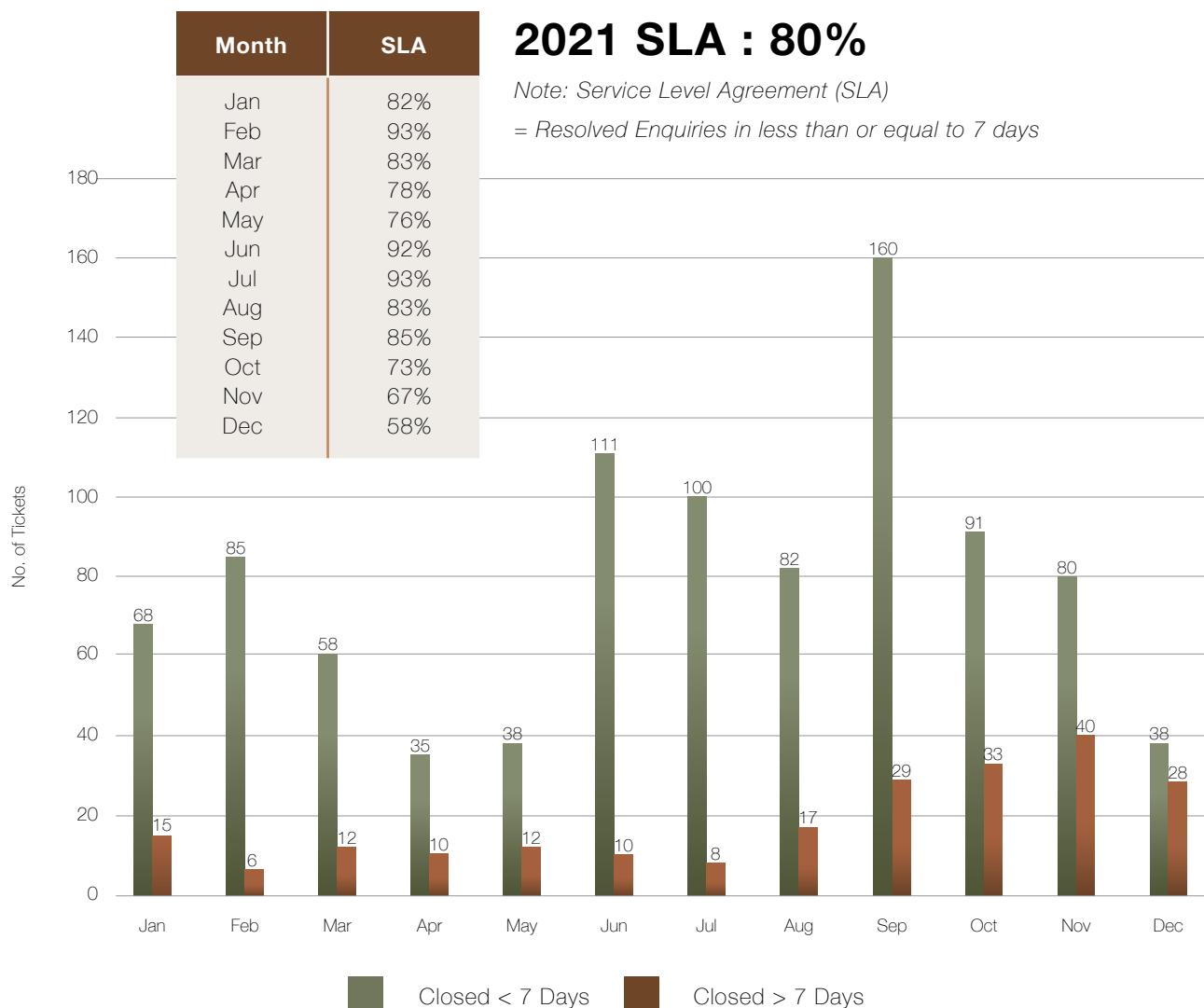
Benefits of IBS precast concrete include more efficient use of resources, reduced reliance on manual labour, increased consistency in quality, which reduces wastage, less energy consumption as most components are produced in a factory environment (and therefore reduced environmental impacts).

CUSTOMER SATISFACTION

Customer satisfaction comes under the oversight of the Customer Service Department ("CSD") that addresses complaints and feedback received.

Customers can reach out to LBS via proprietary mobile apps, the dedicated Helpdesk platform as well as emails. In ensuring timely response, a service level agreement ("SLA") has been developed to ensure speedy and satisfactory resolution of complaints.

Customer Service Helpdesk Response Summary



SUPPORTING LOCAL PROCUREMENT AND LOCAL SUPPLY CHAINS

LBS supports local procurement evidenced through a clear preference to select local goods and service providers, unless local providers are unable to provide such goods and services at the required specifications and quality.

Construction related procurement is managed under subsidiary company, MGB. LBS' direct procurement under the Group is limited more to finished items such as sanitary ware, lock sets, tiles and others. Other items procured including administrative items such as stationery, office supplies, and others, which are not deemed material.

Selection of local procurement is made through a rigorous tender process towards ensuring that only qualified suppliers with the best value proposition can bid for and are awarded contracts.

LOCAL PROCUREMENT DATA

	FY2019	FY2020	FY2021
Total procurement budget (RM)	14,661,180	12,421,858	17,570,551
Total local procurement budget (RM)	11,043,373	12,081,311	13,442,107
Percentage of local procurement budget	75%	97%	77%
Total number of suppliers	3	3	3
Total number of local suppliers	3	3	3
Percentage of local suppliers	100%	100%	100%

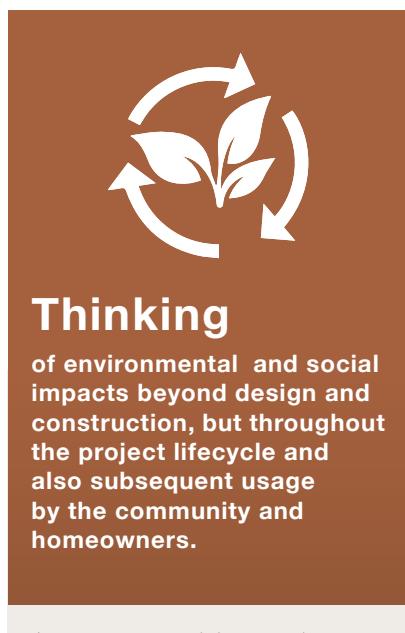
ENVIRONMENTAL PERFORMANCE

LBS' environmental disclosures are scoped specifically to its direct operations. As a property developer, the biggest environmental aspect is consumption of land resources, i.e., the purchasing of landbank for property development.

LBS, through MGB ensures that all project sites come under stringent environmental pollution monitoring to ensure effluents, noise and emissions levels are in compliance with standards set by the Department of Environment ("DOE").

LBS and all subsidiaries adhere to Environmental Impact Assessments (EIA) and Environmental Management Plan (EMP) requirements to ensure the safety and quality of the environment.

Sustainability Statement (Cont'd)



Thinking

of environmental and social impacts beyond design and construction, but throughout the project lifecycle and also subsequent usage by the community and homeowners.

Long term and largest impact, looking into Scope 3 related impacts outside the immediate boundary of the organisation.



Reducing

environmental and social impacts through design and technology.

Looking at reducing and managing ESG impacts across the process and the project lifecycle.



Reducing

environmental and social impacts from construction activities.

Managing impacts at projects sites by working with all value chain players, ensuring regulatory compliance.

In guiding its approach, LBS has aligned its operations to the following UN SDGs:



LAND USE

Given LBS' business model which is centred on developing townships and standalone projects, the Group is a comparatively large consumer of land. Following is its landbank position as at March 31, 2022:

State	Remaining Land Acreage
Selangor	1,010
Johor	1,112
Pahang	163
Perak	407
Sabah	6
Grand Total	2,698

Land that is yet to be developed continues to be well maintained as required under local legislation. This includes undertaking regular maintaining activities to ensure safe conditions.

Prior to commencing with development of land parcels, LBS obtains all necessary regulatory approvals. This includes EIA, social impact assessments, traffic assessments. The Group also submits all necessary proposals and documents to the local council who provides the necessary approvals for the Development Order.

Most of LBS' landbank are situated in urban locations that are generally well developed. Hence, the landbank is inherently low in biodiversity value.

CLIMATE CHANGE

In FY2021, LBS has commenced with initial strategic efforts to incorporate climate change as a business risk, and accordingly, to consider where and how the business model and business process requires adaptation or outright change towards effectively addressing risks and to reduce environmental footprint.

One of the major issues in Malaysia is flash floods, which has been exacerbated by climate change. One of the initiatives undertaken by LBS is ensuring that all of its developments come with sufficiently sized retention ponds.

Going beyond, in November 2020, LBS upgraded the retention pond at Simfoni Perdana. The upgraded retention pond, enables an increased storm water capacity in the event of torrential thunderstorms to reduce the risks of flash floods.



Sustainability Statement (Cont'd)

RISKS AND OPPORTUNITIES ASSOCIATED WITH CLIMATE CHANGE

Physical Risks

- Changes in weather patterns may lead to greater occurrence of flash floods with increased severity. More locations may become flood prone and hence, not suitable for development. Landbanking and development strategies may be impacted.
- Greater infrastructure investments may be required to deepen waterways and to provide more channels to effectively disperse rainwater.
- Building designs may need to come with flood resistant features that could also lead to increased design and construction costs.
- Excessive rain could lead to extended delays on project works in construction sites, resulting in revenue loss. Wet and slippery conditions arising from rain can increase risks of accidents and injuries at work sites.
- Drought may lead to certain locations being less suitable for development. Alternatively, additional considerations are required for rainwater harvesting, water recycling and water saving features. Water cuts at property developments may become more frequent and more severe and longer.
- Choice of vegetation at sites may need to be types that require less water or are resilient to drought.

Transitional Risks

- As LBS looks to evolve its business model towards meeting climate change impacts, significant capex requirements may be needed. Productivity can also be disrupted. For example, the use of solar on offices and sales galleries or on project sites may have initial disruptions as the Group transitions to RE.
- Delays in approvals by authorities for solar installations can also lead to business and operational disruptions.

Financial / Reputational Risks

- Any climate change induced disaster could cause short-term financial impacts but long-term reputational loss.
- A flash flood may mean that a particular area is now shunned by buyers. This could significantly affect developers.
- Flash floods are also often linked to over development, which casts a negative light on property players.

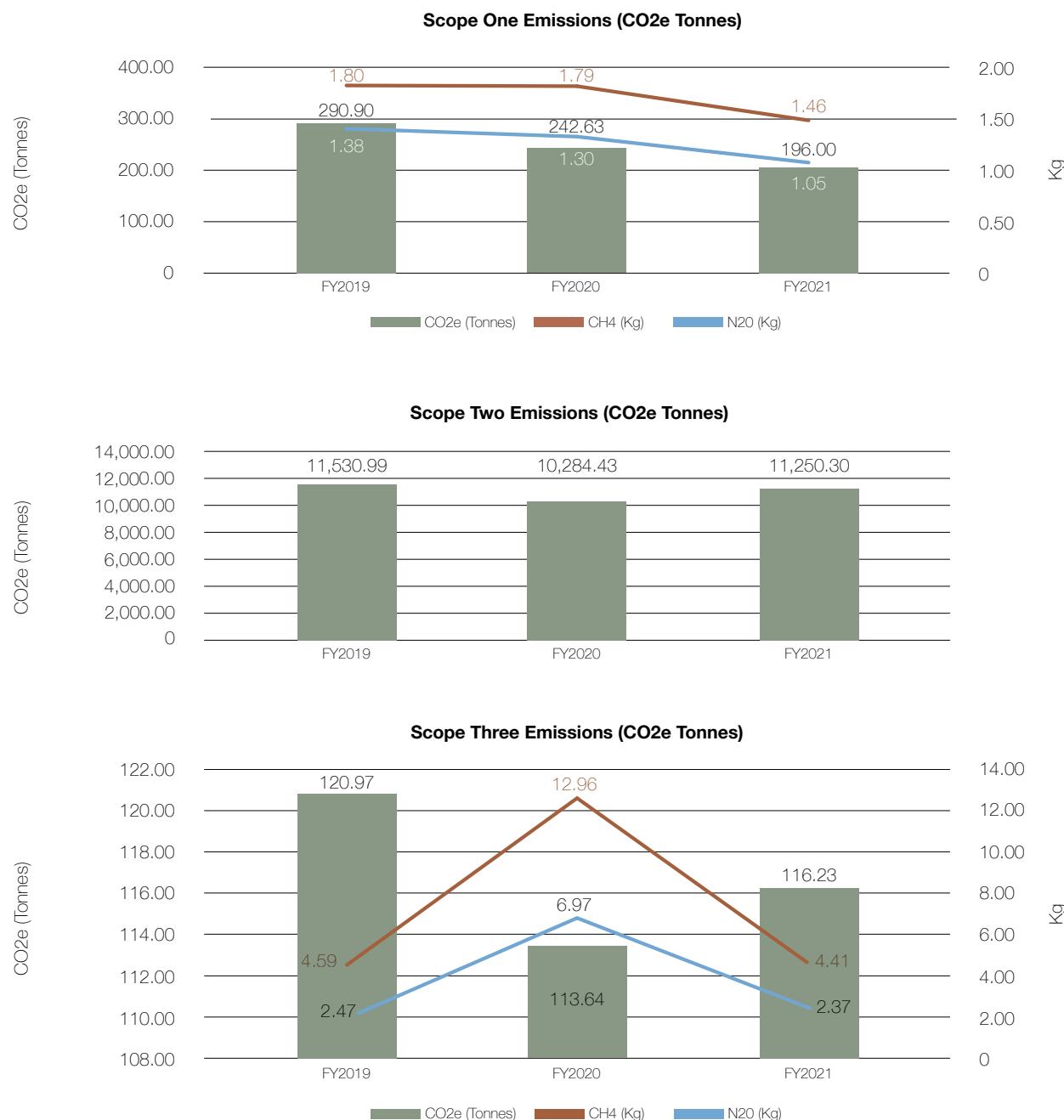
Opportunities

- Greater realisation among stakeholders, especially the authorities and buyers supports green building designs and concepts.
- Greater opportunity to introduce more eco-friendly features into the design and construction of homes.
- Regulatory support for greater use of grey water or recycled water for non-potable consumption.
- Greater incentives to transition to RE i.e. solar energy.

CARBON EMISSIONS

LBS measures its carbon emissions based on the GHG Protocol and calculation is done using formulas provided by the Malaysia Greentech Corporation ("MGTC").

EMISSIONS DATA



Sustainability Statement (Cont'd)

ENERGY CONSUMPTION

As mentioned, the construction and property development industries consume significant amounts of energy.

Within LBS' business operations, significant energy consumptions come from its mall and hotel operations as well as project sites and its sales galleries. However, project sites come under the purview of the Group's construction arm, MGB and hence has been excluded. MGB's energy consumption is provided in the MGB Sustainability Report.

Energy is also consumed by LBS' head office. Beyond reducing environmental impacts, LBS is also driven to reduce energy consumption towards achieving improved cost and operational efficiencies.

Through the use of IBS precast concrete, provided by MGB, LBS is also able to further reduce energy consumption for its property development projects.

Energy Source	Area
Electricity from the national grid	Head office, Mall, Retail, Hotel, Sales Galleries, Project sites.
Diesel and petrol	Gensets and machinery on project sites, vehicle fleet (petrol); Cybersouth site and sales gallery ¹ .
Solar	Ongoing plans for installation at Group head office.

¹As of September 2019, the Cybersouth sales gallery has been connected to the national grid, thus reducing reliance on diesel gensets for electricity.

LBS has undertaken the following to manage its energy consumption:



LED lighting for streets, common areas in projects, and etc, to reduce energy consumption throughout project lifecycle.



Electricity timer installed at office building parking lots for maximum energy efficiency.

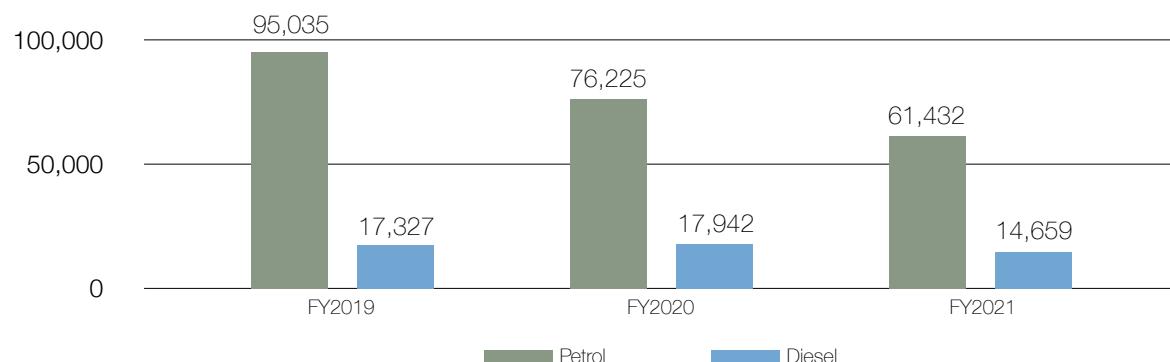


Following LBS' "Save Today Survive Tomorrow" initiative, all air conditioners at workplace implemented default temperature setting at 24 degrees Celsius.

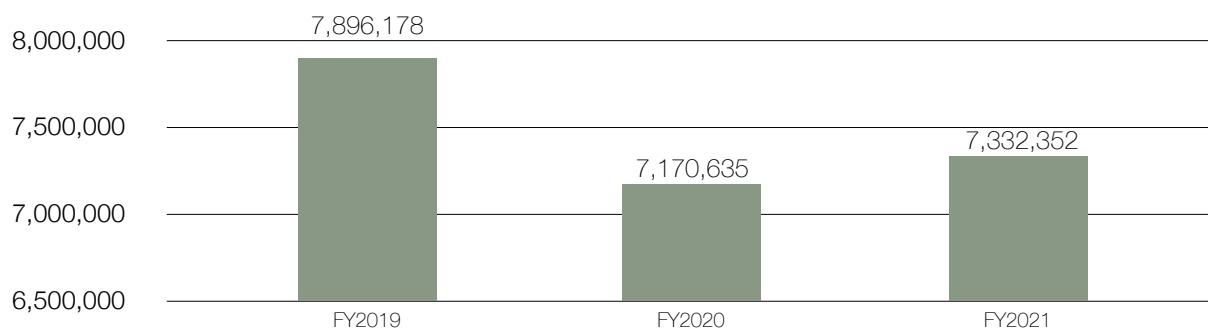
Going forward, LBS is exploring means to enable its buyers to also become more energy efficient and to use renewable energy. The Group is exploring the possibility of including more energy efficient features into its property projects and to provide options for solar use.

ENERGY DATA

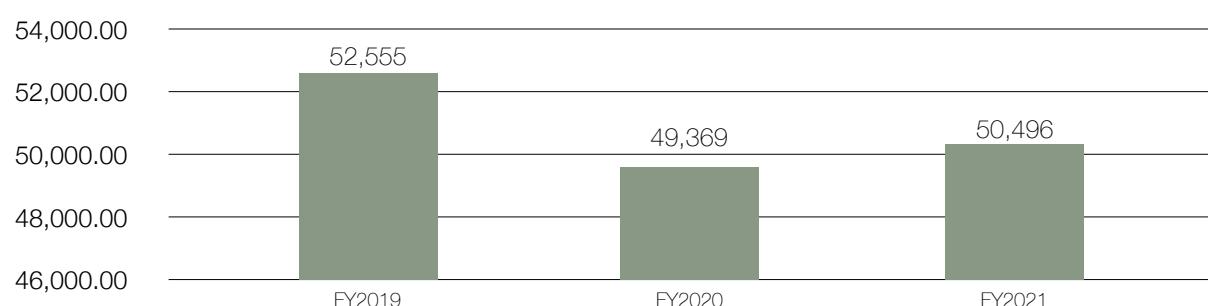
Direct Energy Consumption: Petrol and Diesel (Litres)



Electricity Consumption (kWh)



Fuel Consumption (Business Travel): Petrol (Litres)



Sustainability Statement (Cont'd)

WATER CONSUMPTION

Water is mainly consumed at project sites, where it is used mainly for cleaning purposes and for potable consumption. It is also consumed at the Group's mall, hotel, its head office, and sales galleries.

Hence, LBS is committed to ensure that its consumption of water should not impact water sources or water bodies. This includes not polluting water bodies such as drains and rivers by ensuring all effluents are within the permissible levels set by the DOE.

Water is sourced from the water utility company. The Group, as much as possible, attempts to incorporate water saving fixtures into its developments. These include water-saving taps and using gravity to drive water flow, thus reducing the requirements for water pumps, which consume electricity.

Further information on water consumption including statistics is provided in LBS' SR2021.

WASTE MANAGEMENT

Waste can be categorised into hazardous and non-hazardous. As much as possible, waste is recycled or repurposed to prevent sending waste to landfills. In addition, the continued use of IBS precast concrete enables raw material optimisation within in a controlled environment. This reduces wastage of materials when compared to in situ development.

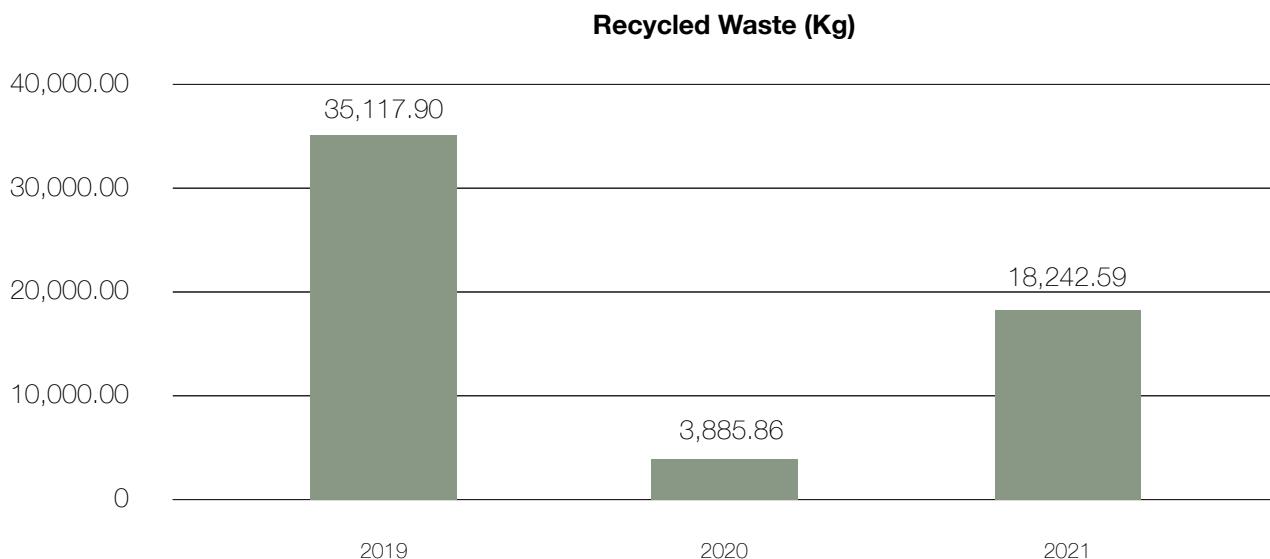
LBS collaborates with nearby waste collection centres to establish a bi-weekly waste collection schedule for all operational sites.

LBS' approach to waste management is guided by UN SDG 11: Sustainable Cities and Communities and UN SDG 12: Responsible Consumption and Production.

Mall / Hotel	Head Office and Sales Galleries	Project Sites
<ul style="list-style-type: none"> • Resize portions and takeaway boxes. • Reduce paper consumption. • Reduce single-use toiletries. • Constant reinforcement of message through posters and other materials. • Dedicated recycle bins. 	<ul style="list-style-type: none"> • Implement printing monitoring system to minimise printing. • Use of digital platforms to reduce physical meetings (energy and paper consumption). • Bi-weekly recycling initiatives • Implementation of 3R system among staff. • Replaced single-use plastic water bottles with reusable glass bottle. 	<ul style="list-style-type: none"> • Awarding of projects to contractors that employ IBS prefabrication to reduce waste.

WASTE RECYCLING DATA

As much as possible, LBS recycles produced waste. Recycled waste includes plastics, paper, office waste, cardboard, aluminium and other recyclable materials. Following is the Group's total recycled material output:



As part of its approach in promoting community awareness on recycling, LBS conducted a complimentary Christmas Decoration Workshop using recycled materials at its M3 Shopping Mall.

ENVIRONMENTAL PERFORMANCE MONITORING

As prior mentioned LBS undertakes all necessary monitoring of environmental performance to ensure regulatory compliance with DOE standards. This includes monitoring air emissions, discharge of effluents or silt into water bodies and noise levels.

FY2021 has seen the Group being censured once for non-compliance at its Cybersouth project site. The issue has been rectified and work continues at the site on schedule.

BIODIVERSITY

While LBS' project sites are situated in urban areas with little to no biodiversity, the Group is cognisant of the role it can play in reviving or increasing biodiversity at its sites as well as through CSR programmes and activities. The latter includes mangrove planting initiatives undertaken by the LBS Foundation, the Group's non-profit charitable arm.

Sustainability Statement (Cont'd)

All of LBS' project sites comply with regulatory requirements to ensure a minimum of 10% of space is reserved for green landscape. Going beyond, LBS is looking to introduce local flora species at all sites. This includes IUCN Red List species, where suitable.

LBS' approach to preserving ecosystems and biodiversity is encapsulated in its Environmental Policy. All EIA reports are conducted by an independent 3rd party that is qualified to undertake such reports. Thus far, there have been no citing of any risks of biodiversity loss at any development projects.

As a responsible developer, LBS has planted a wide range of local flora at its projects. This includes a total of 1,846 trees of varied species in recent years.

SOCIAL PERFORMANCE

COMMITTED TO UPHOLDING HUMAN RIGHTS

LBS is committed to respecting and adhering to internationally recognised human rights standards such as the International Bill of Human Rights. The Group also complies with fair labour practices as stipulated in local statutory laws across its company operations ("Human Rights Laws").

LBS has established a Human Rights Policy. The Policy is aligned to the Children and Young Persons (Employment) Act 1966. The Policy is available for viewing here: <https://lbs.com.my/sustainability/>.

LBS' working hours are regulated under the employment contract with the employee, Malaysia Employment Act 1955 and the Employment (Limitation of Overtime Work) Regulations 1980.

The Company condemns all forms of child exploitation and modern slavery. All workers, especially those employed by 3rd party contractors or sub-contractors, must ensure their labour force is treated with dignity and safe working conditions are provided. LBS is strictly against forced labour, modern slavery, debt bondage, and human trafficking.

Given its seriousness, the matter of human rights comes under the purview of the Board of Directors. The Group continues to closely monitor its work sites and in particular, its supply chain for possible human rights violations. The WB mechanism doubles a reporting mechanism for human rights violations.

OCCUPATIONAL SAFETY AND HEALTH

As a responsible company, LBS strives to always ensure a safe and secure work environment for all stakeholders.

LBS' construction arm, MGB is responsible for in site safety and health. Through MGB, all Group construction work sites are 100% OHSAS 18001 certified. MGB has established clear OSH Committees with worker representation on these committees. On average, workers comprise 20% of these committees.

Aside from that, LBS's head office has its OSH Committee and the enforcer team comprise 10.6% of total staff whilst M3 Shopping Mall and SCAPES Hotel have formed their Safety and Health Committees respectively.

LBS adheres to the Malaysian Occupational Safety and Health Act 1994, Environmental Quality Act 1974, regulation orders and other Codes of Practice. OSH comes under the direct purview of the Executive Director ("ED"). The ED serves as the Chairman of the OSH Committee and represent Board participation on OSH matters.

The Group is guided by its Safety and Health Guidelines, which beyond reinforcing the importance of OSH to the Group, also outlines the management approach towards ensuring high OSH standards and regulatory compliance.

OSH PERFORMANCE

Year	Total man-hours worked ²	Fatalities	Number of recordable work-related injuries	Total number of lost days / LTIs	LTI Rate	LTI per million hours worked	Incident Report	Occupational diseases rate	Work related injuries outside the workplace
2019	746,932.0	0	0	352	1.34	471	0	0	5
2020	760,884.0	0	0	44	0.53	58	0	0	2
2021	866,298.5	0	0	91	0.46	105	0	0	2

² Average overall total number of days worked by workers

COVID-19 PREVENTION

In response to COVID-19, LBS has taken all measures required under government SOPs to ensure a safe and healthy working environment at all operating sites to the best ability of the Group.

From the onset a COVID-19 committee, helmed by the Safety and Health Committee and supported by various enforcers from various departments, was formed to spearhead all related measures and strategies to ensure high SOP compliance.

A disinfection schedule for all workplace was initiated as mandated by SOPs. A work-from-home system was initiated. For employees required physically to be at their work sites, a Team A and Team B rotational system was implemented.

Daily temperatures scans were held, supported by COVID-19 testing for all staff working at sites on a fortnightly basis. Other initiatives included bi-weekly self-test and declaration, provision of hand sanitisers, masks and gloves for staff.

Constant reinforcement of key messages were achieved via online talks, posters, emails and other communication mediums. The LBS Broadcast WhatsApp group was created for quick and timely dissemination of key company announcements, updates, and new SOPs to all company Directors and employees.

Any employee or worker who tested positive was immediately quarantined and reported to the medical authorities for further isolation and treatment. LBS also actively encouraged its staff to obtain full vaccination.

Equally important was the implementation of remote work and the use of virtual mediums to facilitate meetings and discussions. The Group also initiated contactless meetings and contactless workflow approval processes.

OUR WORKFORCE

LBS' human capital is its biggest asset. High calibre, professional talent is essential in driving greater productivity and ensuring operations across the Group are at excellent levels.

LBS continues to foster a diverse workforce comprising talents from diverse demographic backgrounds. A multi-cultural workforce enables diversity of ideas to come to the fore, which enables more effective decision making and problem solving.

Sustainability Statement (Cont'd)

The Group strictly forbids any discrimination in the hiring, rewarding, remunerating of, and promotion and training of employees based on race, gender, and religious background or any other socio-cultural and demographic factors. The same applies to compensation and benefits and employee communication.

All employees or candidates for employment are judged purely on merit; that is their qualifications, experience, professional contributions, and results achieved.

The only exception is a Group-wide preference to hire local talents.

LBS provides sufficient notice periods for any significant changes to an employees' work environment or job role. The exact notice period differs based on the change and employees are entitled to seek further clarification or information regarding the change.

Employees also have the right to voice any grievances or dissatisfaction arising from the change with their immediate superior or the Human Resources Department. HR serves as a neutral, non-biased party to resolve issues towards ensuring a mutual satisfactory outcome for both employee and LBS.

LBS respects the right of employees to join, support or participate in any legal association, cultural society, professional body or political entity as provided for in the laws of the country.

Full details are provided in the SR2021.

General Workforce	FY2019	FY2020	FY2021
Total workforce	382	419	475
Male employees	168	193	217
Female employees	214	226	258
Malaysian employees	382	419	473
Foreign nationals	0	0	2
Malay employees	183	212	258
Chinese employees	185	194	194
Indian employees	12	12	13
Others	2	1	10

New Hires	FY2019	FY2020	FY2021
Total new hires	92	83	187
New hires (Male)	40	37	96
New hires (Female)	52	46	91

Turnover	FY2019	FY2020	FY2021
Total turnover	86	44	153
Full-time staff voluntary turnover rate	94%	95%	100%
Turnover (Male)	42	22	79
Turnover (Female)	44	22	73

Salary and Remuneration	FY2019	FY2020	FY2021
Salary difference between men and women	356,073.00	367,336.50	331,526.00
Ratio of basic salary and remuneration of women to men for key employee categories	917,494.60 : 968,856.59 4 Women : 6 Men	968,559.11 : 1,220,015.63 4 Women : 6 Men	935,454.04 : 1,885,817.01 5 Women : 6 Men (updated as at 31/3/2022)

Employee Engagement	FY2019	FY2020	FY2021
Total spend on employee engagement activities	RM50,128.60	RM9,708.65	RM2,237.30

Employee Volunteerism	FY2019	FY2020	FY2021
Number of volunteering hours	243	53	40
Number of employees who volunteered	206	96	95
Percentage of employees who volunteered	54%	23%	20%

Sustainability Statement (Cont'd)

EMPLOYEE ENGAGEMENT

The last two years has seen LBS focus on engaging its staff through online mediums. This was due to the COVID-19 pandemic, which had made physical engagements such as townhalls not possible.

Nevertheless, a wide range of engagement activities was held for employees. The transition to online has been well accepted by employees across the Group.

Later in the financial year, as vaccination rates increased and COVID-19 restrictions were relaxed, physical sessions were held. The LBS Connect (intranet) serves as the internal platform for communication between management and employees.

FY2021 TRAINING EVENTS AND PROGRAMMES

No.	Programme	Date	Mode
1	LBS Connect Virtual Activities & Games		
	a) LBS Play!	Jan - Dec	Virtual
	b) Positive Quote	17-Aug-21	Virtual
	c) Spin Wheel	17-Aug-21	Virtual
	d) Share with you	17-Aug-21	Virtual
	e) Kahoot!	17-Aug-21	Virtual
	f) LBS Talent	17-Aug-21	Virtual
	g) Tell Me Your Wish	20-Aug-21	Virtual
	h) Virtual Zumba	Sep-Dec-21	Virtual
	i) Virtual talk / webinar	May-Oct-21	Virtual
	j) Prizes for Active King & Queen	1-Dec-21	Virtual
2	Covid-19 Vaccines Introduction & Briefing	7-May-21	Virtual
3	Townhall Meeting 2021	25-Aug-21	Virtual
4	Heroes for Change-Dress-up Friday		
	a) Colours of Malaysia	17-Sep-21	Physical
	b) Denim Outfit and Head Accessories	27-Oct-21	Physical
	c) Holiday Season – Beach or Hawaii Vibes	17-Dec-21	Physical
5	Thanksgiving Day	26-Nov-21	Physical

EMPLOYEE REMUNERATION AND BENEFITS

All LBS employees are paid basic salaries that meet or exceed the stipulated national minimum wage as prescribed under the National Wages Consultative Council Act 2011 [Act 732], Minimum Wages Order 2020.

To attract top talents and retain the existing workforce, the Group offers comprehensive workforce benefits and competitive remuneration to all employees. LBS also offers performance-based rewards such as monetary bonuses towards incentivising employees to meet and exceed set KPIs and targets.

Compensation packages for employees are on par with present industry standards and also commensurate with an employee's job performance, skills, knowledge and contributions. Employees are entitled to financial and non-financial rewards which are accorded through annual performances appraisal process.

LBS operates in full compliance to applicable wage, work hours, overtime and benefits laws. This clause is stated in the Group's Human Rights Policy.

Parental Leave	FY2019	FY2020	FY2021
Employees entitled to maternity and paternity leave	306	339	346
Employees who took paternity leave	2	5	9
Employees who took maternity leave	16	12	15

Return to Work Post Parental Leave	FY2019		FY2020		FY2021	
	Male	Female	Male	Female	Male	Female
Return to work rates (return to work after parental leave period)	100%	100%	100%	100%	100%	93.33%
Retention rates (remain with the organisation for 12 months or more post parental leave)	100%	56.25%	100%	83.33%	88.89%	73.33%

Sustainability Statement (Cont'd)

EMPLOYEE TRAINING AND DEVELOPMENT

Fair and equal training opportunities are provided to employees at all levels of the organisation. Training is based on the individual employee's training plan which outlines gaps in skills, which the employee, with the support of his / her superior and management, is required to address. This may consist of equipping employees with the required skillsets to improve their job performance, or to take on additional responsibilities towards driving their career advancement within the organisation.

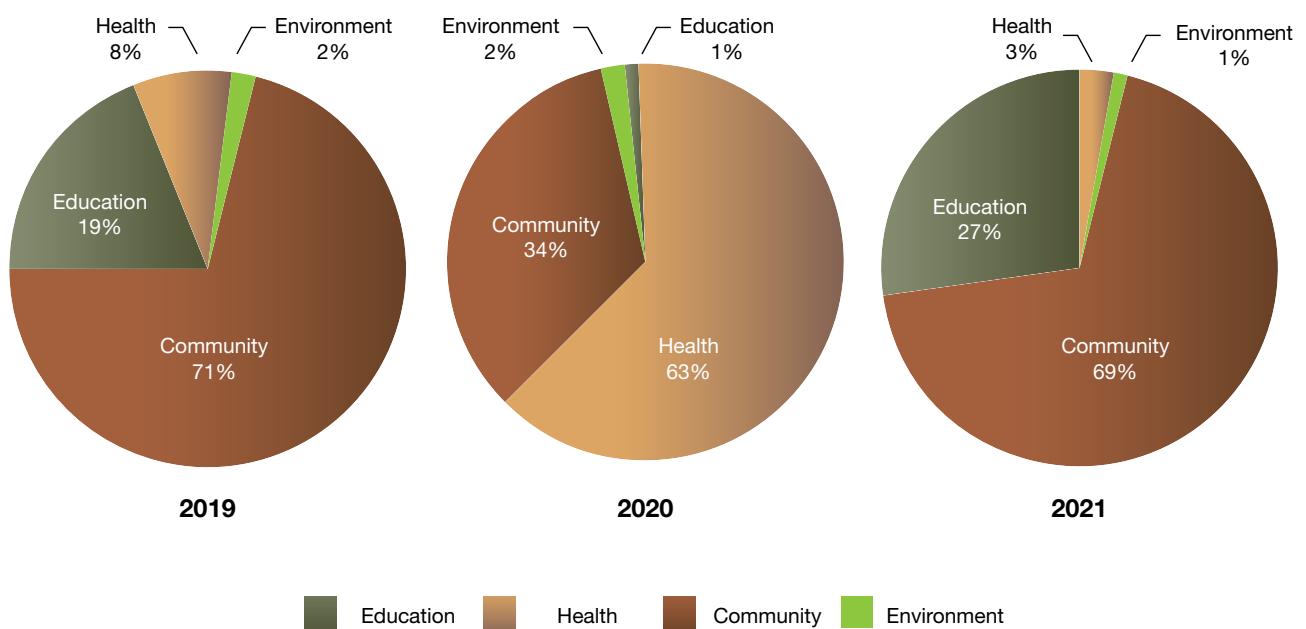
	FY2019	FY2020	FY2021
Total training hours as a company	2,018.00	1,140.20	1,510.75
Total training spend as a company	RM79,789.94	RM16,315.07	RM21,250.93
Average training hours per employee	5.6 hours	2.8 hours	3.4 hours

COMMUNITY CONTRIBUTIONS AND ENGAGEMENTS

At LBS, we are committed to building a society that continues to grow and prosper. Through the LBS Foundation ("LBSF"), LBSF focuses on making positive societal impacts in four key areas: Health, Education, Environment and Community.

LBS' aim through its Foundation is to enrich the lives of its communities and to provide equal opportunities by reducing poverty, addressing education gaps and helping societies attain access to quality and affordable healthcare. The Group shall continue to identify areas where it can continue to deliver lasting positive impacts for society and the country.

Community Contributions Summary



SAMPLE OF CSR PROGRAMME

PILLAR	ACTIVITY
Health 	<ul style="list-style-type: none"> • Sponsorship of dental treatment and dentures for the underprivileged individual • Mental health talk • Donation of beds to the Banting Hospital, Kuala Langat • Donation for Tzu Chi COVID-19 Malaysia Solidarity fund, an Emergency Fund for medical aid and assistance • Sponsorship for blood donation campaigns • Donation to Love and Care Charitable Association Selangor
Environment 	<ul style="list-style-type: none"> • Tree donation to Authorities
Education 	<ul style="list-style-type: none"> • Cash contributions in support of "back to school" campaign • Various donations to the Lim Association education fund • Donation to Ajar-Ajar Malaysia • Fundraising for multipurpose hall of SJKC Kerarong • Purchase of advanced PA System for Catholic High School • Sponsorship for school debate competition
Community 	<ul style="list-style-type: none"> • Various contribution to flood victims in Pahang state • Various assistance to flood victims nationwide • Contribution of T-Shirts for the Pahang Volunteer Team • Donation to Pertubuhan Dapur Infaq Ummah • Donation of 300 units steel double gas cookers • COVID-19 related campaigns support, donations and contributions • Contributions towards various charitable causes during the holy Muslim month of Ramadan • Sponsorship of the 38th Kiwanis Treasure Hunt 2021 • Sponsorship for SHCA Alumni Homecoming Charity Dinner • Sponsorship for Building Fundraising • Donation for Chen Ai OKU monthly expenses • Food basket donations to needy families during the pandemic period • Donations to physically handicapped individuals • Contribution for Virtual Run 2021 Anjuran Angkasa Negeri Selangor • Contribution for program Rumah Prihatian Kementerian Wilayah Persekutuan • Donation to the Sg Way Police Station Football team • Donation for charity golf tournament • Contribution for program bersama kakitangan rumah Puteri Arafah • Donation of rental deposits to Polis Diraja Malaysia at Banting, Kuala Langat

Sustainability Statement (Cont'd)

PILLAR	ACTIVITY
	<ul style="list-style-type: none">• Sponsorship for Hospis Malaysia's 20th charity motor treasure hunt 2021• Donation of teachers' fees for Blessed Sunway Mentari Learning Centre• Donation for Pusat Pelancongan Kelip-kelip Kampung Kuantan• Financial support for the establishment of a COVID-19 vaccination centre• Purchase of chiller for Lembaga Pelawat Taman Sinar Harapan• Sponsors 4 set TV to Majlis Perbandaran Kuala Selangor at Santuari Kelip-kelip Kampung Kuantan



Employee Volunteerism

LBS provides many opportunities through the LBS Foundation for staff to participate in a wide range of CSR activities. Since the inception of the Foundation, there has been high numbers of employee participation. Going forward, such participation will be recorded towards determining the actual number of hours provided by employees.

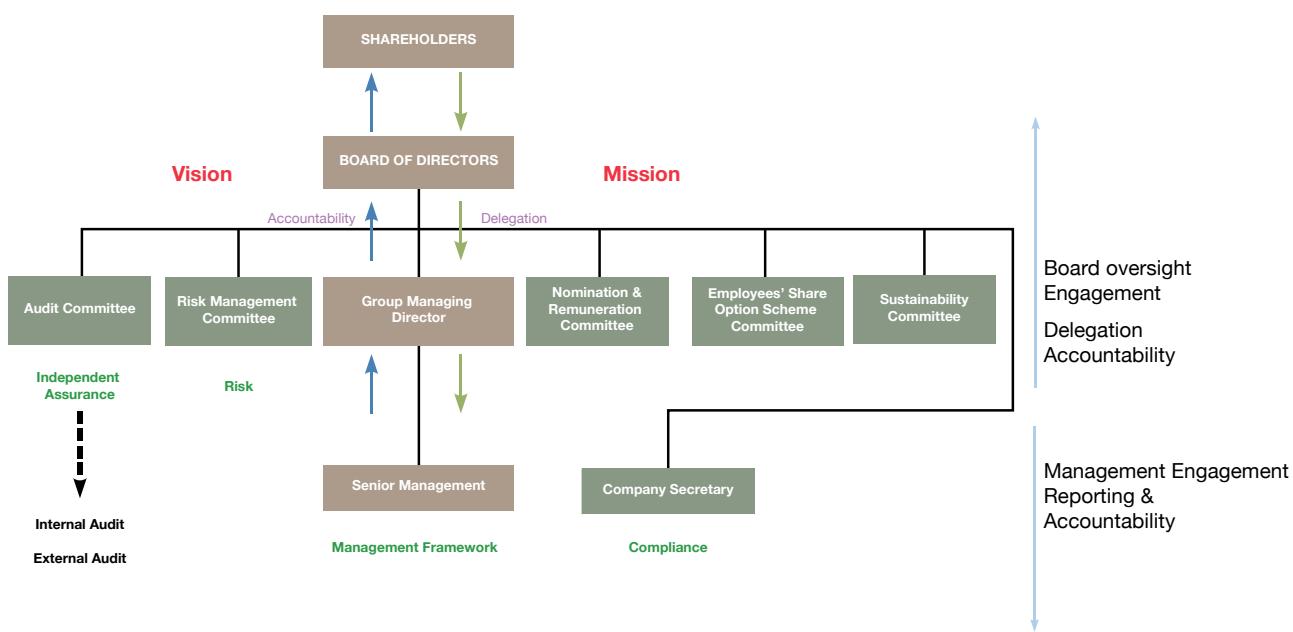
Section 6

Corporate Governance Overview Statement

Good corporate governance is an essential ingredient to the cultural and operational transformation that has, and continues, to take place within the Group. The Board continues to set the strategic direction and standards of the Group and exercises diligent oversight of the Group's activities, and is committed to upholding transparency, integrity and accountability by implementing and maintaining a strong culture of corporate governance within the Group.

LBS has continued its cultural and operational transformation, which has accelerated since the appointment of Tan Sri Dato' Sri Lim Hock San as Executive Chairman and Datuk Wira Lim Hock Guan as Managing Director in March 2021. There is further progress to be made and this will remain a clear focus of the Board.

Governance Framework



The Corporate Governance Framework is premised upon the following statutory provisions, best practices, policies and guidelines:

1. Companies Act, 2016;
2. Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Malaysia"); and
3. Malaysian Code on Corporate Governance issued in 2021 ("MCCG").

Pursuant to Bursa Malaysia's corporate governance disclosure requirements as per Para 15.25 and Practice Note 9 of the MMLR, the Board is pleased to set out a summary of the Group's corporate governance practices during the financial year ended 31 December 2021 ("FY2021") in this Corporate Governance Overview Statement ("CG Overview Statement"). In addition to this, the application of each of the Practices set out in the MCCG is disclosed in our Corporate Governance Report ("CG Report") which is available on the Group's corporate website at www.lbs.com.my and within an announcement made by the Company on the website of Bursa Malaysia at www.bursamalaysia.com.

Corporate Governance Overview Statement (Cont'd)

Principle A: Board Leadership and Effectiveness

I. BOARD RESPONSIBILITIES

Responsibilities of the Board

The Board takes full responsibility for leading, governing, guiding and monitoring Company performance as well as enforcing standards of accountability including the process for financial reporting, risk management and compliance.

The Board assumes, amongst others, the following roles and responsibilities:

- to formulate, implement and evaluate the strategic plans and direction of the Group;
- to oversee the conduct and performance of the Group's businesses;
- to identify principal risks affecting the Group, set the risk appetites, and ensure the implementation of appropriate risk mitigation measures;
- to establish and review training programmes and succession planning related to the Board as well as to ensure all candidates appointed to Key Senior Management positions are of a sufficient calibre;
- to approve the change of the corporate organisation structure plan including new investments or divestments both locally or abroad;
- to oversee the development and implementation of the stakeholder communication policy for the Group;
- to identify and ensure that the strategic plan of the Company supports long-term value creation and includes economic, environmental, social and governance (EESG) considerations underpinning sustainability;
- to oversee the implementation of the Group's sustainability strategies, priorities and targets periodically together with management and to understand and keep abreast with the sustainability issues relevant to the Group and their business, including climate-related risks and opportunities; and
- to review the adequacy and the integrity of the Group's management information and internal control system.

Separation of Positions of the Chairman and Managing Director

The roles of the Chairman and Managing Director are distinct and separate to ensure the proper balance of power and authority. The Chairman is mainly responsible for providing leadership for the Board to perform effectively, leading the Board to practise high standards of corporate governance, setting the corporate tone from the top, chairing Board meetings, setting Board agendas, and promoting effective Board relationships.

The Managing Director leads the Key Senior Management team, is responsible for assisting the Board in implementing the policies and procedures adopted by the Board to achieve the Group's objectives. The Board delegates the management of the Group's resources to the Key Senior Management team and has unrestricted access to any information pertaining to the Group. As such, Key Senior Management are invited to attend the Board Meetings as and when necessary, to furnish explanations and comments on the relevant agenda tabled at Board Meetings or to provide clarification on issues that may be raised by the Directors. The Board and Key Senior Management work together to make decisions that will result in the growth of the Company.

The delegation of authority to the Managing Director includes the responsibility for:

- Developing and implementing strategies, business plans and budgets of the organisation;
- Identifying and managing operational risks on a daily basis where those risks could have a material impact on the businesses, as well as formulating strategies to manage these risks including the preparation of Risk Assessment Reports and/or convening of Risk Management Committee ("RMC") meetings for all major investments or divestments transactions prior to final decision being made;
- Managing the Company's current financial and other reporting mechanisms as well as control and monitoring systems to ensure that these mechanisms and systems capture all relevant material information on a timely basis and are functioning effectively; and
- Ensuring that the Board and Board Committees are provided with sufficient and updated information on a timely basis in regard to the Group's businesses and, in particular, with respect to the performance, financial condition, operating results and prospects to enable the Board and Board Committees to fulfil their governance responsibilities.

Qualified Company Secretaries

The Board is supported by two Company Secretaries, namely Ms. Lee Ching Ching, ("Ms. Doris Lee") and Ms. Chooy Wai Nee ("Ms. Christine Chooy").

Ms. Doris Lee has been the Company Secretary of the Group of Companies since 2000. She is a Fellow member of the Malaysian Institute of Chartered Secretaries and Administrators ("MAICSA"). Whereas Ms. Christine Chooy, who was appointed as a Joint Company Secretary for the Company in 2019, is an Associate member of MAICSA. Both are qualified Chartered Secretaries under Section 235(2) of the Companies Act, 2016.

The Company Secretaries are responsible for the overall corporate secretarial functions as well as for providing guidance, information and advice to the Board and Board Committees on matters relating to the performance of duties in compliance with the relevant laws, rules, regulations and procedures affecting the Board and the Group.

The Board members and Board Committees have unlimited access to the services of the Company Secretaries and are kept updated on new regulations, requirements and current developments in the regulatory framework and governance practices relating to their duties and responsibilities. The Company Secretaries are responsible for monitoring corporate governance compliance matters and assisting the Board in applying the relevant governance practices. They also facilitate the organisation of internal training programmes or external seminars and workshops for the Directors and keep records of the training sessions attended by the Directors.

The Company Secretaries are also responsible for organising and managing the Board's, committees' and shareholders' meetings, and to ensure these meetings are properly convened and that the appropriate records of the deliberations and proceedings are accurately recorded and duly signed by the respective chairman of the meeting.

Meeting Materials and Supply of Information

The Key Senior Management team has an obligation to supply the Board and its Committees with adequate information in a timely manner, to enable them to make informed decisions. Where more information is required than those voluntarily given by the Key Senior Management team, all Directors are allowed to make further enquiries where necessary. Therefore, the Board and individual Directors have separate and independent access to the Company's Key Senior Management for additional information and advice at all times.

The Board is supplied with financial and non-financial information in order for them to monitor the Company's performance against its strategic objectives. The information provided includes but is not limited to:

- quarterly financial performance report of the Group;
- risk assessment reports on major investments and divestments of the Group;
- major operational and financial report including sales analysis and debtor aging;
- report on the digitalisation roadmap implementation;
- updates on the progress of governance on sustainability including implementation of initiatives on environment, economic, social and governance.
- the Group's risk profile;
- updates on governance matters on integrity including conflict of interest, related party transaction and whistleblowing.
- updates on corporate exercises and significant compliances; and
- updates on regulatory and legislation changes.

Presentations on major proposals are made at meetings of the Board and Board Committees in a manner that ensures clear and adequate information on the subject matter is delivered. All Directors have the right and duty to make further enquiries where they consider necessary. Members of the Key Senior Management team are invited to the meeting to provide insight and to furnish clarification on issues that may be raised by the Board.

To ensure that the Board receives information in a timely manner, the Company Secretaries are responsible for ensuring notices of meetings are sent to the Directors at least five business days in advance. The Company Secretaries shall compile

Corporate Governance Overview Statement (Cont'd)

all relevant meeting materials and deliver these in an eBook format on the same day that the notices are sent. This provides the Board with sufficient time to go through the meeting eBook and to raise questions or concerns during the meeting.

All Directors, whether as a full Board or individually, have full and unrestricted access to the advice and services of the Key Senior Management team, Company Secretaries, Internal Auditors and External Auditors in discharging their duties in accordance with the Terms of Reference of the Board Committees.

When necessary, the Board members may seek external professional advice, whether as a full Board or in their individual capacities, to enable them to discharge their duties with adequate knowledge at the expense of the Company. In addition, the Board has unrestricted access to the Company's information and receives regular information updates from the Management. The corporate announcements released to Bursa Malaysia are also emailed to all Directors.

The Company Secretaries, who attend each Board Meeting play an important role in ensuring that Board procedures are adhered to at all times during meetings. They are to advise the Board on matters such as corporate governance requirements and Directors' responsibilities in complying with relevant legislation and regulations. During the year 2021, the Board was updated by the Company Secretaries on matters pertaining to new regulations or requirements concerning their duties and responsibilities. These updates centred mainly on the amendments to the MMLR of Bursa Malaysia and the Companies Act, 2016.

Board Charter

The Board has adopted a Board Charter which sets out how its roles, powers and responsibilities are to be exercised, having regard to principles of good governance, best practices and applicable laws.

The Board Charter upholds high standard of governance and clarifies, amongst others, the roles and responsibilities of the Board and serves as a general statement of intent and expectation in discharging its duties and responsibilities. The Board Charter also outlines the procedures and practices for an effective Board.

The Board Charter is reviewed and updated periodically as and when necessary to ensure its appropriateness and relevance to the Company from time to time and its compliance with the relevant laws, rules and regulations.

The Board Charter comprises, amongst others, the following key areas:

- **Roles and Responsibilities** of the Board, Board Committees, Chairman, Managing Director and Senior Independent Non-Executive Director;
- **Board Size and Composition;**
- **Board Functions** on Ethics and Compliance, Risk Management, Policy and Procedures, Sustainability and Stakeholder Communications;
- **Board Efficiency** on Selection of Candidates, Appointments to the Board, Terms of Appointment, Tenure of Independent Directors, Board Diversity, Directors' Remuneration, Board Effectiveness, Board and Management, New Directorships and Time Commitment, Restriction of Directorships, Directors' Training and Development and Company Secretary; as well as
- **The Process** for Board Meetings, Committee Meetings and Decision-Making.

The followings are some of the key matters reserved for the Board:

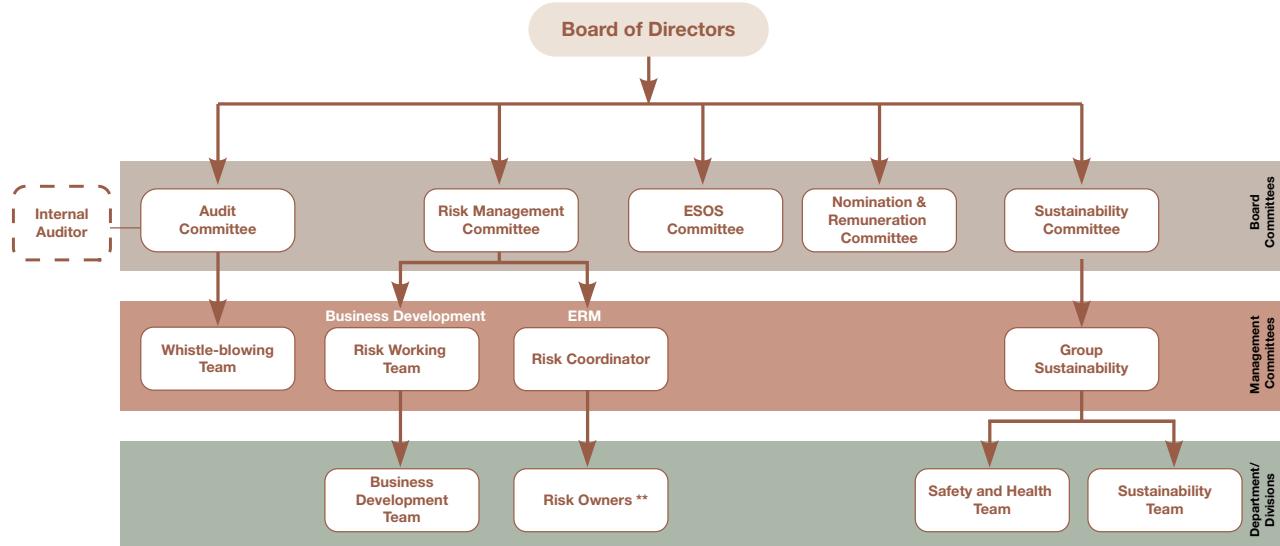
- Review, debate and approval of corporate strategies, plans, targets and programmes proposed by Management prior to their implementation and execution;
- Approval and monitoring of the progress of material investments and divestments, mergers and acquisitions, corporate restructuring both locally and abroad;
- Appointment of new Directors and Chief Executive Officer/Managing Director based on recommendation of the Group's Nomination and Remuneration Committee ("NRC");
- Annual financial statements and the quarterly financial results prior to releasing to Bursa Malaysia; and
- Material related party transactions and capital financing.

The Board Charter is available at the Company's website at www.lbs.com.my.

Board Committees

The Board delegates specific responsibilities to the respective committees of the Board, namely the Audit Committee ("AC"), NRC, Employee Share Option Scheme ("ESOS") Committee, Sustainability Committee and RMC in order to enhance business and corporate efficiency and effectiveness. The Chairman of the respective Board Committee will brief the Board on the matters discussed at the respective Committees' meeting and minutes of these meetings will be circulated to the Board. All Board Committees operate within their clearly defined Terms of Reference and operating procedures whereupon the Board receives reports of their proceedings and deliberations with their recommendations. The ultimate responsibility for decision making lies with the Board.

The following diagram shows a brief overview of the Board Committees of the Company:



** Risk Owners comprised of HODs from Corporate/ Project/ Hotel/ Retail Divisions

Sustainability Committee

The Sustainability Committee has, with the assistance of the consultant, developed the Group's sustainability approach after performing a materiality assessment to identify issues material to the Group's stakeholders, taking account of the Group's key focus areas, operational strategy and business model. During the year 2021, the Sustainability Committee has convened one meeting attended by all members and 4 discussions involving few steering groups covering different ESG aspects.

In the year 2022, the Sustainability Committee was restructured to become a Board Committee with all the members are Directors. Report directly to the Board, the Sustainability Committee is assisted by Group Sustainability (“GS”) and duly supported by the Key Senior Management.

The GS, leads by Head of Sustainability, is responsible to oversee material ESG concerns, to develop and implement action plans for the realisation of set goals and targets. It also drives the awareness across the Group through on-going engagement activities. The GS is assisted by Sustainability Team. The Group communicates its sustainability strategies, priorities and implementation to stakeholders in detail annually via the Sustainability Report 2021 which is available on the Company's website as well as the website of Bursa Malaysia.

ESOS Committee

The ESOS Committee is responsible for the administration and implementation of the ESOS in accordance with the Bye-Laws of ESOS for the Group. No meeting was convened in the year 2021 and no Options were granted under the ESOS as in line with the cost rationalisation exercise of the Group. As the ESOS tenure would be expiring in September 2022, this Committee would be dissolved accordingly unless a new scheme is established.

Corporate Governance Overview Statement (Cont'd)

Formalised Ethical Standards through Code of Ethics

The Group's Code of Ethics for Directors and employees continues to govern the standards of ethics and good conduct expected from Directors and employees.

Directors' Code of Ethics

The Board in discharging its functions, aside from observing the Code of Ethics for Company Directors issued by the Companies Commission of Malaysia, the provisions of Companies Act, 2016 and the MCCG, has also adopted its own Directors' Code of Ethics. This sets out 12 principles as guidance for proper standards of conduct, sound and prudent business practices, as well as standards of ethical behaviour for Directors and employees, based on the principles of integrity, responsibility, sincerity and corporate social responsibility.

Code of Ethics

- To observe high standards of Corporate Governance
- To devote sufficient time and effort
- To avoid conflict of interest
- To avoid misuse of position and information
- To ensure integrity of records
- To ensure confidentiality of communication and transactions
- To ensure compliance with applicable laws
- To demonstrate openness and timeliness of communication
- To exercise duties and act honestly in the best interest of the company
- To uphold accountability
- To maintain positive relationship with shareholder, employees, creditors and customers
- Corporate Social Responsibility

The Board will review the Directors' Code of Ethics as and when necessary to ensure it remains relevant and appropriate. The full version of the Directors' Code of Ethics is available on the Company's website.

Employees are also expected at all times to maintain the highest standards of professionalism and integrity. The Company has set out various policies and procedures in relation to the Code of Ethics and the Code of Conduct for Directors and employees, such as:

Insider Trading

Directors and employees who possess price sensitive information which is not available to the public, are not allowed to trade in the Company's securities which is consistent with Subdivision 2 – Insider Trading, Part V – Market Misconduct and Other Prohibited Conduct of the Capital Markets and Service Act, 2007 and Paragraph 14.04 of the MMLR of Bursa Malaysia.

Relevant notifications in relation to the dealings of the Company's securities during the closed period are sent to Directors and principal officers on a quarterly basis specifying the timeframe of the closed period and the day of which they are prohibited from dealing in the Company's securities.

Declaration of Interests

The Directors acknowledge that by declaring their interest in any transaction with the Company and the Group, they will abstain from deliberation and voting on the relevant resolutions at the Board Meetings or any general meeting to be convened to consider the matter. If a corporate proposal has to be approved by the shareholders, the Directors with any interest in the proposal will abstain from voting on the resolution and will further undertake to ensure that persons connected to them also will abstain from voting on the resolution.

Group IT Policies

Under the Group IT Policies, staff are strictly prohibited from installing, copying or downloading any illegal, unlicensed and unauthorised software onto their desktop computer and notebook, as any of these actions would constitute a criminal offence under the Copyright Act, 1987. Stern disciplinary action will also be taken against any staff who is found to have committed such an offence.

Standard Operating Procedures and Policies (“SOPPs”)

Well documented SOPPs of major functions of the various key departments within the Group have been established and approved as standard processes, procedures and responsibilities for all employees. These serve as employees' key references so as to maintain the efficiency and uniformity of the performance of a specific function. These SOPPs, which are made available to all staff via the internal computer network storage sharing folder of the Company, are subject to review from time to time.

Corporate Disclosure Policy and Procedure

The Company has adopted its Investor Relations (“IR”) Policy (“IR Policy”) as its official corporate disclosure policy and procedure in disseminating corporate and material information to the investing public.

The Company is committed to ensuring the accurate, balanced, clear, timely, consistent and fair disclosure of corporate information with reference to its IR Policy and the Corporate Disclosure Guide introduced by Bursa Malaysia. At the same time, the Company adheres to the corporate disclosure requirements set out under the MMLR of Bursa Malaysia to enable informed and orderly market decisions by investors.

Employee Code of Conduct

Employees are expected at all times to maintain the highest standards of professionalism and integrity in all that they do. This includes communications with colleagues, customers, clients, suppliers and the public. These standards apply to communications that are verbal, written (for example: memo, letter and report) and electronic (including but not limited to fax, email, mobile phone text messages, telephone, voicemail or the internet).

Apart from carrying out their respective job functions, employees are to obey and comply with all reasonable and lawful orders and directives from the Company. They are also to faithfully observe all rules, regulations and policies which may be applicable to the Group in general.

Corporate Governance Overview Statement (Cont'd)

Sexual Harassment Policy

This Policy is intended to ensure that all employees are free from sexual harassment at the workplace. The aim of Management is to provide a safe and conducive working environment. Sexual harassment of any nature at the workplace is prohibited and will not be tolerated or condoned by Management. Management will investigate all complaints of sexual harassment fairly and objectively. Appropriate action will be taken against the employee(s) concerned, based on available evidence.

Privacy and Personal Data Protection Policy

All personal data will be kept and processed in a secured manner. Procedures are in place to ensure that all employees, contractors, agents, consultants and other parties who have access to any personal information held by or on behalf of us are fully aware of and abide by their duties and responsibilities under the Act.

Anti-Bribery and Corruption Policy

The Group recognises the importance of establishing and upholding good corporate governance in its daily business operations in accordance with the highest ethical standards and in full compliance with all applicable laws, regulations and/or standards in all jurisdictions in which the Group operates.

The Group has at all material times adopted a zero-tolerance approach against all forms of bribery and corruption within the Group. The Group remains committed to complying with all laws and regulations which govern its business and operations to the highest standards of ethical conduct and integrity, professionally and fairly.

In line with the requirements of the Malaysian Anti-Corruption Act 2007, the Board has formalised the Anti-Bribery and Corruption Policy and Procedures of the Group. The Board advocates a business environment that is free from corruption. The Anti-Bribery and Corruption Policy is applicable to the Group's personnel, its subsidiaries and business associates acting on the Group's behalf. Joint-venture companies and associated companies are encouraged to adopt these or similar principles.

The full version of the Anti-Bribery and Corruption Policy is available on the Company's website.

Gift, Entertainment & Hospitality Policy

This Policy is provided the guidelines on the giving or receiving of Gift, Entertainment and Hospitality to and from third parties.

Full version of the Gift, Entertainment & Hospitality Policy is available on the Company's website.

Donations and Sponsorships Policy

All Donations and Sponsorships provided by LBS Group must be ethical and legal under applicable laws and not with intention to influence any business decisions or cause other to perceive it as such.

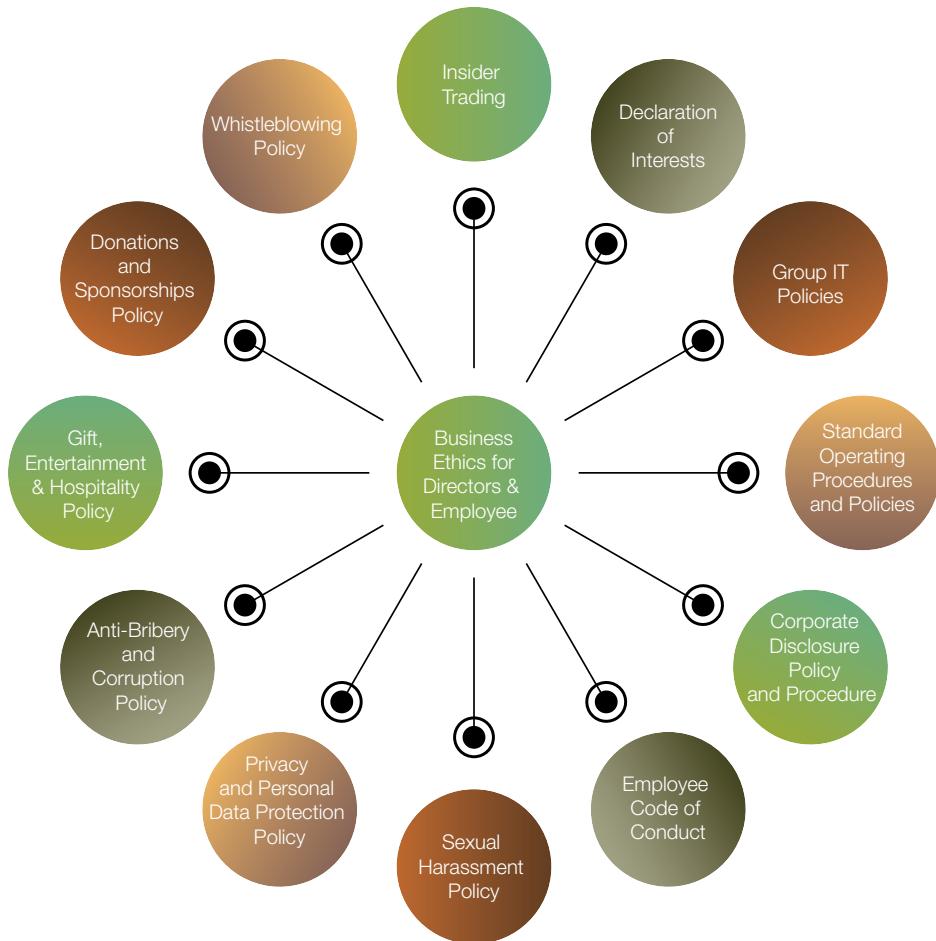
Full version of the Donations and Sponsorships Policy is available on the Company's website.

Whistleblowing Policy

The Board believes in upholding high standards of integrity and accountability in managing its day-to-day businesses and operations and aims to conduct its affairs in an ethical, responsible and transparent manner.

The Board has established a Whistleblowing Policy for the Group to encourage employees and stakeholders to report or disclose any improper conduct in accordance with the procedures and to provide protection to them from reprisal as a consequence of making such a disclosure.

The Whistleblowing Policy was reviewed and updated in 2022 to enhance its appropriateness and relevance to the Company and its compliance with the relevant laws, rules and regulations. The full version of the Whistleblowing Policy is available at the Company's website.



Given the Board's emphasis on the strategic importance of sustainability to the Group and restructured Sustainability Committee as a Board Committee. During the year, the Sustainability Committee, with assistance of the consultant, has reviewed the Group's sustainability approach after performing materiality assessment to identify issues material to the Group's stakeholders, taking account of the Group's operational strategy and business model. The Sustainability Committee fulfils an important governance role by ensuring the Group's sustainability approach, covering key environment and social issues, is embedded into day-to-day operations.

Other policies including Workplace Harassment Policy, Environmental Policy Statement, Human Rights Policy are made available at the website of the Company.

II. BOARD COMPOSITION

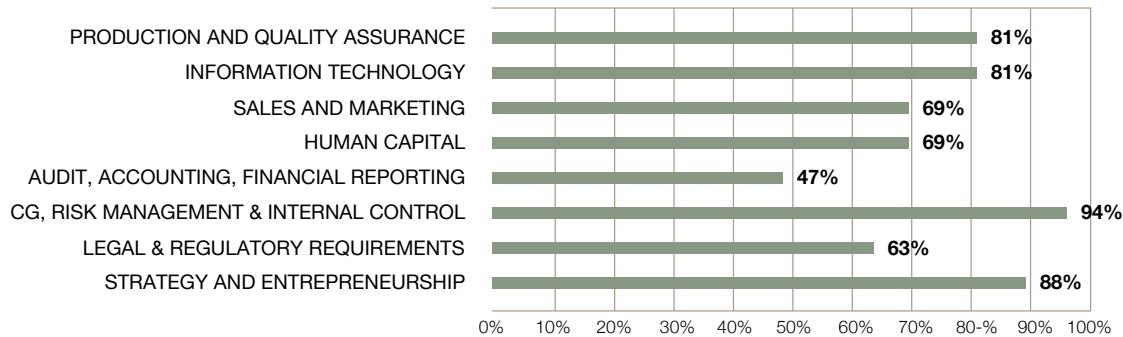
The Board presently has eight (8) members comprising four (4) Independent Non-Executive Directors ("INED") and four (4) Non-Independent Executive Directors (including the Group Managing Director/Chief Executive Officer) led by the Tan Sri Dato' Sri Lim Hock San as the Executive Chairman. Following the appointment of Dato' Yong Lei Choo as an INED on 14 January 2022, the retirement of Datuk Lim Tong Lee as INED on 14 January 2022 and as part of the effort of the Group in streamlining the Board Composition in line with the Company's step towards stronger and more active corporate governance structure, Dato' Sri Lim Hock Seong and Mr. Lim Kim Kiat as Non-Independent Executive Director were resigned as Executive Director

Corporate Governance Overview Statement (Cont'd)

and re-designated as Deputy Chief Executive Officer of the Company on 14 January 2022, the percentage of Independent Directors has risen to 50%. The Board shall continue to review its composition to comply with the recommended practice of ensuring at least half of the members of the Board are Independent Directors.

A Board Skills Matrix has been used as reference for the Directors' continuing development and succession planning. The Board consists of individual with a diverse wealth of qualifications, experiences, skills and knowledge in areas ranging from civil engineering, accountancy, banking and finance, to business entrepreneurship, information technology and public service. The composition of the Board is deemed fairly balanced to complement and provide clear and effective leadership to the Company and bring informed and independent judgement to various aspects of the Company's strategies and performance.

Experience and Skills



A brief profile of each director is presented in the "Directors' Profile" section of this Integrated Annual Report 2021. Further detail of the board diversity is presented in the Sustainability Report 2021 of the Company.

The Board also recognises the pivotal role of the INED in corporate accountability as they provide unbiased and independent views, advice and judgement to issues and decisions and act in the best interests of the Group and its shareholders.

Board Appointment Process

The Board has delegated the responsibility for recommending a potential candidate to fill a Board vacancy to the NRC. The Company has established "Board Appointment Process" with regards to maintaining a formal and transparent process for Board appointments. The NRC assists the Board in ensuring the existence of the right mixture of skills, knowledge, experiences, qualities and gender, among other criteria that are relevant and contribute to the effective functioning of the Board. The ultimate decision on the appointment of a new Director lies with the Board as a whole.

The NRC leverages on the Directors' network, shareholders' recommendation, and industry database to source for potential candidate for appointment of directors. The candidates available will be assessed to determine whether they possess the appropriate skills, competencies, experience, integrity, time, etc. to effectively discharge the role as director before potential candidate is recommended to the Board for consideration and approval. Besides, the diversity of the Board's composition which include, inter-alia, gender, ethnicity, age, cultural background will also be taken into consideration in the board appointment process.

During January 2022, the NRC through internal and external sources, have been seeking for suitable candidate to fill the vacancy. In line with the strategy of enhancing the governance structure, one of the important criteria in selection of candidate was the gender and integrity, in addition to other elements such as independency and board experience. With assistance from an external consultancy firm in the sourcing process, upon the recommendation of NRC, the new INED Dato' Yong Lei Choo was appointed to fill the vacancy. The appointment of Dato' Yong Lei Choo has strengthened the profile of the Board and improved the Board's gender diversity and independence.

Re-election of Directors

The NRC is responsible for making recommendations to the Board in relation to those Directors who are due for retirement by rotation and are eligible to stand for re-election. The recommendations made are to be in compliance with the MMLR of Bursa Malaysia and in accordance with the Company's Constitution where one-third (1/3) of the Directors, including the Group Managing Director, shall retire from office at least once every three (3) years and be eligible for re-election at the Annual General Meeting ("AGM"). Directors who were appointed during the year are subject to retirement and re-election by the shareholders at the next AGM following their appointment.

The names of the two (2) Directors seeking for re-election at the forthcoming 22nd AGM are disclosed in the Notice of AGM. The Board, on the recommendation of the NRC, and with retiring Directors abstaining, have endorsed the re-election of the retiring Directors.

Boardroom Diversity

The Board has in place a Board Diversity Policy which sets out the approaches approved by the Company to achieve diversity of the Board. Under this Policy, the Company recognises and embraces the benefits of having a diverse Board and sees increasing diversity within the Board as an essential element in maintaining its competitive advantage and supporting its sustainable development. In determining an optimum composition of the Board, the Company will consider all aspects of diversity and will also take into account factors based on its own business model and specific needs from time to time. The Human Resources Department has adopted similar criteria in its selection and appointment process for employees.

The appointment of Board members will be based on meritocracy and candidates will be considered against objective criteria, having due regard for the benefits of diversity within the Board. Selection of candidates will be based on a range of diversity perspectives, including but not limited to gender, ethnicity, age, skills, regional and industry experience and exposure, cultural and educational background, as well as professional experience. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board. The Company does not set any specific target for female Directors and/or female Key Senior Management; however, it will actively work towards having more female members on the Board and the Key Senior Management team. The Board recognises that the evolution of Board balance and diversity is a long-term process and will weigh the various factors relevant to Board balance and diversity when vacancies arise.

The NRC is responsible for ensuring that diversity principles are adopted in the Board and Management appointments, Board performance evaluation and succession planning processes.

The Succession Planning Policy is available at the Company's website.

Tenure of Independent Directors

In accordance with the Board Charter, the tenure of service of Independent Directors is capped at the maximum limit of nine (9) years as recommended by the MCCG. Upon completion of a nine-year term, an Independent Director may continue to serve on the Board subject to his re-designation as a Non-Independent Director and subject to shareholders' approval.

On 14 January 2022, Datuk Lim Tong Lee who has served the Board for 9 years has retired as INED and the Company appointed Dato' Yong Lei Choo to fill the vacancy.

None of the INED's tenures have exceeded a cumulative term of nine (9) years in FY2021.

Corporate Governance Overview Statement (Cont'd)

Annual Assessment of Independence

Paragraph 1.01 of the MMLR of Bursa Malaysia provides that an INED is one who is independent of management and free from any business or other relationship that could interfere with the exercise of independent judgement or the ability to act in the best interests of a listed company.

The present composition of the Board is in compliance with Paragraph 15.02(1) of the MMLR of Bursa Malaysia where four (4) out of its total eight (8) Board members are Independent Directors. The Board assess the independence of its INED annually for appropriate proper functioning of the Board and provides effective checks and balances in discharging its responsibilities. No individual or small group of individuals dominates the Board's decision making. For the purposes of determination of independence, the INEDs who are not related to the substantial shareholders of the Company, provide declarations regarding their independence.

When reviewing the independence of the INEDs, the NRC has considered their other directorships, annual declarations regarding their independence, disclosures of interest in transactions in which they have a direct or indirect interest, their ability to avoid any apparent conflicts of interests especially by abstaining from deliberation on such transactions, and their ability to maintain objectivity in their conduct as Directors of the Company.

The Board is satisfied with the assessment of the INEDs especially with the level of independence demonstrated by all the INEDs of the Company and their ability to provide objective judgement to the Board, which mitigates conflicts of interest and undue influence from interested parties.

Annual Evaluation

The NRC was established with defined Terms of Reference to assist the members of the NRC in discharging their duties. The NRC comprises three (3) members who are exclusively INEDs pursuant to Paragraph 15.08A(1) of the MMLR of Bursa Malaysia. The Committee is chaired by Datuk Dr. Haji Baharum bin Haji Mohamed, a Senior Independent Non-Executive Director of the Company.

During FY2021, a total of two (2) NRC meetings were held. The attendance of each Director is tabulated below:

Directors	Number of Meetings	Attendance
Datuk Dr. Haji Baharum bin Haji Mohamed	2	2
Datuk Lim Si Cheng	2	2
Datuk Lim Tong Lee (retired on 14.1.2022)	2	2

The NRC has assessed the effectiveness of the Board as a whole and the Board Committees through the completion of assessment questionnaires. The assessment parameters included structure, operations, tenure, roles and responsibilities and their effectiveness.

Through an Evaluation Panel comprising the Chairman of the Board, Chairman of the NRC and Chairman of the Audit Committee, the NRC has assessed each Director's contribution to the effectiveness of the Board. The assessment parameters include their attendance record, contributions to interaction, the quality of their input, and their understanding of their roles.

The evaluation process is a constructive mechanism for improving board effectiveness, maximising strengths and tackling weaknesses, leading to an immediate improvement of performance throughout the organisation. When assessing the performance of Board members, the assessment forms will be distributed to every member of the Evaluation Panel. Upon completion, the Company Secretaries gather the forms, summarise and present the results of the performance assessment to the NRC. The assessment for the Board as a whole and Board Committees will be carried out by the NRC at the meeting. A questionnaire which forms part of the meeting documents will be completed by the NRC after discussion. The findings of all evaluations will later be reported to the Board. The following evaluation forms are used:-

- (a) Independent Director's Self-Assessment Checklist;

- (b) Director's Performance Evaluation;
- (c) Board and Board Committees Performance Evaluation;
- (d) Audit Committee Evaluation Sheet; and
- (e) Audit Committee Member's Self & Peer Performance Evaluation Sheet.

The NRC also reviews remuneration package comprising salaries, bonuses, benefits-in-kind and allowances of Executive Directors annually to ensure that the remuneration packages are fair and reasonable. The determination of the remuneration of the INEDs is a matter for the Board as a whole.

A summary of the activities of the NRC in discharging its duties during the year under review is as follows:

- (a) Reviewed the composition of the Board in respect of its structure, size and the required mixture of skills and experience;
- (b) Reviewed the re-election of Directors retiring by rotation pursuant to the Company's Constitution at the Twenty-First AGM of the Company;
- (c) Assessed the independence of INEDs;
- (d) Reviewed remuneration package comprising salaries, incentives, bonuses, benefits-in-kind and allowances of Executive Directors. The determination of the remuneration of the INEDs is a matter for the Board as a whole;
- (e) Undertook an annual assessment and evaluation of the Board, Board Committees and the individual Directors;
- (f) Reviewed and assessed the proposed appointment of Executive Directors, Independent Non-Executive Directors and Alternate Directors; and
- (g) Assist the Board to identify training needs and facilitate for the training and development to ensure they are adequately updated with the latest development in carrying out their responsibilities as a Director.

The NRC, upon its annual assessment, confirmed that the present size and composition of the Board has the requisite competencies and capacity to effectively oversee the overall businesses and handle all matters pertaining to the Group.

The Board is satisfied that the current function of NRC in respect of nomination and remuneration matters is in accordance with its Terms of Reference.

Time Commitment

None of the members of the Board has more than five (5) directorships in listed companies. This ensures that their commitment, resources and time are more focused which enables them to discharge their duties efficiently. All Directors are obliged to notify the Board before accepting any new directorships in other listed companies. The notification will include an indication of time that will be spent on the new appointments to ensure that the Directors have sufficient time to discharge their duties to the Board and the various committees on which they serve.

The Directors of the Company acknowledge the importance of allocating sufficient time to attend the affairs of the Company and at the same time ensure their full commitment towards the business needs of the Group.

Although there is no specified time commitment required of the Directors in terms of the number of days per year, the Board is satisfied with the level of time commitment given by the Directors towards fulfilling their roles and responsibilities as Directors of the Company. Besides attending Board, Board Committees and general meetings, the time spent by Directors also include attending informal meetings and discussions with Management relating to the Group's affairs, corporate events like project launches, project site visits, inhouse professional development and training and all other major corporate events, functions, briefing and dinners organised by the Company.

Corporate Governance Overview Statement (Cont'd)

Board Meetings

A pre-scheduled annual calendar of the Board Meetings is circulated to all the Board members at the beginning of each year to facilitate the Directors to plan their schedules. Board Meetings are usually held a minimum of five (5) times in a year. Additional meetings will be convened as and when there are important and urgent decisions to be made, which require additional time to be spent between the scheduled meetings. Directors are also allowed to participate in Board Meetings via tele-conference.

All the Directors have complied with the minimum 50% attendance requirement in respect of Board Meetings as stipulated in the MMLR of Bursa Malaysia. During FY2021, a total of five (5) Board Meetings were held. The attendance of each Director is tabulated as below:

Directors meetings	Number of meetings	Attendance
Tan Sri Dato' Sri Lim Hock San	5	5
Datuk Wira Lim Hock Guan	5	5
Maj (Hon) Dato' Sri Lim Hock Sing	5	5
Dato' Lim Mooi Pang	5	5
Dato' Lim Han Boon	5	5
Datuk Dr. Haji Baharum bin Haji Mohamed	5	5
Datuk Lim Si Cheng	5	5
Datuk Lim Tong Lee (retired on 14.01.2022)	5	5
Dato' Sri Lim Hock Seong (resigned on 14.01.2022)	5	5
Mr. Lim Kim Kiat (resigned on 14.01.2022)	5	5

Members of Key Senior Management were invited to attend Board meetings to furnish additional details or provide clarification on matters tabled for consideration by the Board.

Directors' Training and Induction

The Company has adopted the Directors' Induction Programme, a formal induction programme for newly appointed Directors. A formal letter detailing the general duties and obligations as a Director pursuant to the relevant legislations and regulations will be given to each new Director. The new Director will also be provided with books and reading materials relating to the roles and responsibilities of a Director, the Group's principal businesses, corporate governance practices, company policies and procedures as well as a Board meeting calendar for the year.

The Company Secretaries would lead this comprehensive induction programme which includes meeting with members of Key Senior Management and their teams to allow the new Director to be acquainted with the Management and to facilitate their future independent access to Management. The programme also includes a briefing by the Company Secretaries on the Board processes, internal controls and governance practices and by the Key Senior Management team on key areas of the Company's operations. Project site visits will also be arranged for the new Director to view the developments of the Group. An induction programme was conducted for Dato' Yong Lei Choo on 16 February 2022.

For a first time Director, he or she would be attending the Mandatory Accreditation Programme ("MAP") as prescribed by the MMLR of Bursa Malaysia in order to acquire the relevant knowledge on what is expected of a listed company director. New member of the Board, Dato' Yong Lei Choo has completed her MAP on 14 April 2022.

All Directors are also provided with updates and/or briefings from time to time by professional advisers, consultants, Management and the Company Secretaries in areas such as corporate governance practices, relevant legislations and regulations and financial reporting standards. The Company Secretaries periodically inform the Directors of the availability of appropriate courses, conferences and seminars, and the Directors are encouraged to attend such training at the Company's expense.

Members of the Board attended training programmes, conferences, seminars, courses and/or workshops during the financial year. A summary of selected in-house education programmes and external training sessions attended by Directors are set out as follows:

NO	DATE	SEMINARS/FORUM/CONFERENCE/TRAINING
Tan Sri Dato' Sri Lim Hock San		
1	3-Sep-21	Fraud & Financial Scandals: Trends, Red Flags and Mitigations
2	3-Dec-21	Corporate Governance Case Studies Programme
Datuk Wira Lim Hock Guan		
1	3-Sep-21	Fraud & Financial Scandals: Trends, Red Flags and Mitigations
2	3-Dec-21	Corporate Governance Case Studies Programme
Maj (Hon) Dato' Sri Lim Hock Sing		
1	3-Sep-21	Fraud & Financial Scandals: Trends, Red Flags and Mitigations
2	3-Dec-21	Corporate Governance Case Studies Programme
Dato' Lim Mooi Pang		
1	3-Sep-21	Fraud & Financial Scandals: Trends, Red Flags and Mitigations
2	7-Oct-21	IR Strategy Workshop
3	25-Nov-21	ESG Workshop
4	3-Dec-21	Corporate Governance Case Studies Programme
Datuk Dr. Haji Baharum Bin Haji Mohamed		
1	3-Sep-21	Fraud & Financial Scandals: Trends, Red Flags and Mitigations
2	3-Dec-21	Corporate Governance Case Studies Programme
Datuk Lim Si Cheng		
1	3-Sep-21	Fraud & Financial Scandals: Trends, Red Flags and Mitigations
2	29-Nov-21	Audit oversight board with Audit Committees
3	3-Dec-21	Corporate Governance Case Studies Programme
Dato' Lim Han Boon		
1	18-Jan-21	How to be an Effective NED in a Disruptive World
2	18-Feb-21	Government in Business - Leading or Lagging
3	22-Mar-21	ICDM PowerTalk Series 2021: Positive Agenda: Leadership in Covid-Exit
4	13-Apr-21	Leadership Talk Series - Huawei
5	14-Apr-21	BlackRock Asia Corporate Director Forum
6	17-Jun-21	PIKOM Digital Summit 2021
7	22-Jun-21	Disruptive Technologies
8	11-Aug-21	Talent Hiring: Navigating the Lockdown and Preparing for reopening
9	23-Aug-21	Digital Disruptors Week - Malaysia a place for Fintechs in SEA
10	3-Sep-21	Fraud & Financial Scandals: Trends, Red Flags and Mitigations
11	21-Sep-21	2021 Malaysian Banking & Finance Summit

Corporate Governance Overview Statement (Cont'd)

NO	DATE	SEMINARS/FORUM/CONFERENCE/TRAINING
Dato' Lim Han Boon (Cont'd)		
12	12-Oct-21	Stakeholders Engagement
13	3-Dec-21	Corporate Governance Case Studies
14	6-Dec-21	Conversation with Audit Committee
15	14-Dec-21	Your Biggest "S" in ESG

With the assistance of the NRC and Company Secretaries, the Board will continue to evaluate and determine the training needs of its members to assist them in discharging of their duties as Directors of the Company effectively.

III. REMUNERATION

The Group is committed to achieve better performance and this depends crucially on the individual contributions made by the Board and employees at all levels. Accordingly, the Board believes that an effective Remuneration Policy plays an essential part in attracting, retaining and motivating talents of the Group.

In reviewing the remuneration for Executive Directors, the NRC, with the assistance of Human Resources Department, consider whether a remuneration package has achieved the following main objectives:

- to ensure a remuneration package is competitive enough to attract and retain an Executive Director who is capable of meeting the Company's goals;
- to reward an Executive Director for achieving corporate and individual performance targets in a fair and equitable way;
- to ensure the remuneration package reflects the Executive Director's duties and responsibilities and contain incentives to motivate the Executive Director to deliver the Group's performance objectives without encouraging excessive risk taking; and
- the Remuneration Policy must be sufficiently flexible to take account of changes in the Group's business environment and market practices.

The Remuneration Policy is available at the Company's website.

The remuneration packages for Executive Directors comprises a fixed component (in the form of basic salary, contractual bonus and benefits-in-kind) and variable components (which includes variable year-end bonus and employee share options). The ESOS, serves as an long term incentive for the Executive Directors and the Key Senior Management, helps retain top talent in a highly competitive work environment as the business continues evolving in predetermined and potentially lucrative directions. Salient features of the ESOS and its mechanisms are disclosed in the Notes to the Financial Statements for the FY2021 in this Integrated Annual Report 2021.

When reviewing and determining the structure of Directors' remuneration, the NRC takes into account the following criteria:

- Individual performance;
- Skills and knowledge;
- Involvement in the Group's affairs;
- Achievement of Group's internal targets; and
- Performance and profitability of the Group.

The NRC also considers other factors such as salary paid by comparable companies, time commitment, scope of duties and responsibilities. Relevant information on Directors' remuneration from independent consultants or survey data, when available, will also be used as reference by the NRC.

The Board as a whole recommends the proposed fees for the Non-Executive Directors with the individual Directors concerned abstaining from decisions in respect of their individual remuneration. The remuneration payable to Non-Executive Directors is subject to shareholders' approval at the AGM of the Company and Directors who are also shareholders will abstain from voting at the AGM to approve their own remuneration. The payment of Directors' fees, allowances, benefits in kind to the Directors are subject to the approval of shareholders at the Company's AGM in accordance with the provisions of the Companies Act, 2016.

The Group implemented a cost rationalisation exercise in year 2020 amid the Covid-19 pandemic. In solidarity with all employees, the Non-Executive Directors agreed to reduce their Directors' fees by 7% for FY2020 and it has been proposed to reinstate and improve for FY2021 by 7.8% as compared to pre-pandemic FY2019, subject to shareholders' approval at the AGM.

The remuneration of the Directors for FY2021 is set out below:

(a) The aggregate Directors' remuneration received/receivable from the Company during FY2021 are as follows:

Company only	Director's Fee RM'000	Salary, Bonuses, Allowances and Other Emoluments* RM'000	Benefits in Kind RM'000
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Non-Executive Directors

Dato' Seri Lim Bock Seng
(Resigned on 01.03.2021)

Dato' Lim Han Boon	17	5	-
Datuk Dr. Haji Baharum Bin Haji Mohamed	52	9	-
Datuk Lim Si Cheng	52	12	-
Datuk Lim Tong Lee (Retired on 14.01.2022)	52	11	-

Corporate Governance Overview Statement (Cont'd)

(b) The aggregate Directors' remuneration received/receivable on a Group basis during the FY2021 is as follows:

Group	Director's Fee RM'000	Salary, Bonuses, Allowances and Other Emoluments* RM'000	Benefits in Kind RM'000
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Executive Directors

Tan Sri Dato' Sri Lim Hock San	343	3,398	203
Datuk Wira Lim Hock Guan	252	2,802	226
Maj (Hon) Dato' Sri Lim Hock Sing	84	2,078	124
Dato' Lim Mooi Pang	-	1,850	108
Dato' Sri Lim Hock Seong (resigned on 14.01.2022)	-	2,000	124
Lim Kim Kiat (resigned on 14.01.2022)	-	767	64

Non-Executive Directors

Dato' Seri Lim Bock Seng (Resigned on 01.03.2021)	-	2,130	10
Dato' Lim Han Boon	17	5	-
Datuk Dr. Haji Dr Baharum Bin Haji Mohamed	52	45	-
Datuk Lim Si Cheng	52	12	-
Datuk Lim Tong Lee (Retired on 14.01.2022)	52	11	-

*Comprises meeting allowance, insurance, medical, allowances, share based payment, employer's provident fund, social welfare contributions and Employment Insurance System ("EIS").

In determining the remuneration packages of Key Senior Management, factors that were taken into consideration included their individual responsibilities, skills, expertise and contributions to the Group's performance and whether the remuneration packages are competitive and sufficient to ensure that the Group is able to attract and retain talents. At the beginning of each year, the corporate level of Key Performance Indicators is set by the Top Management. The annual performance will then be assessed at the end of the year.

The details of the remuneration of Key Senior Management is not disclosed on a named basis here as the Board is of the opinion that such disclosure would not be in the interests of the Company in view of talent poaching which is common in the highly competitive property industry.

Alternatively, the remuneration of the top five (5) Key Senior Management for the FY2021 are disclosed as follows:

Name	Salary, Bonus, Allowances and Other Emoluments*	Benefits in Kind	Total
Top 5 Key Senior Management	97%	3%	100%
	97%	3%	100%
	98%	2%	100%
	96%	4%	100%
	97%	3%	100%
Total (RM)			1,949,564

*Comprises insurance, medical, employer's provident fund, social welfare contributions and EIS.

Principle B: Effective Audit and Risk Management

I. AUDIT COMMITTEE

The Audit Committee assists the Board to oversee the integrity of the Group's financial reporting processes. The processes are aimed at providing assurance that the financial statements and related notes were prepared and drawn up in accordance with the provisions of the Companies Act, 2016 and the applicable approved accounting standards in Malaysia for FY2021. The quarterly financial results and audited financial statements were reviewed and recommended by the Audit Committee and approved by the Board before being released to Bursa Malaysia.

For further details of the Audit Committee's composition and activities during FY2021, please refer to the "Audit Committee Report" section in this Integrated Annual Report 2021.

Assessment of Suitability and Independence of External Auditors

The Audit Committee carries out the assessment procedures annually to determine the suitability and independence of the External Auditors including quality and performance of their audit to ensure the External Auditors are free from any business or other relationships with the Group that could materially interfere with their ability to act with integrity and objectivity. The annual assessment also ensures that the provision of other non-audit services by the External Auditors is not in conflict with their audit function. As an industry practice, the External Auditors rotate their engaging partner in charge of audit of the Group's financial statements once every five (5) years to maintain their independence from the Group.

The External Auditors provide mainly audit-related services to the Company and also undertake certain non-audit services such as quarterly reviews, regulatory reviews and reporting, and other services as and when requested by the Group. The independence of External Auditors can be impaired by the provision of non-audit services to the Company.

During FY2021, the Audit Committee undertook review of the independence of Messrs. UHY and gave careful consideration to the Group's relationship with them. In determining the independence of UHY, the Audit Committee reviewed various aspects of their relationship with them including the nature and amount of the non-audit services paid to UHY for the FY2021 and the corresponding fees. The review showed that the non-audit fees did not impair or threaten the audit independence of UHY as such an amount is not significant as compared to the total audit fees paid to UHY. Based on the review, the Audit Committee is of the opinion that UHY is, and is perceived to be, independent for the purpose of the Group's statutory financial audit. UHY has declared its independence to the Group and its compliance pursuant to Paragraph 290.173 of the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants.

Principle B: Effective Audit and Risk Management (Cont'd)

The Audit Committee has adopted the External Auditors Policy which outlines the guidelines and procedures for the Audit Committee to assess and monitor the External Auditors. The Audit Committee has also adopted the recommended Policy under the MCCG which requires a former key audit partner to observe cooling-off period of at least two (2) years before being appointed as the member of Audit Committee. The External Auditors Policy will be reviewed when necessary to ensure it remains relevant and appropriate.

In reviewing the nomination of UHY for re-appointment for FY2021, the Audit Committee had considered the adequacy of the resources, experience and competence of UHY. Consideration was also given to the experience of the engagement partner and key team members in handling the audit of listed corporation with 68 subsidiaries companies under different business segments. The audit quality, technical competencies, manpower resource sufficiency, size and complexity of the audit of the Group were taken into consideration. The review also took into account the level of cooperation with Management while maintaining integrity and objectivity and to deliver their services professionally and within stipulated timelines.

The Audit Committee is satisfied with the competence and independence of the External Auditors and has recommended to the Board the re-appointment of the External Auditors, upon which the shareholders' approval will be sought at the forthcoming 22nd Annual General Meeting.

Statement of Directors' Responsibility in respect of the Financial Statements

The Directors are responsible to ensure the Company's financial statements are drawn up in accordance with the applicable approved accounting standards in Malaysia and the provisions of the Companies Act, 2016 so as to give a true and fair view of the state of affairs, the results and cash flow of the Group and of the Company during the FY2021. The Board is also responsible for ensuring that the financial results are released to Bursa Malaysia within the stipulated time frame.

In preparing the financial statements, the Directors have ensured compliance with the applicable approved accounting standards and applied consistently and made judgements and estimates that are reasonable and prudent. The Directors have also confirmed that the financial statements have been prepared on a going concern basis.

The Audit Committee had its annual private session with the External Auditors in early 2021 to review the scope and adequacy of the audit planning memorandum, the audit findings and the annual financial statement in the absence of the Executive Directors and the Management representatives in respect of the audit for FY2021. The private session allows the Audit Committee members and the External Auditors to exchange independent views on matters which require the Audit Committee's attention.

The External Auditors attended all the Audit Committee's meetings held to review the quarterly results and the financial statements. They are also invited to attend the AGM of the Company and will be available to answer shareholders' enquiries on the conduct of the statutory audit and the preparation and contents of their audit report.

The Directors are responsible for ensuring the Group and the Company keep proper accounting records which disclose with reasonable accuracy the financial position of the Group and the Company at any time and which enable them to ensure that the financial statements comply with the provisions of the Companies Act, 2016 and the applicable approved accounting standards. It is the Board's general responsibility for taking reasonable steps to safeguard the assets of the Group and to detect as well as prevent any fraud or other irregularities from occurring.

Relationship with External Auditors

The Board maintains a formal and transparent relationship with its External Auditors in seeking valuable professional advice and in ensuring compliance with the applicable accounting standards. The External Auditors regularly bring up relevant matters that need to be addressed during the Audit Committee Meetings and Board Meetings.

The Audit Committee has been accorded the power to communicate directly with both the External and Internal Auditors in providing independent assessments on the adequacy, efficiency and effectiveness of the Group's internal control system.

II. RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

Sound Risk Management Framework

The Board is aware of the importance of establishing and maintaining a sound system of risk management framework and internal control in the Company and the Group to safeguard shareholders' interest and Group's assets. The Board continuously reviews and examines the effectiveness and efficiency of the risk management framework and internal control system in areas such as financial, operational and compliance risk, and seek alternative ways for improvement should any weakness be detected and identified.

Internal Control

The Board has overall responsibility for maintaining sound internal control systems that cover financial controls, operational and compliance controls and risk management to ensure shareholders' investments, customers' interests and the Group's assets are safeguarded.

During FY2021, the Company outsourced its entire ERM framework by engaging an external service provider, Deloitte Business Advisory Sdn. Bhd. ("Deloitte") to facilitate the risk control self-assessment exercise with various stakeholders. Risk analysis and evaluation were performed to update the existing risk registers. The Risk Management Committee revised the risk treatment plans along with the corresponding target risk level for any key residual risks highlighted.

The systems of internal controls are continuously reviewed to ensure that they are working via the on-going review through the internal audit process. In FY2021, the internal audit function conducted its works based on an annual Internal Audit Plan which was tabled before and approved by the Audit Committee.

All Internal Audit Reports are tabled and reviewed by the Audit Committee during the meetings of the Audit Committee and the Board. Follow-up reviews are subsequently performed to ascertain the extent of implementation of the recommended corrective actions for improvement.

Aside from performing regular operational and compliance audits, the Internal Auditors may conduct investigations and any ad-hoc reviews upon requisition from the Audit Committee or the Management.

The engagement of Internal Auditors is one of the many ways of reviewing and assessing the effectiveness of the Group's risk management framework and internal control system. Both the Board and Management will rectify the weaknesses detected by the Internal Auditors through either adopting the recommendations made by the Internal Auditors or via developing their own alternatives to eliminate such weaknesses.

More information on the risk management and internal control are disclosed within the sections titled "Statement on Risk Management and Internal Control" and "Anticipated and Known Risks" in this Integrated Annual Report 2021.

Corporate Governance Overview Statement (Cont'd)

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

I. COMMUNICATION WITH SHAREHOLDERS

Corporate Disclosure Policies and Procedures

The Company recognises the importance of effective and timely disclosure of corporate and material information to ensure that shareholders, investors and the general public make informed assessments of the Company's business value and prospects.

The Company has an IR Policy which serves as a guide to ensure broad dissemination of material information in a comprehensive, accurate and timely manner to shareholders, stakeholders, investors and the public.

All announcements for release to Bursa Malaysia are subject to approval by the Executive Directors. All the Executive Directors, Head of IR Department, Company Secretaries and other officers who privy to the information are obliged to maintain strict confidentiality of the information.

All information made available to Bursa Malaysia is immediately available to shareholders and the public at large on the Investor Relations section of the Company's website.

Leverage on Information Technology for Effective Dissemination of Information

The Board acknowledges the importance of clear, transparent and timely communications with shareholders and investors by way of the Group's businesses and corporate developments. The following means of communication are utilised as channels for sharing substantial information with shareholders, investors and members of the public:

a) IR Department

The Company's IR Department is actively involved in conducting regular briefings, dialogue sessions and presentations with institutional investors, fund managers, analysts as well as financial institutions. These activities aim to develop and maintain positive relations with all shareholders and investors through enabling active two-way communications, as well as promoting and demonstrating a high standard of integrity and transparency through timely, accurate and full disclosure. At the same time, these activities serve to enhance shareholders and investors' understanding of the Group, thereby enabling them to make informed decisions when valuing the Company's shares.

The Company takes an active role in investor relations. The Head of the IR Department is responsible for managing the Group's investor relations programmes, including communications with the financial community, research analysts and relevant stakeholders. Meetings with local and foreign fund managers are conducted regularly on a group basis or via one-on-one physical or virtual meetings. In FY2021, the IR team attended 18 meetings with fund managers, analysts and institutional shareholders.

Currently, the Company is covered by five (5) research houses.

b) Integrated Report

The Company's Integrated Report contains comprehensive and easy to understand details of the business, financial performance, strategic direction, sustainability matters and other activities of the Company. These contents are continually enhanced in order that shareholders and the investing public are provided with clear and accurate information and are suitably briefed on matters that are to be discussed to enable their effective participation during the AGM. An online version of the Integrated Annual Report 2021 is also available on the Company's website.

The Board recognises the importance of promoting good business conduct and maintaining a healthy corporate culture and sustainable growth to build greater confidence and trust with our stakeholders through continuous improvement of our disclosure practice. The Company has made further progress and produced its first Integrated Annual Report 2021.

c) Website

The Company's corporate website www.lbs.com.my also provides an avenue for accessing the latest corporate information and developments of the Company easily and immediately. It houses information on the Group's corporate profile, development products, financial results, press releases, corporate news and Company's newsletter – *Journey With LBS*, among other information. Alternatively, Bursa Malaysia' website www.bursamalaysia.com serves as another source of information to shareholders, investors and the public on the various announcements made by the Company from time to time in addition to the Integrated Annual Report 2021, Circular to Shareholders and Annual Audited Accounts submitted to Bursa Malaysia.

d) Newsletter

The Group's newsletter "Journey With LBS" which is issued half yearly, serves as the Company's in-house corporate bilingual magazine and an internal communication tool. It is also used to engage with shareholders, investors, media, fund managers, analysts and suppliers as an additional mode of communication and provides insightful information on the Company. These insights include the latest corporate events and developments (locally and internationally), projects events, products launched and to be launched, operations, strategic direction, media coverage, corporate social responsibility activities as well as employee welfare activities and lifestyle highlights. The *Journey With LBS* publication is also available on the Company's website.

e) Online Social Networking

Recognising the benefits of broader communications especially social media, the Company has immersed itself on online social networking platforms such as Facebook, Twitter, WeChat, Instagram and YouTube. These alternate channels of communication are enabling better engagement with shareholders, investors and other stakeholders given that all real time updates on the Company are accessible at any point of time.

f) Corporate Communication, Media & Digital Department

The primary role of this department is to coordinate all the media interviews including one-on-one meetings with media either through print media or TV coverage at regular intervals to provide wider publicity and improve general understanding of the Group's businesses and operations.

It is also responsible for issuing press releases and uploading corporate news and events onto the Company's website and synchronized across the social media channels to keep the public abreast of the latest information on the Group.

g) Senior Independent Non-Executive Director

As there may be instance where investors and shareholders may prefer to express their concern to an Independent Director, the Board has appointed Datuk Dr. Haji Baharum bin Haji Mohamed, as the Senior Independent Non-Executive Director of the Company to whom the concerns pertaining to the Group may be directed. He can be contacted via email at baharumnewm@yahoo.com.

h) Town Hall Meeting

The Company believes that good employee engagement and teamwork are important hallmarks of success. To this end, the Company's Town Hall Meeting serves as an interactive platform for Management to interact with employees, reinforce the Company's corporate culture and values, as well as promote teamwork and collaboration.

During FY2021, the Company conducted its Virtual Town Hall Meeting in August where the Executive Chairman and Group Managing Director shared the Company's objectives, direction and important updates on the COVID-19 pandemic with staff. Our employees were also given the opportunity to speak, present or provide updates on the latest developments relating to their respective operational units.

Corporate Governance Overview Statement (Cont'd)

II. CONDUCT OF GENERAL MEETINGS

The Company's AGM remains the principal forum for dialogue and interaction with the shareholders. The Board regards the AGM as an important channel of communication, as it serves as a forum for direct two-way interaction between the shareholders, Board and Management on the Company's strategic direction, operations, performance and major developments.

During FY2021, the Company had leveraged on technology to facilitate remote shareholders' participation and electronic voting for the conduct of poll on all resolutions via remote participation and voting facilities for the virtual 21st AGM held on 3 August 2021. An Independent Scrutineer was appointed by the Company to verify the results of the poll voting.

The MMLR of Bursa Malaysia requires companies to issue their Notice of AGM at least 21 days before the AGM. This gives shareholders sufficient time to prepare themselves to attend the AGM or to appoint a proxy to attend and vote on their behalf.

The Board is to ensure sufficient and relevant information is provided in relation to each agenda item in the Notice of AGM. Each item of special business included in the Notice of AGM is to be accompanied by an explanatory statement for the proposed resolution to facilitate the full understanding and evaluation of issues involved.

Extraordinary General Meetings ('EGMs') are held as and when shareholders' approval is required on specific matters. Relevant Advisors to the Board, lawyers and/or Reporting Accountants engaged in advising the Board on these specific matters are to be present at these EGMs to respond to the questions raised by shareholders.

Shareholders are given the opportunity to participate in the question and answer session during the AGM on the proposed resolutions and the Group's operations. The Chairman of the Meeting is to provide sufficient time for shareholders' questions on matters pertaining to the Company's performance to be tabled and is to respond to shareholders with regards to their concerns and questions raised. Members of the Board, Chairman of Board Committees and Key Senior Management, as well as the External Auditors of the Company are to be present to respond to questions raised at the meeting.

Additional Compliance Information

In compliance with the MMLR of Bursa Malaysia, the following information is provided:

Options

During FY2021, options were exercised pursuant to the Employees' Share Option Scheme ("ESOS") which was approved by the shareholders at the EGM held on 28 June 2012. The main features of the ESOS are stated in the Report of Directors on pages 294 and 301 of this Integrated Annual Report 2021.

The Options applicable to Directors and Key Senior Management under the ESOS during the FY2021 are as follows:

Directors and Key Senior Management	During the financial year ended 31 December 2021	Since commencement on 18 September 2012 up to 31 December 2021
Aggregate maximum allocation	80%	80%
Actual percentage granted	0%	61.22%

During FY2021, Options granted to and exercised by Non-Executive Directors are as follows:

No.	Name of Director	Number of Options as at 1.1.2021	Number of Options Granted in 2021	Number of Options Exercised	Number of Options Forfeited	Number of Options as at 31.12.2021
1.	Datuk Dr. Haji Baharum bin Haji Mohamed	523,600	-	-	-	523,600
2.	Datuk Lim Si Cheng	523,600	-	-	-	523,600
3.	Datuk Lim Tong Lee (retired on 14.01.2022)	785,400	-	-	-	785,400
4.	Dato' Lim Han Boon	-	-	-	-	-

Audit and Non-Audit Fees

- (a) The amount of audit fee paid or payable to the External Auditors, Messrs. UHY, and their affiliated companies for services rendered to the Group and the Company for FY2021 amounted to RM787,000 and RM110,000 respectively.
- (b) The amount of non-audit fee paid or payable to the External Auditors, Messrs. UHY, and their affiliated companies for services rendered to the Group and the Company for the FY2021 amounted to RM191,200 and RM26,000 respectively.

Material Contracts

There was no material contract (not being contracts entered into the ordinary course of business) entered into by the Company or its subsidiary companies involving the interests of the Directors, Chief Executive who is not a Director or major shareholders, either still subsisting at the end of the financial year end under review or which were entered into since the end of the previous financial year.

Audit Committee Report

The report of the Audit Committee (“Committee”) of LBS for the financial year ended 31 December 2021 (“FY2021”) is presented as follows:

A. COMPOSITION AND ATTENDANCE

The Committee comprises three members, all of whom are Independent Non-Executive Directors. Datuk Lim Tong Lee, the Chairman of the Committee is a Fellow Member of Association of Chartered Certified Accountants in the United Kingdom, as well as a member of both Malaysian Institute of Accountants and the Malaysian Institute of Certified Public Accountants. He was re-designated from Chairman to Member of the Committee on 23 November 2021 and was then retired on 14 January 2022.

Dato' Lim Han Boon, who is a Fellow Member of the Association of Chartered Certified Accountants in the United Kingdom, Chartered Accountant of Malaysian Institute of Accountants and member of Chartered Management Institute, United Kingdom, is appointed as the Chairman of the Committee on 23 November 2021.

During FY2021, the Committee held six (6) meetings. The details of the membership and record of attendance of these meetings are as follows:

COMMITTEE MEMBER	APPOINTMENT	ATTENDANCE	
Dato' Lim Han Boon Chairman/Independent Non-Executive Director	23.11.2021	-	-
Datuk Dr. Haji Baharum Bin Haji Mohamed Member/Senior Independent Non-Executive Director	20.08.2013	6	100%
Datuk Lim Si Cheng Member/Independent Non-Executive Director	20.08.2013	6	100%
Datuk Lim Tong Lee* Member/Independent Non-Executive Director	04.06.2013	6	100%

Note:

* Re-designated from Chairman to Member of the Committee on 23 November 2021 and retired on 14 January 2022.

During FY2021, the Committee met independently at one scheduled meeting with the External Auditors to discuss any matters they wish to raise or concerns they may have without the presence of the management. The External Auditors, Internal Auditors, members of the management, including Executive Directors overseeing the financial matters of the Group and Head of Accounts and Finance Department were invited to attend part, or all, of specific Committee meetings.

The Committee's effectiveness during FY2021 was assessed via evaluation questionnaires under the annual assessment and evaluation of Board and Board Committees by the Nomination and Remuneration Committee. This review served to assess the structure, membership, role and performance of the Committee. Results of the evaluation were tabled to the Board members for deliberation. The Board is satisfied that the Committee has effectively discharged their functions, duties, and responsibilities in accordance with its Terms of Reference.

The full version of the Terms of Reference of the Audit Committee is published on the Company's website at www.lbs.com.my.

B. SUMMARY OF ACTIVITIES OF THE AUDIT COMMITTEE

The following summarises the activities of the Audit Committee in discharging its functions and duties during the year under review:

1. Financial Reporting:

- Reviewed the audited financial statements of the Group for the year ended 31 December 2020 with the External Auditors. These statements include the audit report, issues and reservations arising from the statutory audit prior to recommending the same to the Board for approval.
- Reviewed the unaudited quarter financial results and audited financial statements of the Company, inclusive of changes in accounting policies and practices, significant adjustments arising from the audit, major judgement areas, significant and unusual events, the going concern assumption and compliance with accounting standards, as well as other legal requirements for the Board of Directors' approval before releasing the final statement to the authorities.
- Reviewed the impact of any changes to the accounting standards and adoption of new accounting standards on the Group's Financial Statements.

2. External Audit:

- Reviewed the External Auditors' scope of work and annual audit plan of the Company and the Group for FY2021 inclusive of the audit approach, areas of audit emphasis, timeline for reporting and deliverables prior to the commencement of the annual audit.
- Reviewed the extent of assistance rendered by the Management as well as issues and reservations arising from audits with the External Auditors with the presence of the Management and the executive Board members.
- Assessed and evaluated the performance, independence and suitability of the External Auditors for re-appointment as Auditors of the Company and made recommendations to the Board with respect to their re-appointment and fees with reference to the approved External Auditor Policy. This Policy outlines guidelines and procedures for the Audit Committee to assess and monitor the external Auditor in order to preserve the integrity and credibility of the external audit process. The assessment was undertaken with written assurance from the External Auditors of their independence including policies and measures used to control their work quality.

Audit Committee Report (Cont'd)

B. SUMMARY OF ACTIVITIES OF THE AUDIT COMMITTEE (CONT'D)

3. Internal Audit:

- Please refer to Section D of this Report.

4. Risk Management:

- Reviewed the risk management framework and the risk profile of the Group.

5. Related Party Transactions:

- Reviewed the procedures of the proposed renewal of general mandate for recurrent related party transactions ("RPTs") of a revenue or trading nature to ensure the adequacy and appropriateness of the compliance procedures established to monitor the RPTs.

6. Other Matters:

- Reviewed the verification work on the allocation of options to employees under the LBGB Employees' Share Option Scheme ("ESOS").
- Reviewed the Company's Audit Committee Report and Statement on Risk Management and Internal Control before recommending the same to the Board for inclusion in the Company's Annual Report 2020.
- Reported to the Board of Directors on significant issues and concerns discussed at the Committee's meetings together with the appropriate recommendations.
- No whistleblowing case was reported, so there was no investigation conducted.

C. STATEMENT BY COMMITTEE ON THE COMPANY'S ESOS

The Committee, with the assistance of verification work performed by the external Auditors, is satisfied that the allocation of options pursuant to the Company's ESOS during FY2021 has complied with the criteria set out in the ESOS By-laws.

D. INTERNAL AUDIT FUNCTION

The Internal Auditors adopt a risk-based auditing approach approved by the Audit Committee whilst taking into account the standards set by recognised professional bodies, global best practices and industry standards.

Besides reviewing the findings of the internal control system of the Group, the Internal Auditors also provide recommendations to improve such internal controls. The Internal Audit Reports and relevant follow-up reports, together with the Management's responses, were circulated to all members of the Committee for review and discussion before the Committee Meeting on a quarterly basis. Upon the recommendation of the Committee, the Internal Audit Reports were tabled at the Board Meeting for approval. Overall, no significant control issues were identified although several process and control improvements were proposed, with follow-up audits scheduled where necessary. The total cost incurred for maintaining the internal audit function for FY2021 was RM100,000.00 (FY2020: RM100,000.00).

The following is a summary of the Internal Audit works undertaken during FY2021:

- i. Performed risk-based audit on the Group's business units or processes in accordance with the approved Internal Audit Plan, which covered the following areas:
 - (i) Project Procurement and Tender Management;
 - (ii) Quantity Survey;
 - (iii) Sales & Marketing (including customer service);
 - (iv) Branch Audit at Northern Region, Ipoh;
 - (v) Finance Management; and
 - (vi) Customer Service Management.
- ii. Issued internal audit reports to the Audit Committee with weaknesses and issues identified;
- iii. Made recommendations for improvement on processes where weaknesses and/or non-compliances were identified;
- iv. Undertook follow-up on matters or concerns raised by Audit Committee and reported on status periodically; and
- v. Conducted follow-up reviews to determine the adequacy, effectiveness and timeliness of actions taken by the Management on audit recommendation and provided updates on the status to the Audit Committee.

Statement On Risk Management And Internal Control

INTRODUCTION

As stated in Paragraph 15.26(b) of Bursa Malaysia Securities Berhad's ("Bursa Malaysia") Main Market Listing Requirements, the Board of Directors ("Board") of listed companies are required to include a "statement about the state of internal control of the listed issuer as a company" in their annual report. In addition, the Malaysian Code on Corporate Governance 2021 issued by Securities Commission Malaysia requires the Board to establish a sound risk management framework and internal control system. Accordingly, the Board of LBS Bina Group Berhad ("LBS" or "the Company") is pleased to provide the following statement that is prepared in accordance with the "Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers" endorsed by Bursa Malaysia, which outlines the nature and scope of the risk management and internal control of the Company during the financial year under review.

RESPONSIBILITY OF THE BOARD

The Board acknowledges its overall responsibility in establishing and maintaining a sound system of internal control covering financial and operational controls, compliance and risk management to safeguard shareholders' investments and the Group's assets.

To ensure the adequacy, effectiveness and integrity of the risk management framework and internal control system, there is an ongoing review process by the Board. The Board recognises that there are inherent limitations to any system of internal control as it is designed to manage the Company's risk within the acceptable risk appetite, rather than to eliminate risks that may hinder the achievement of the Company's business objectives. Internal controls can only provide reasonable assurance against material misstatement or loss. Therefore, the Board has established an appropriate control structure and process for identifying, evaluating, monitoring, managing and responding to significant risks faced by the Company in its achievement of the business goals and objectives. The control structure and process which have been instituted throughout the Company are reviewed and updated from time to time in response to the changes in the business environment.

RESPONSIBILITY OF THE AUDIT COMMITTEE

The Audit Committee is responsible to:

- Fulfill fiduciary responsibilities relating to corporate accounting, system of internal controls, management and financial reporting practices.
- Review and approve the risk dashboard and risk-based Internal Audit Plan.
- Review and monitor the Internal Audit function/external service provider engaged to ensure timely completion of Internal Audit Plan and effectiveness and implementation of any corrective actions plans proposed.

RESPONSIBILITY OF THE MANAGEMENT

Management is accountable to the Board for risk management and internal control. Processes have been implemented to identify, evaluate, monitor and report risks as well as to design and implement relevant controls in response to the risks. For this, a Risk Management Committee ("RMC") has been established to assist the Board on risk management to oversee the Management's activities in managing significant risk areas, ensure that the risk management framework is in place and functioning effectively. The members of the RMC comprised of two Independent Non-Executive Directors, the Group Managing Director/Chief Executive Officer, an Executive Director and a Deputy Chief Executive Officer.

At the Management level, the RMC is supported by the Risk Working Team ("RWT") and Risk Coordinator to facilitate and manage risk management matters relating to the Company's risk management activities. The RWT is headed by an Executive Director comprises heads of business units or support functions, who are risk owners themselves, as members.

RESPONSIBILITY OF THE MANAGEMENT (CONT'D)

The Board has delegated the responsibility of reviewing the effectiveness of risk management to the RMC. The roles of the RMC include the following:

- Identifying and evaluating the risks faced by the respective departments, against the business objectives set out by the Company;
- Formulating relevant policies and procedures to manage these risks;
- Designing, implementing and monitoring the effectiveness of the risk management framework and internal control system;
- Implementing the policies approved by the Board; and
- Reporting to the Board and Audit Committee of any changes to the risks and corrective actions taken.

RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM

The key processes that the Board has established in reviewing the adequacy and effectiveness of the risk management and internal control system include the following:

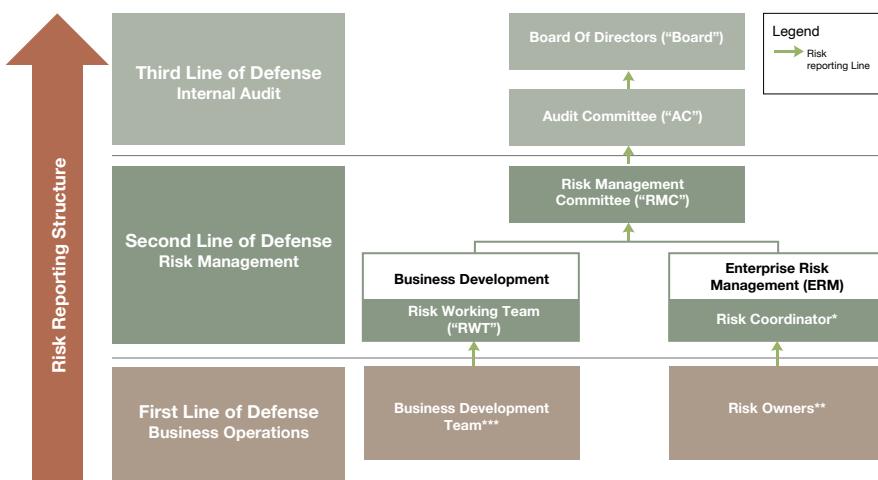
Risk Management Framework

- The Enterprise Risk Management ("ERM") at LBS provides the foundation and process to guide the Company on how risks are managed in the Company.
- The ERM is aligned with the framework and guidance issued by the Committee of Sponsoring Organisation of the Treadway Commission ("COSO") and ISO 31000:2018 – Risk Management Principles and Guidelines.
- The Company engaged an external service provider, Deloitte Business Advisory Sdn Bhd (formerly known as Deloitte Risk Advisory Sdn Bhd) ("Deloitte"), to facilitate a risk assessment exercise with various stakeholders. A risk analysis and evaluation were performed by Deloitte to update the existing risk registers. The RMC establishes a set of risk treatment plans and responses to risks assisting the Company in making sound business decisions. The Audit Committee and Board have an oversight role to review and deliberate on the Company's top risks.
- The ERM Framework is based on three (3) key components – Risk Ambition and Vision, Risk Organization, and Risk Management Cycle, where it is split further into 12 core building blocks of a successful Risk Management Function as follows:
 - (i) Risk Governance Bodies – creating the structure and oversight for risk to be effectively managed;
 - (ii) Risk Policies – setting the tone and level of risk management applied across LBS;
 - (iii) Risk Culture – the values and behaviors that drive risk management in LBS;
 - (iv) Risk Appetite – setting the level of risk LBS is willing to accept, within tolerances;
 - (v) Risk Resources – the people and time that is applied to risk management, centrally and across business units;
 - (vi) Risk Procedures and Templates – providing guidance and clear direction for all areas of LBS to perform risk management;
 - (vii) Risk Supporting Tools – manual and automated tools leveraged to provide a better risk management process;
 - (viii) Risk Training – the support provided across the business to embed risk management;
 - (ix) Risk Identification – process of identifying risks and opportunities to business operations, financial and reputation;
 - (x) Risk Measurement and Response – evaluation of risk on a common scale, with implementation of appropriate response;
 - (xi) Risk Management – ongoing management and evaluation of risk mitigations, controls, and other responses to risk; and

Statement On Risk Management And Internal Control (Cont'd)

- (xii) Risk Monitoring and Reporting – monitoring of key risk indicators to assess likelihood of crystallization and reporting of current risk environment.
- The governance model adopted by LBS provides a formalised, transparent and effective governance structure that promotes the active involvement of the Board and Senior Management in the risk management process to ensure a uniform view of risks across the Group. The governance model places accountability and ownership in ensuring an appropriate level of independence and segregation of duties between the three lines of defense. The management of risk broadly takes place at different hierarchical levels and is emphasised through various levels of committees, business lines, control and reporting functions.

Risk Reporting Structure



* Risk Coordinator assists to compile the Risk Register from each Department and coordinates the ERM exercise conducted by a Third-Party Consultant.

** Risk Owners comprised of Heads of Department from Corporate, Project, Hotel & Retail Division.

*** Business Development Team reviews new business opportunities and disposal of business/investment & to assist RWT on risk related matters.

- There are policies and procedures in place to ensure compliance with internal control and the prescribed laws and regulations. These policies and procedures are updated from time to time in tandem with changes to the business environment or regulatory guidelines.

Internal Audit

- The Internal Audit function is outsourced to Deloitte with staff strength from diverse backgrounds and qualifications. It is headed by the Executive Director who has vast experiences in the areas of financial and operational audits, to provide independent assurance and consulting activities, which serves to assist the Company in achieving its objectives.
- The services are performed in accordance with the Standards for the Professional Practice of Internal Auditing issued by The Institute of Internal Auditors (the "IIA Standards").
- The engagement is free from any relationships or conflict of interest, which could impair the objectivity and independence.
- The areas reviewed by Deloitte during the financial year 2021 are as follows:
 - (i) Project Procurement and Tender Management
 - (ii) Quantity Survey
 - (iii) Sales and Marketing
 - (iv) Branch Audit - Ipoh
 - (v) Finance Management
 - (vi) Customer Service
- Deloitte has undertaken a planning process to develop a risk-based Internal Audit Plan based on a risk-assessment and review of the risk profile. The Internal Audit focuses on selected key risk areas as appropriate to the objective and scope of the engagement. The internal audit activities are carried out in accordance with the Internal Audit Plan approved by the Audit Committee.

- Deloitte evaluated the adequacy and operating effectiveness of risk and internal control process, and subsequently highlighted any findings in respect of any non-compliance with policies and procedures and areas of improvement. Root-cause analysis on audit observation were conducted in developing recommendation to address weaknesses noted.
- The resulting reports from the audits undertaken, including the overall internal controls assessment on the auditable areas, are presented to the Audit Committee at its regular meetings.
- Follow up audits are performed to ensure the Management Action Plans for any observations identified are rectified in a timely manner.
- The Audit Committee meets to review, discuss and direct actions on matters pertaining to reports. The outcomes are then forwarded to the operational management for attention and necessary actions. The operational management is responsible for ensuring recommended corrective actions on reported weaknesses are implemented within the required time frame.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

As required by Paragraph 15.23 of the Bursa Malaysia Main Market Listing Requirements, the External Auditors have reviewed this Statement on Risk Management and Internal Control. Their limited assurance review performed in accordance with Audit and Assurance Practice Guide 3 (“AAPG3”) issued by the Malaysian Institute of Accountants.

AAPG3 does not require the External Auditors to form an opinion on the adequacy and effectiveness of the risk management and internal control systems of the LBS Group.

CONCLUSION

The Board has received reasonable assurance from the Group Managing Director/Chief Executive Officer and Executive Director, who are both responsible for the financial affairs of the Company, that the risk management framework and internal control system established are operating adequately and effectively, in all material respects, based on the risk management model adopted by the Company. There were no material control failures or adverse compliance events that would have directly resulted in any material loss to the Company for the financial year under review.

Recurrent Related Party Transaction

The details of Recurrent Related Party Transaction of the Company entered into during the financial year ended 31 December 2021 pursuant to Paragraph 10.09(2)(b) and Paragraph 3.1.5 of Practice Note 12 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad were as follows:-

NO.	RELATED PARTY	NATURE OF RECURRENT TRANSACTION	VALUE OF TRANSACTION (RM)	NATURE OF RELATIONSHIP BETWEEN LBS GROUP AND THE RELATED PARTY
1	Mohamad Najib Bin Saad	Purchase of property	539,900	Mohamad Najib Bin Saad is a director of a few subsidiaries of the Company.

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Section 7 Directors' Report

The Directors have pleasure in submitting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2021.

PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding and provision of management services to its subsidiaries. The principal activities of its subsidiaries are disclosed in Note 53 to the financial statements.

RESULTS

	Group RM	Company RM
Net profit for the financial year	114,921,552	72,528,781
Attributable to:		
Owners of the parent	95,618,980	72,528,781
Non-controlling interests	19,302,572	-
	114,921,552	72,528,781

RESERVES AND PROVISIONS

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

DIVIDENDS

Since the end of the last financial year, the Company paid:

	RM
Ordinary Shares	
In respect of the financial year ended 31 December 2020:	
First and final single-tier dividend of 1.45 sen per ordinary share on 1,561,660,457 ordinary shares, paid on 22 September 2021	22,644,051
Redeemable Convertible Preference Shares ("RCPS")	
In respect of the financial year ended 31 December 2021:	
A preferential dividend of 6.6 sen per RCPS on 94,099,035 RCPS, paid on 31 December 2021	6,210,536
	28,854,587

Directors' Report (Cont'd)

DIVIDENDS (CONT'D)

On 15 April 2022, the Board of Directors:

- (i) Declared first interim single-tier dividend of 0.85 sen per ordinary share in respect of the financial year ended 31 December 2021. The entitled shareholders of the Company will receive the dividend on 14 July 2022.
- (ii) Proposed final single-tier dividend of 1 sen per ordinary share in respect of the financial year ended 31 December 2021. The proposed dividend is subject to the approval of the shareholders at the forthcoming 22nd Annual General Meeting of the Company.

The financial statements for the current financial year do not reflect the dividends declared/proposed on 15 April 2022. Such dividends will be accounted for in equity as an appropriation of retained earnings for the financial year ending 31 December 2022.

ISSUE OF SHARES AND DEBENTURES

There were no issuance of shares and debentures during the financial year.

TREASURY SHARES

The shareholders of the Company, by a resolution passed in the last Annual General Meeting held on 3 August 2021, renewed their approval for the Company's plan to repurchase its own shares. The Directors of the Company are committed to enhance the value of the Company for its shareholders and believe that the repurchase plan can be applied in the best interest of the Company and its shareholders.

During the financial year, the Company repurchased 1,000,500 of its issued ordinary shares from the open market. The average price paid for the shares repurchased was RM0.51 per share. The total consideration paid for the repurchase including transaction costs was RM505,555. The repurchased transactions were financed by internally generated funds. The shares repurchased are being held as treasury shares in accordance with Section 127 of the Companies Act 2016.

As at 31 December 2021, the total number of treasury shares held by the Company was 8,585,194 out of the total 1,569,245,151 issued ordinary shares. Further relevant details are disclosed in Note 25 to the financial statements.

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 issue of options pursuant to the Employees' Share Option Scheme ("ESOS").

EMPLOYEES' SHARE OPTION SCHEME ("ESOS")

The Company has established an Employees' Share Option Scheme ("ESOS") of not more than 15% of the issued share capital of the Company at the point of time throughout the duration of the scheme to eligible Directors and employees of the Group, which was approved by shareholders at an Extraordinary General Meeting ("EGM") held on 28 June 2012.

The ESOS shall be in force for a period of 10 years from 18 September 2012 to 17 September 2022. The salient features and other terms of the ESOS and the movement of options over unissued shares of the Company granted under the ESOS during the financial year are disclosed in Note 41 to the financial statements.

Details of the options granted to Directors are disclosed in the section of Directors' Interests in this report.

REDEEMABLE CONVERTIBLE PREFERENCE SHARES (“RCPS”)

On 8 August 2017, the Company issued renounceable rights issue of 115,448,037 RCPS on the conversion ratio of RCPS at 1 new ordinary share for every 2 RCPS held. The issue price of the RCPS has been fixed at RM1.10 each.

Pursuant to the completion of corporate exercises in relation to share subdivision and bonus issue on 27 February 2018, the conversion ratio of any outstanding RCPS has been adjusted to 11 new ordinary shares for every 10 RCPS.

As at 31 December 2021, the total number of RCPS that remain unexercised were 94,099,035.

The salient terms of the RCPS are disclosed in Note 24 to the financial statements.

Details of RCPS issued to Directors are disclosed in the section of Directors’ Interests in this report.

DIRECTORS

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

Tan Sri Dato’ Sri Lim Hock San, PSM, SSAP, DSSA, JP *			
Datuk Wira Lim Hock Guan, DCSM, DMSM, PJK, JP *			
Maj (Hon) Dato’ Sri Lim Hock Sing, SSAP, DIMP, JP *			
Dato’ Lim Mooi Pang, DIMP *			
Datuk Dr. Haji Baharum Bin Haji Mohamed, DMSM, AMN, PIS*			
Datuk Lim Si Cheng, PJN, PIS			
Dato’ Lim Han Boon, DIMP			
Dato’ Yong Lei Choo, DIMP	(Appointed on 14.01.2022)		
Dato’ Seri Lim Bock Seng, SSSA, DPMS, AMN	(Resigned on 01.03.2021)		
Dato’ Sri Lim Hock Seong, SSAP, DMSM *	(Resigned on 14.01.2022)		
Lim Kim Kiat*	(Resigned on 14.01.2022,		
Datuk Lim Tong Lee, DPSM	Appointed on 01.01.2021)		
	(Retired on 14.01.2022)		

* Director of the Company and its subsidiaries

The names of Directors of subsidiaries are set out in the respective subsidiaries’ statutory accounts and the said information is deemed incorporated herein by such reference and made part thereof.

DIRECTORS’ INTERESTS IN SHARES

The interests and deemed interests in the shares, options over the shares and debentures of the Company and of its related corporations (other than wholly-owned subsidiaries) of those who were Directors at the end of the financial year (including their spouses or children) according to the Register of Directors’ Shareholdings are as follows:

	At 1.1.2021	Number of ordinary shares		At 31.12.2021		
		Acquired	Disposed			
Gaterich Sdn. Bhd.						
Direct Interests						
Tan Sri Dato’ Sri Lim Hock San	2,500,000	-	-	2,500,000		
Datuk Wira Lim Hock Guan	1,000,000	-	-	1,000,000		
Maj (Hon) Dato’ Sri Lim Hock Sing	750,000	-	-	750,000		
Dato’ Sri Lim Hock Seong	750,000	-	-	750,000		

Directors' Report (Cont'd)

DIRECTORS' INTERESTS IN SHARES (CONT'D)

The interests and deemed interests in the shares, options over the shares and debentures of the Company and of its related corporations (other than wholly-owned subsidiaries) of those who were Directors at the end of the financial year (including their spouses or children) according to the Register of Directors' Shareholdings are as follows: (Cont'd)

	At 1.1.2021	Number of ordinary shares		At 31.12.2021		
		Acquired	Disposed			
LBS Bina Group Berhad						
Direct Interests						
Tan Sri Dato' Sri Lim Hock San	31,310,514	404,100	-	31,714,614		
Datuk Wira Lim Hock Guan	28,130,444	-	-	28,130,444		
Maj (Hon) Dato' Sri Lim Hock Sing	571,650	-	-	571,650		
Dato' Sri Lim Hock Seong	8,395,443	-	-	8,395,443		
Dato' Lim Mooi Pang	5,522,759	100,000	-	5,622,759		
Lim Kim Kiat	682,066	-	-	682,066		
Datuk Dr. Haji Baharum Bin Haji Mohamed	269,654	-	-	269,654		
Datuk Lim Si Cheng	269,654	-	-	269,654		
Datuk Lim Tong Lee	-	500,000	-	500,000		
Dato' Lim Han Boon	-	100,000	-	100,000		
Indirect Interests						
Tan Sri Dato' Sri Lim Hock San ²	564,844,019	-	-	564,844,019		
Datuk Wira Lim Hock Guan ²	563,400,010	-	-	563,400,010		
Maj (Hon) Dato' Sri Lim Hock Sing ¹	615,280	-	-	615,280		
Dato' Sri Lim Hock Seong ¹	363,975	-	-	363,975		

	At 1.1.2021	Number of options over ordinary shares ("ESOS")		At 31.12.2021		
		Granted	Exercised			
LBS Bina Group Berhad						
Direct Interests						
Lim Kim Kiat	374,440	-	-	374,440		
Datuk Lim Tong Lee	785,400	-	-	785,400		
Datuk Dr. Haji Baharum Bin Haji Mohamed	523,600	-	-	523,600		
Datuk Lim Si Cheng	523,600	-	-	523,600		

DIRECTORS' INTERESTS IN SHARES (CONT'D)

The interests and deemed interests in the shares, options over the shares and debentures of the Company and of its related corporations (other than wholly-owned subsidiaries) of those who were Directors at the end of the financial year (including their spouses or children) according to the Register of Directors' Shareholdings are as follows: (Cont'd)

	At 1.1.2021	Acquired	Number of RCPS Converted/ Disposed	At 31.12.2021
LBS Bina Group Berhad				
Direct Interests				
Datuk Dr. Haji Baharum Bin Haji Mohamed	23,800	-	-	23,800
Datuk Lim Si Cheng	23,800	-	-	23,800
Indirect Interests				
Tan Sri Dato' Sri Lim Hock San ²	158,000	-	-	158,000
Maj (Hon) Dato' Sri Lim Hock Sing ¹	38,800	-	-	38,800
Dato' Sri Lim Hock Seong ¹	20,750	-	-	20,750

Note:

- 1 *Deemed interests pursuant to Section 59(11)(c) of the Companies Act 2016 by virtue of his spouse's and/or child's direct interests in the Company.*
- 2 *Deemed interests pursuant to Section 59(11)(c) of the Companies Act 2016 by virtue of his spouse's and/or child's direct interests in the Company and Section 8 of the Companies Act 2016 by virtue of his direct interests in Gaterich Sdn. Bhd..*

By virtue of their interests in the shares of the Company, Tan Sri Dato' Sri Lim Hock San and Datuk Wira Lim Hock Guan are also deemed to have interests in the shares of all the subsidiaries to the extent that the Company has an interest under Section 8 of the Companies Act 2016.

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' BENEFITS

Since the end of the previous financial year, no Director of the Company has received or become entitled to receive any benefit (other than benefits included in the aggregate amount of remuneration received or due and receivable by Directors as shown in Notes 38 and 42 to the financial statements) 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 certain Directors who have significant financial interests in the companies which traded with certain companies in the Group in the ordinary course of business as disclosed in Note 45(b) to the financial statements.

Neither during nor at the end of the financial year, was the Company a party to any arrangement whose object was to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, other than those arising from ESOS and RCPS.

Directors' Report (Cont'd)

INDEMNITY AND INSURANCE

During the financial year, the total amount of indemnity coverage and insurance premium paid for the Directors and certain officers of the Group and of the Company were RM20 million and RM32,745 respectively. No indemnity was given to or insurance effected for auditors of the Group and of the Company.

OTHER STATUTORY INFORMATION

(a) Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps:

- (i) to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate allowance had been 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 the value of current assets as shown in the accounting records of the Group and of the Company have been written down to an amount which the current assets 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 amounts written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or
- (ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or
- (iii) not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading; or
- (iv) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

(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 or of the Company which has arisen since the end of the financial year.

(d) In the opinion of the Directors:

- (i) no contingent liability or other liability has become enforceable or is 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 were not substantially affected by any item, transaction or event of a material and unusual nature; and
- (iii) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature 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.

HOLDING COMPANY

The Directors regard Gaterich Sdn. Bhd., a private limited liability company, incorporated and domiciled in Malaysia, as holding company.

SUBSIDIARIES

The details of the subsidiaries are disclosed in Note 53 to the financial statements.

SIGNIFICANT EVENT

The significant event is disclosed in Note 49 to the financial statements.

SUBSEQUENT EVENTS

The subsequent events are disclosed in Note 50 to the financial statements.

AUDITORS' REMUNERATION

The details of auditors' remuneration are disclosed in Note 38 to the financial statements.

AUDITORS

The Auditors, Messrs. UHY, have expressed their willingness to continue in office.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 15 April 2022.

TAN SRI DATO' SRI LIM HOCK SAN

DATUK WIRA LIM HOCK GUAN

KUALA LUMPUR

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 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2021 and of their financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 15 April 2022.

TAN SRI DATO' SRI LIM HOCK SAN

DATUK WIRA LIM HOCK GUAN

KUALA LUMPUR

Statutory Declaration

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

I, Dato' Lim Mooi Pang, being the Director primarily responsible for the financial management of LBS Bina Group Berhad, do solemnly and sincerely declare that to the best of my knowledge and belief, the accompanying financial statements are correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the)
abovenamed at Kuala Lumpur in the)
Federal Territory on 15 April 2022)

DATO' LIM MOOI PANG

Before me,

NO. W790
ZAINUL ABIDIN BIN AHMAD
COMMISSIONER FOR OATHS

Independent Auditors' Report

to the Members of LBS Bina Group Berhad
[Registration No.: 200001015875 (518482-H)]
(Incorporated in Malaysia)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of LBS Bina Group Berhad, which comprise the statements of financial position as at 31 December 2021 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 177 to 345.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2021, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

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

Independence and Other Ethical Responsibilities

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

Key Audit Matters

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

Key audit matters

1. Land held for property development and property development costs and revenue recognition

Property development revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of the performance obligation.

This requires the estimation of selling prices, sales rates and costs to complete, determined on a project by project basis. These factors drive the gross margin for each project and hence the profit recognised at the point of sale.

There is a risk that the actual revenue and costs are different to those forecast across the whole projects resulting in material misstatement of land held for property development and property development costs and gross profit recognised.

There is also a risk that costs are inappropriately recognised within land held for property development and property development costs or that the allocation of costs that relate to the whole projects, such as land and infrastructure costs, is inappropriate across development phases, resulting in a material misstatement of land held for property development and property development costs or gross profit of each project.

How we addressed the key audit matters

We obtained an understanding of the relevant controls put in place by the Group in respect of revenue recognition for property development activities and performed procedures to evaluate design and implementation of such controls.

We checked the revenue recognised, on a sample basis, by agreeing to the contracted selling price of the property development units and multiplied with their respective stage of completion.

We checked the stage of completion of property development projects, on a sample basis, to internal or external quantity surveyors' certifications.

We corroborated, on a sample basis, the certified stage of completion with the level of completion based on actual costs incurred to-date over the estimated total property development costs.

We agreed, on a sample basis, costs incurred to supporting documentation such as subcontractor claim certificates and invoices from vendors.

We checked the reasonableness of the estimated total property development costs of major projects, allocation of costs and subsequent changes to the costs by agreeing to supporting documentation such as approved budgets, letter of awards, contracts, quotations, correspondences, contracts and variation orders with sub-contractors.

We inspected the sales and purchase contracts for all significant new land acquisitions to understand the terms and identify any deferred or contingent payments therein.

Independent Auditors' Report to the Members of LBS Bina Group Berhad (Cont'd)

Key Audit Matters (Cont'd)

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

Key audit matters

2. Goodwill impairment review

The Group has significant goodwill allocated to the property development cash-generating units ("CGUs"). Goodwill shall be tested for impairment annually in accordance to MFRS 136 *Impairment of Assets*. The estimation of recoverable amount is complex and significant judgement is required for estimates, specifically cash flows projections, discount rates and short-term growth rates. Due to the inherent uncertainty involved in forecasting and discounting future cash flows, this is the key judgemental area that our audit was concentrated on.

How we addressed the key audit matters

We assessed the reasonableness of the cash flows forecasts and supporting evidence of the underlying assumptions, by checking to approved budgets and comparing expected growth rates to relevant market expectations.

We performed sensitivity analysis on the key inputs to the impairment model, to understand the impact that reasonably possible changes to key assumptions would have on the overall carrying amount of the goodwill at the end of the reporting period.

We considered the adequacy of management's disclosures in respect of impairment testing and whether the disclosures appropriately communicate the underlying sensitivities.

We have determined that there were no key audit matter in the audit of the financial statements of the Company to be communicated in our auditors' report.

Information Other than the Financial Statements and Auditors' Report Thereon

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

Our opinion on the financial statements of the Group and of the Company does not cover the other information 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 other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

Responsibilities of the Directors for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements of the Group 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.
- 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

Independent Auditors' Report to the Members of LBS Bina Group Berhad (Cont'd)

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: (Cont'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 or 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 or the Company to cease to continue as a going concern.
- 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 of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- 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, actions taken to eliminate threats or safeguards applied.

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 financial 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.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 53 to the financial statements.

Other Matters

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

UHY
Firm Number: AF 1411
Chartered Accountants

LIM YANG YUE
Approved Number: 03544/12/2022 J
Chartered Accountant

KUALA LUMPUR
15 April 2022

Statements of Financial Position

As At 31 December 2021

	Note	31.12.2021 RM	Group 31.12.2020 RM Restated	1.1.2020 RM Restated
ASSETS				
Non-current assets				
Property, plant and equipment	4	50,588,082	44,140,593	42,054,415
Right-of-use assets	5	372,536,680	307,933,068	310,909,278
Capital work-in-progress	6	20,820,195	122,833,104	84,800,715
Inventories	7	1,163,758,817	1,209,046,989	1,382,088,262
Investment properties	8	162,142,245	147,880,303	164,247,318
Investment in associates	10	2,557,529	2,599,930	2,561,521
Other investments	11	568,000	576,000	50,392,672
Intangible assets	12	-	347,177	1,526,911
Goodwill on consolidation	13	72,833,639	97,955,003	113,165,843
Trade receivables	14	2,764,706	3,984,661	3,368,268
Deferred tax assets	15	58,570,516	48,507,520	44,880,449
Total non-current assets		1,907,140,409	1,985,804,348	2,199,995,652
Current assets				
Inventories	7	981,795,256	912,282,698	785,600,911
Contract assets	16	608,943,061	545,541,058	388,233,630
Trade receivables	14	395,184,510	201,646,001	409,942,829
Other receivables	17	207,390,119	172,931,400	119,643,263
Amount due from associates	19	7,200	7,247	12,296
Other investments	11	2,003,129	-	9,620,634
Tax recoverable		7,649,031	5,290,057	4,744,821
Fixed deposits with licensed banks	20	22,302,268	20,620,182	58,166,355
Cash held under Housing				
Development Accounts	21	147,831,952	153,675,969	105,407,345
Cash and bank balances	22	112,618,530	127,903,940	112,829,690
Assets held for sale	23	2,485,725,056 2,348,425	2,139,898,552 338,772	1,994,201,774 4,087,940
Total current assets		2,488,073,481	2,140,237,324	1,998,289,714
Total assets		4,395,213,890	4,126,041,672	4,198,285,366

Statements of Financial Position
As At 31 December 2021 (Cont'd)

Note	31.12.2021 RM	Group	1.1.2020 RM	
		31.12.2020 RM	Restated	
EQUITY AND LIABILITIES				
Equity				
Share capital	24	922,887,304	922,473,410	
Treasury shares	25	(3,190,894)	(10,932,709)	
Other reserves	26	(202,304,430)	(161,956,290)	
Retained earnings		590,473,820	521,180,711	
Equity attributable to owners of the parent		1,307,865,800	1,270,765,122	
Perpetual Sukuk Musharakah ("Perpetual Sukuk")	27	223,000,000	-	
Non-controlling interests		176,549,992	104,363,843	
Total equity		1,707,415,792	1,375,128,965	
Non-current liabilities				
Trade payables	28	453,428,632	406,267,459	
Other payables	29	55,557,549	49,892,363	
Lease liabilities	30	18,805,324	27,553,165	
Bank borrowings	31	328,140,063	498,755,480	
Sukuk Murabahah ("Sukuk")	32	61,670,000	84,824,000	
Deferred tax liabilities	15	39,515,408	38,078,271	
Total non-current liabilities		957,116,976	1,105,370,738	
Current liabilities				
Contract liabilities	16	17,425,877	53,928,881	
Trade payables	28	507,738,270	516,793,647	
Other payables	29	515,540,318	444,609,479	
Amount due to an associate	19	65,834	7,200	
Lease liabilities	30	14,062,105	14,349,509	
Bank borrowings	31	568,888,141	510,001,584	
Sukuk Murabahah ("Sukuk")	32	13,952,000	4,452,000	
Bank overdrafts	33	75,838,746	93,794,619	
Redeemable Convertible Preference Shares ("RCPS")	34	-	20,000,000	
Tax payable		17,169,831	59,848,744	
Total current liabilities		1,730,681,122	1,717,785,663	
Total liabilities		2,687,798,098	2,823,156,401	
Total equity and liabilities		4,395,213,890	4,198,285,366	

	Note	31.12.2021 RM	Company 31.12.2020 RM	1.1.2020 RM
ASSETS				
Non-current assets				
Property, plant and equipment	4	2,475	2,925	3,375
Investment in subsidiaries	9	752,194,275	637,789,530	636,645,011
Amount due from subsidiaries	18	-	284,964,594	284,964,594
Total non-current assets		752,196,750	922,757,049	921,612,980
Current assets				
Other receivables	17	1,534,729	3,025,560	2,049,962
Other investments	11	-	-	2,168,854
Amount due from subsidiaries	18	621,982,530	383,225,178	275,844,335
Tax recoverable		116,226	-	-
Fixed deposits with licensed banks	20	988,305	983,492	25,131,609
Cash and bank balances	22	11,778,001	16,437,344	10,230,119
Total current assets		636,399,791	403,671,574	315,424,879
Total assets		1,388,596,541	1,326,428,623	1,237,037,859
EQUITY AND LIABILITIES				
Equity				
Share capital	24	922,887,304	922,887,304	922,473,410
Treasury shares	25	(3,190,894)	(2,685,339)	(10,932,709)
Other reserves	26	4,169,856	4,421,701	4,481,102
Retained earnings		74,654,209	39,568,170	41,450,749
Equity attributable to owners of the parent		998,520,475	964,191,836	957,472,552
Perpetual Sukuk Musharakah ("Perpetual Sukuk")	27	223,000,000	130,000,000	-
Total equity		1,221,520,475	1,094,191,836	957,472,552
Non-current liability				
Bank borrowings	31	30,250,000	14,500,000	49,000,000
Total non-current liability		30,250,000	14,500,000	49,000,000
Current liabilities				
Other payables	29	2,309,485	1,228,292	1,461,728
Bank borrowings	31	132,185,583	183,280,548	219,454,878
Bank overdrafts	33	2,330,998	2,920,453	2,500,588
Amount due to subsidiaries	18	-	29,299,171	-
Tax payable		-	1,008,323	7,148,113
Total current liabilities		136,826,066	217,736,787	230,565,307
Total liabilities		167,076,066	232,236,787	279,565,307
Total equity and liabilities		1,388,596,541	1,326,428,623	1,237,037,859

Statements of Profit or Loss and Other Comprehensive Income

For The Financial Year Ended 31 December 2021

	Note	2021 RM	2020 RM Restated Group
Revenue	35	1,365,756,984	1,096,331,057
Cost of sales	36	(920,986,918)	(752,629,895)
Gross profit		444,770,066	343,701,162
Other income		13,883,083	24,015,542
Administrative and operating expenses		(220,462,350)	(177,762,687)
Changes on impairment of financial instruments and contract assets		(26,325)	532,592
Profit from operations		238,164,474	190,486,609
Finance costs	37	(61,490,180)	(67,536,349)
Share of profit of associates, net of tax		133,453	86,676
Profit before tax	38	176,807,747	123,036,936
Taxation	39	(61,886,195)	(56,301,719)
Net profit for the financial year		114,921,552	66,735,217
Other comprehensive income, net of tax			
Items that are or may be reclassified subsequently to profit or loss			
Exchange translation differences for foreign operations		8,727,013	3,185,371
Net fair value changes of financial assets measured at fair value through other comprehensive income ("FVTOCI")		-	228,789
		8,727,013	3,414,160
Total comprehensive income for the financial year		123,648,565	70,149,377

	Note	2021 RM	2020 RM Restated	Group
Net profit for the financial year attributable to:				
Owners of the parent		95,618,980	43,740,545	
Non-controlling interests		19,302,572	22,994,672	
		114,921,552	66,735,217	
Total comprehensive income for the financial year attributable to:				
Owners of the parent		105,695,866	46,887,304	
Non-controlling interests		17,952,699	23,262,073	
		123,648,565	70,149,377	
Earnings per share attributable to owners of the parent (sen)				
Basic earnings per share	40(a)	5.16	2.15	
Diluted earnings per share	40(b)	5.16	2.15	
	Note	2021 RM	2020 RM	Company
Revenue	35	63,000,000	34,265,000	
Other income		21,413,846	13,393,612	
Administrative and operating expenses		(4,977,493)	(6,280,373)	
Changes on impairment of financial instruments		4,758	(4,758)	
Profit from operations		79,441,111	41,373,481	
Finance costs	37	(6,716,049)	(9,346,926)	
Profit before tax	38	72,725,062	32,026,555	
Taxation	39	(196,281)	(1,469,424)	
Net profit for the financial year, representing total comprehensive income for the financial year		72,528,781	30,557,131	

Statements of Changes in Equity

For The Financial Year Ended 31 December 2021

Group	Attributable to owners of the parent									Total equity RM
	Share capital RM	RCPS RM	Other reserves RM	Treasury shares RM	Retained earnings RM	Total RM	Perpetual Sukuk RM	Non-controlling interests RM		
At 1 January 2020										
- as previously reported	817,569,429	104,903,981	(161,956,290)	(10,932,709)	599,070,312	1,348,654,723	-	109,809,808	1,458,464,531	
- effect on adoption of the Agenda Decision	-	-	-	-	-	(77,889,601)	(77,889,601)	-	(5,445,965)	(83,335,566)
At 1 January 2020, as restated	817,569,429	104,903,981	(161,956,290)	(10,932,709)	521,180,711	1,270,765,122	-	104,363,843	1,375,128,965	
Net profit for the financial year	-	-	-	-	43,740,545	43,740,545	-	22,994,672	66,735,217	
Foreign currency translation reserves	-	-	2,917,970	-	-	2,917,970	-	267,401	3,185,371	
Net fair value changes of financial assets measured at FVTOCI	-	-	228,789	-	-	228,789	-	-	228,789	
Disposal of equity investment designated at FVTOCI	-	-	183,964	-	(183,964)	-	-	-	-	
Total comprehensive income for the financial year	-	-	3,330,723	-	43,556,581	46,887,304	-	23,262,073	70,149,377	

Note	Attributable to owners of the parent						Total RM	Perpetual Sukuk RM	Non- controlling interests RM	Total equity RM				
	Share capital RM	RCPS RM	Other reserves RM	Treasury shares RM	Retained earnings RM	Distributable								
Group														
Transactions with owners:														
Capital contribution from non- controlling interests	9(h)(i)	-	-	-	-	-	-	-	37,500	37,500				
Changes in equity interest in subsidiaries	9(d)	-	-	(2,220,725)	-	-	(2,220,725)	-	(9,618,794)	(11,839,519)				
Net changes of non-controlling interests	9(b)	-	-	-	-	-	-	-	9,580	9,580				
Disposal of a subsidiary	9(f)	-	-	-	-	-	-	-	(39,299)	(39,299)				
Dividend paid	43	-	-	-	21,832,246	(21,832,246)	-	-	-	-				
Dividends paid to non-controlling interests		-	-	-	-	-	-	-	(4,200,085)	(4,200,085)				
RCPS preferential dividend paid	43	-	-	-	-	(6,210,536)	(6,210,536)	-	-	(6,210,536)				
Distribution to Perpetual Sukuk holders		-	-	-	-	(4,456,329)	(4,456,329)	-	-	(4,456,329)				
Issuance of ordinary shares:														
- Conversion of RCPS	24	1,395,042	(1,395,042)	-	-	-	-	-	-	-				
- Exercise of warrants	24	413,894	-	-	-	-	413,894	-	-	413,894				
Issuance of Perpetual Sukuk	27	-	-	-	-	-	-	130,000,000	-	130,000,000				
Realisation of ESOS reserve	26(b)	-	-	(59,401)	-	59,401	-	-	-	-				
Shares repurchased	25	-	-	-	(13,584,876)	-	(13,584,876)	-	-	(13,584,876)				
		1,808,936	(1,395,042)	(2,280,126)	8,247,370	(32,439,710)	(26,058,572)	130,000,000	(13,811,098)	90,130,330				
At 31 December 2020		819,378,365	103,508,939	(160,905,693)	(2,685,339)	532,297,582	1,291,593,854	130,000,000	113,814,818	1,535,408,672				

Statements of Changes in Equity
 For The Financial Year Ended 31 December 2021 (Cont'd)

Group	Note	Attributable to owners of the parent						Non-controlling interests			Total equity RM	
		Non-distributable			Distributable			Perpetual Sukuk RM	Non-controlling interests RM			
		Share capital RM	RCPS RM	Other reserves RM	Treasury shares RM	Retained earnings RM	Total RM					
At 1 January 2021												
- as previously reported		819,378,365	103,508,939	(160,877,032)	(2,685,339)	617,768,806	1,377,093,739	130,000,000	119,461,760	1,626,555,499		
- effect on adoption of the Agenda Decision		-	-	(28,661)	-	(85,471,224)	(85,499,885)	-	(5,646,942)	(91,146,827)		
At 1 January 2021, as restated		819,378,365	103,508,939	(160,905,693)	(2,685,339)	532,297,582	1,291,593,854	130,000,000	113,814,818	1,535,408,672		
Net profit for the financial year		-	-	-	-	95,618,980	95,618,980	-	19,302,572	114,921,552		
Foreign currency translation reserves		-	-	10,076,886	-	-	10,076,886	-	(1,349,873)	8,727,013		
Total comprehensive income for the financial year		-	-	10,076,886	-	95,618,980	105,695,866	-	17,952,699	123,648,565		
Transactions with owners:												
Capital contribution from non-controlling interests	9(h)(xviii)	-	-	-	-	-	-	-	300,000	300,000		
Net changes of non-controlling interests	9(c)	-	-	-	-	-	-	-	30	30		
Changes in equity interest in subsidiaries	9(d)	-	-	(51,991,735)	-	-	(51,991,735)	-	46,722,620	(5,269,115)		
Strike off of subsidiaries	9(j)	-	-	767,957	-	-	767,957	-	(40,175)	727,782		
Dividends paid	43	-	-	-	-	(22,644,051)	(22,644,051)	-	-	(22,644,051)		
Dividends paid to non-controlling interests		-	-	-	-	-	-	-	(2,200,000)	(2,200,000)		
RCPS preferential dividend paid	43	-	-	-	-	(6,210,536)	(6,210,536)	-	-	(6,210,536)		
Distribution to Perpetual Sukuk holders		-	-	-	-	(8,840,000)	(8,840,000)	-	-	(8,840,000)		
Issuance of Perpetual Sukuk	27	-	-	-	-	-	-	93,000,000	-	93,000,000		
Realisation of ESOS reserve	26(b)	-	-	(251,845)	-	251,845	-	-	-	-		
Shares repurchased	25	-	-	-	(505,555)	-	(505,555)	-	-	(505,555)		
		-	-	(51,475,623)	(505,555)	(37,442,742)	(89,423,920)	93,000,000	44,782,475	48,358,555		
At 31 December 2021		819,378,365	103,508,939	(202,304,430)	(3,190,894)	590,473,820	1,307,865,800	223,000,000	176,549,992	1,707,415,792		

Company Note	Non-distributable						Distributable			Perpetual Sukuk RM	Total equity RM
	Share capital RM	RCPS RM	ESOS reserves RM	Warrants reserves RM	Fair value reserves RM	Treasury shares RM	Retained earnings RM	Total RM			
At 1 January 2020	817,569,429	104,903,981	4,481,102	21,352,823	(21,352,823)	(10,932,709)	41,450,749	957,472,552	-	957,472,552	
Net profit for the financial year, representing total comprehensive income for the financial year	-	-	-	-	-	-	30,557,131	30,557,131	-	30,557,131	
Transactions with owners:											
Dividend paid	43	-	-	-	-	21,832,246	(21,832,246)	-	-	-	
RCPS preferential dividend paid	43	-	-	-	-	-	(6,210,536)	(6,210,536)	-	(6,210,536)	
Distribution to Perpetual Sukuk holders		-	-	-	-	-	(4,456,329)	(4,456,329)	-	(4,456,329)	
Issuance of ordinary shares:											
- Conversion of RCPS	24	1,395,042	(1,395,042)	-	-	-	-	-	-	-	
- Exercise of warrants	24	413,894	-	-	-	-	-	413,894	-	413,894	
Issuance of Perpetual Sukuk	27	-	-	-	-	-	-	-	130,000,000	130,000,000	
Realisation of ESOS reserve	26(b)	-	-	(59,401)	-	-	59,401	-	-	-	
Realisation of warrants reserves	26(e)	-	-	-	(157,871)	157,871	-	-	-	-	
Expiry of warrants	26(e)	-	-	-	(21,194,952)	21,194,952	-	-	-	-	
Shares repurchased	25	-	-	-	-	-	(13,584,876)	(13,584,876)	-	(13,584,876)	
	1,808,936	(1,395,042)	(59,401)	(21,352,823)	21,352,823	8,247,370	(32,439,710)	(23,837,847)	130,000,000	106,162,153	
At 31 December 2020	819,378,365	103,508,939	4,421,701	-	-	(2,685,339)	39,568,170	964,191,836	130,000,000	1,094,191,836	

Statements of Changes in Equity
 For The Financial Year Ended 31 December 2021 (Cont'd)

	Note	Non-distributable						Distributable			Perpetual Sukuk RM	Total equity RM
		Share capital RM	RCPS RM	ESOS reserves RM	Warrants reserves RM	Fair value reserves RM	Treasury shares RM	Retained earnings RM	Total RM			
Company												
At 1 January 2021		819,378,365	103,508,939	4,421,701	-	-	(2,685,339)	39,568,170	964,191,836	130,000,000		1,094,191,836
Net profit for the financial year, representing total comprehensive income for the financial year		-	-	-	-	-	-	72,528,781	72,528,781	-		72,528,781
Transactions with owners:												
Dividend paid	43	-	-	-	-	-	-	(22,644,051)	(22,644,051)	-		(22,644,051)
RCPS preferential dividend paid	43	-	-	-	-	-	-	(6,210,536)	(6,210,536)	-		(6,210,536)
Distribution to Perpetual Sukuk holders		-	-	-	-	-	-	(8,840,000)	(8,840,000)	-		(8,840,000)
Issuance of Perpetual Sukuk	27	-	-	-	-	-	-	-	-	93,000,000	93,000,000	
Realisation of ESOS reserve	26(b)	-	-	(251,845)	-	-	-	251,845	-	-	-	-
Shares repurchased	25	-	-	-	-	-	(505,555)	-	(505,555)	-		(505,555)
		-	-	(251,845)	-	-	(505,555)	(37,442,742)	(38,200,142)	93,000,000		54,799,858
At 31 December 2021		819,378,365	103,508,939	4,169,856	-	-	(3,190,894)	74,654,209	998,520,475	223,000,000		1,221,520,475

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

Statements of Cash Flows

For The Financial Year Ended 31 December 2021

	Group	2021	2020
		RM	RM
		Restated	
Operating activities			
Profit before tax		176,807,747	123,036,936
Adjustments for:			
Allowance for impairment losses on:			
- Assets held for sale		-	88,856
- Goodwill arising on consolidation		25,121,364	15,210,840
- Investment in associates		14,197	48,268
- Investment properties		398,033	523,457
- Other investments		8,000	34,000
- Property, plant and equipment		5,601	-
- Right-of-use assets		749,185	86,891
- Trade and other receivables		3,064,095	1,474,564
Amortisation of intangible assets		347,177	1,179,734
Bad debts written off		1,644,970	738,600
Bad debts written off - Amount due from a subsidiary under strike off		100	-
Deposits written off		812,419	18,883
Depreciation of:			
- Investment properties		2,265,407	2,253,271
- Property, plant and equipment		12,493,767	9,961,893
- Right-of-use assets		24,905,697	23,583,252
Finance costs		61,490,180	67,536,349
Inventories written down to net realisable value		5,188,800	-
Loss on strike off of:			
- Subsidiaries		727,762	-
- An associate		11,697	-
Prepayments written off		192,410	446,019
Property, plant and equipment written off		177,616	20,163
Property development costs written off		12,744,321	439,566
Balance carried down		329,170,545	246,681,542

Statements of Cash Flows
For The Financial Year Ended 31 December 2021 (Cont'd)

	2021 RM	2020 RM	Group Restated
Operating activities (Cont'd)			
Balance brought down	329,170,545	246,681,542	
Provision for staff economic compensation	-	12,763	
Unrealised foreign exchange loss	4,958,744	589,391	
Waiver of debts of an associate	1,350	-	
Waiver of interest income	630,166	1,479,115	
Bargain purchase gain	-	(12,353)	
Claims accrued in prior years no longer required	-	(6,928,283)	
Contingency sum accrued in prior years no longer required	(9,132,972)	(19,515,780)	
Dividend income from financial assets measured at FVTPL	(5,416)	(82,971)	
Fair value adjustment on trade receivables	(28,075)	(52,183)	
(Gain)/Loss on disposal of:			
- Assets held for sale	(398,108)	(579,985)	
- Financial assets measured at FVTPL	-	(4,336)	
- Investment properties	-	(3,115,141)	
- Investment in a subsidiary	-	40,902	
- Property, plant and equipment	(26,857)	(276,238)	
- Right-of-use assets	(314,874)	(258,251)	
Fair value (gain)/loss on revaluation of financial assets measured at fair value through profit or loss ("FVTPL")	(273)	8,481	
Income from rent concessions	-	(39,260)	
Interest income	(3,040,613)	(4,190,921)	
Reversal of allowance for impairment losses of:			
- Investment in an associate	(40)	-	
- Trade and other receivables	(3,037,770)	(2,007,156)	
Balance carried down	318,775,807	211,749,336	

	Group	2021 RM	2020 RM	Restated
Operating activities (Cont'd)				
Balance brought down		318,775,807	211,749,336	
Share of profit of associates, net of tax		(133,453)	(86,676)	
Staff economic compensation provided in prior years no longer required		(17,943)	-	
Waiver of debts		(174,648)	(3,535)	
Operating profit before working capital changes		318,449,763	211,659,125	
Changes in working capital:				
Inventories		(28,352,962)	43,393,580	
Contract assets		(63,402,003)	(157,307,428)	
Contract liabilities		(13,671,806)	(22,831,198)	
Trade receivables		(193,989,627)	205,521,789	
Other receivables		3,496,758	(46,343,455)	
Trade payables		114,129,717	(35,840,171)	
Other payables		61,596,929	46,028,887	
Amount due (to)/from associates		(3,402)	67,132	
Foreign exchange reserve		(2,318,504)	(3,313,476)	
		(122,514,900)	29,375,660	
Cash generated from operations		195,934,863	241,034,785	
Dividends received from:				
- An associate		150,000	-	
- Financial assets measured at FVTPL		2,560	-	
Interest received		3,040,613	4,190,921	
Interest paid		(50,228,301)	(58,133,352)	
Tax paid		(86,181,631)	(98,726,110)	
Tax refunded		192,168	3,908,858	
		(133,024,591)	(148,759,683)	
Net cash from operating activities		62,910,272	92,275,102	

Statements of Cash Flows
 For The Financial Year Ended 31 December 2021 (Cont'd)

	Note	2021 RM	Group 2020 RM Restated
Investing activities			
Additional investment in:			
- An associate		-	(1)
- Subsidiaries		(23,500,000)	(10,949,519)
- Financial assets measured at FVTPL		(2,000,000)	(14,600,000)
Capital work-in-progress incurred		(12,270,181)	(38,316,292)
Net cash inflows from acquisition of a subsidiary	9(b)	-	27,460
Net cash outflows from disposal of a subsidiary	9(f)	-	(82,301)
Proceeds from disposal of:			
- Assets held for sale		750,000	4,287,097
- Financial assets measured at FVTOCI		-	49,748,125
- Financial assets measured at FVTPL		-	24,299,460
- Investment properties		-	25,068,612
- Property, plant and equipment		250,623	3,061,944
- Quoted shares of a subsidiary		19,530,000	-
- Right-of-use-assets		470,000	540,600
Proceeds from acquisition of equity interest by non-controlling interests		300,030	37,500
Purchase of:			
- Investment properties	8	-	(5,945,153)
- Property, plant and equipment	4	(5,132,645)	(8,888,949)
- Right-of-use assets	5(c)	(2,487,958)	(3,372,470)
Deposits and consideration paid for the acquisition and joint venture of development lands		(67,652,906)	(29,260,460)
Repayment of prior years' investment in subsidiaries and associates		(1,207,087)	(14,935,000)
Net cash used in investing activities		(92,950,124)	(19,279,347)

	Note	2021 RM	Group 2020 RM Restated
Financing activities			
(Increase)/Decrease in fixed deposits pledged		(1,705,221)	37,018,631
(Increase)/Decrease in cash and bank balances pledged		(527,152)	3,424,473
Drawdown of bank borrowings		624,388,963	535,338,524
Distribution to holders of Perpetual Sukuk		(8,840,000)	(4,456,329)
Dividend paid		(22,644,051)	-
RCPS preferential dividend paid		(6,210,536)	(6,210,536)
Dividends paid to non-controlling interests		(2,200,000)	(4,200,085)
Issuance of Perpetual Sukuk	27	93,000,000	130,000,000
Purchase of treasury shares		(505,555)	(13,584,876)
Proceeds from exercise of warrants		-	413,894
Repayment of:			
- Bank borrowings		(638,737,410)	(635,869,074)
- RCPS		-	(20,000,000)
- Sukuk		(9,202,000)	(4,452,000)
- Lease liabilities		(15,558,849)	(9,743,989)
Net cash from financing activities		11,258,189	7,678,633
Net (decrease)/increase in cash and cash equivalents		(18,781,663)	80,674,388
Effects of exchange translation differences on cash and cash equivalents		1,176,118	(552,879)
Cash and cash equivalents at the beginning of the financial year		196,393,467	116,271,958
Cash and cash equivalents at the end of the financial year		178,787,922	196,393,467
Cash and cash equivalents at the end of the financial year comprises:			
Fixed deposits with licensed banks		22,302,268	20,620,182
Cash held under Housing Development			
Accounts		147,831,952	153,675,969
Cash and bank balances		112,618,530	127,903,940
Bank overdrafts		(75,838,746)	(79,912,915)
Less: Fixed deposits pledged with licensed banks	20	206,914,004	222,287,176
Cash and bank balances pledged	22	(22,302,268)	(20,597,047)
		(5,823,814)	(5,296,662)
		178,787,922	196,393,467

Statements of Cash Flows
For The Financial Year Ended 31 December 2021 (Cont'd)

		Company	
	Note	2021 RM	2020 RM
Operating activities			
Profit before tax		72,725,062	32,026,555
Adjustments for:			
Allowance for impairment losses on amount due from a subsidiary		-	4,758
Bad debts written off - Amount due from a subsidiary under strike off		2,140	-
Deposit written off		-	10,000
Depreciation of property, plant and equipment		450	450
Fair value loss on revaluation of financial assets measured at FVTPL		-	948
Loss on strike off of subsidiaries		447	-
Finance costs		6,716,049	9,346,926
Unrealised foreign exchange loss		-	8,224
Dividend income from financial assets measured at FVTPL		-	(12,928)
Dividend income		(63,000,000)	(34,260,000)
Gain on disposal of equity interest in a subsidiary		(5,367,600)	-
Interest income		(12,467,716)	(12,870,813)
Reversal of allowance for impairment losses on: - Amount due from a subsidiary		(4,758)	-
- Investment in subsidiaries		(3,578,530)	-
Operating loss before working capital changes		(4,974,456)	(5,745,880)
Changes in working capital:			
Other receivables		1,490,831	(985,598)
Other payables		318,685	(233,436)
Amount due (to)/from subsidiaries		(142,403,433)	19,169,349
		(140,593,917)	17,950,315
Cash (used in)/generated from operations		(145,568,373)	12,204,435
Dividends received		63,000,000	34,260,000
Interest received		10,571,141	12,159,679
Interest paid		(9,814,895)	(10,711,702)
Tax paid		(1,320,829)	(7,609,214)
		62,435,417	28,098,763
Net cash (used in)/from operating activities		(83,132,956)	40,303,198

	Note	Company	
		2021 RM	2020 RM
Investing activities			
Additional investment in a subsidiary		(249,115)	(1,144,519)
Net movement of amount due from subsidiaries		55,233,930	(111,477,657)
Proceeds from disposal of equity interest of a subsidiary	9(d)	19,530,000	-
Proceeds from disposal of financial assets measured at FVTPL		-	2,180,834
Net cash from/(used in) investing activities		74,514,815	(110,441,342)
Financing activities			
Dividends paid		(22,644,051)	-
RCPS preferential dividend paid		(6,210,536)	(6,210,536)
(Increase)/Decrease in fixed deposits pledged		(4,813)	23,883,690
Decrease/(Increase) in cash and bank balances pledged		674,578	(352,355)
Drawdown of bank borrowings		76,455,000	50,000,000
Distribution to holders of Perpetual Sukuk		(8,840,000)	(4,456,329)
Issuance of Perpetual Sukuk	27	93,000,000	130,000,000
Net movement of amount due to subsidiaries		(14,901,827)	14,901,827
Purchase of treasury shares		(505,555)	(13,584,876)
Proceeds from exercise of warrants		-	413,894
Repayment of bank borrowings		(111,799,965)	(119,278,369)
Net cash from financing activities		5,222,831	75,316,946
Net (decrease)/increase in cash and cash equivalents		(3,395,310)	5,178,802
Effects of exchange translation differences on cash and cash equivalents		-	(8,224)
Cash and cash equivalents at the beginning of the financial year		12,508,925	7,338,347
Cash and cash equivalents at the end of the financial year		9,113,615	12,508,925
Cash and cash equivalents at the end of the financial year comprises:			
Fixed deposits with licensed banks		988,305	983,492
Cash and bank balances		11,778,001	16,437,344
Bank overdrafts		(2,330,998)	(2,920,453)
		10,435,308	14,500,383
Less: Fixed deposits pledged with licensed banks	20	(988,305)	(983,492)
Cash and bank balances pledged	22	(333,388)	(1,007,966)
		9,113,615	12,508,925

Notes To The Financial Statements

31 December 2021

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 and principal place of business of the Company are located at Plaza Seri Setia, Level 1 - 4, No. 1, Jalan SS9/2, 47300 Petaling Jaya, Selangor Darul Ehsan.

The principal activities of the Company are investment holding and provision of management services to its subsidiaries. The principal activities of its subsidiaries are disclosed in Note 53. There have been no significant changes in the nature of these activities of the Company and its subsidiaries during the financial year.

The holding company is Gaterich Sdn. Bhd., a private limited liability company, incorporated and domiciled in Malaysia.

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 ("MFRS"), International Financial Reporting Standards ("IFRS") and the requirements of the Companies Act 2016 in Malaysia.

The financial statements of the Group and of the Company have been prepared under the historical cost convention, unless otherwise indicated in the significant accounting policies below.

Adoption of new and amended standards

During the financial year, the Group and the Company have adopted the following new standards and amendments to standards issued by the Malaysian Accounting Standards Board ("MASB") that are mandatory for current financial year:

Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16	Interest Rate Benchmark Reform - Phase 2
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The adoption of the new standards and amendments to standards did not have any significant impact on the financial statements of the Group and of the Company, except for:

IFRS Interpretations Committee ("IFRIC") Agenda Decision on MFRS 123 Borrowing Costs relating to over time transfer of constructed goods ("Agenda Decision")

In March 2019, the IFRIC published an agenda decision on borrowing costs confirming receivables, contract assets and inventories for which revenue is recognised over time are not qualifying assets. On 20 March 2019, the MASB decided that an entity shall apply the change in accounting policy as a result of the Agenda Decision to financial statements of annual periods beginning on or after 1 July 2020. As a result, finance cost can no longer be capitalised on the Group's ongoing development project for which revenue is recognised over time.

Effective 1 January 2020, the Group had retrospectively applied the Agenda Decision and comparative figures have been restated as a result of transition requirement under Agenda Decision. The effects of the adoption of the Agenda Decision are disclosed in Note 55.

2. BASIS OF PREPARATION (CONT'D)

(a) Statement of compliance (Cont'd)

Standards issued but not yet effective

The Group and the Company have not applied the following new standards and amendments to standards that have been issued by the MASB but are not yet effective for the Group and for the Company:

		Effective dates for financial periods beginning on or after
Amendment to MFRS 16	Covid-19 - Related Rent Concessions beyond 30 June 2021	1 April 2021
Amendments to MFRS 3	Reference to the Conceptual Framework	1 January 2022
Amendments to MFRS 116	Property, Plant and Equipment - Proceeds before Intended Use	1 January 2022
Amendments to MFRS 137	Onerous Contracts - Cost of Fulfilling a Contract	1 January 2022
Annual Improvements to MFRS Standards 2018 - 2020:		1 January 2022
• Amendments to MFRS 1		
• Amendments to MFRS 9		
• Amendments to MFRS 16		
• Amendments to MFRS 141		
Amendments to MFRS 17	Initial Application of MFRS 17 and MFRS 9 - Comparative Information	1 January 2023
MFRS 17	Insurance Contracts	1 January 2023
Amendments to MFRS 17	Insurance Contracts	1 January 2023
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to MFRS 101	Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108	Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112	Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred until further notice

The Group and the Company intend to adopt the above new standards and amendments to standards, if applicable, when they become effective.

The initial application of the above-mentioned new standards and amendments to standards are not expected to have any significant impacts on the financial statements of the Group and of the Company.

(b) Functional and presentation currency

These financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional currency. All financial information is presented in RM and has been rounded to the nearest RM except when otherwise stated.

Notes To The Financial Statements

31 December 2021 (Cont'd)

2. BASIS OF PREPARATION (CONT'D)

(c) Significant accounting judgements, estimates and assumptions

The preparation of the Group's and of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

Judgements

The following are the judgements made by management in the process of applying the Group's accounting policies that have the most significant effect on the amounts recognised in the financial statements:

Satisfaction of performance obligations in relation to contracts with customers

The Group is required to assess each of its contracts with customers to determine whether performance obligations are satisfied over time or at a point in time in order to determine the appropriate method for recognising revenue. This assessment was made based on the terms and conditions of the contracts, and the provisions of relevant laws and regulations.

The Group recognises revenue over time in the following circumstances:

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

Where the above criteria are not met, revenue is recognised at a point in time. Where revenue is recognised at a point in time, the Group assesses each contract with customers to determine when the performance obligation of the Group under the contract is satisfied.

Classification between investment properties and inventories

The Group has developed certain criteria based on MFRS 140 *Investment Property* in making judgement whether a property qualifies as an investment property. Investment property is a property held to earn rentals or for capital appreciation or both.

The Group has temporarily sub-let some completed unsold properties but has decided not to treat these properties as investment properties as it is not the Group's intention to hold these properties in the long-term for capital appreciation or rental income but rather for sale. Accordingly, these properties are classified as inventories. The carrying amounts of these inventories as at reporting date are RM61,015,468 (31.12.2020: RM61,925,774; 1.1.2020: RM48,160,078).

2. BASIS OF PREPARATION (CONT'D)

(c) Significant accounting judgements, estimates and assumptions (Cont'd)

Judgements (Cont'd)

Determining the lease term of contracts with renewal options - the Group as lessee

The Group determines the lease term with any periods covered by an option to extend the lease if it is reasonably certain to be exercised.

The Group has several lease contracts that include extension options. The Group applies judgement in evaluating whether to exercise the option to renew the lease. It considers all relevant factors that create an economic incentive for it to exercise the renewal option. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew.

The Group includes the renewal period as part of the lease term for such leases. The Group typically exercises its option to renew for those leases with renewal option.

Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation 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 reporting period are set out below:

(i) Useful lives of property, plant and equipment, right-of-use ("ROU") assets and investment properties

The Group regularly reviews the estimated useful lives of property, plant and equipment, ROU assets and investment properties based on factors such as business plan and strategies, expected level of usage and future technological developments. Future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned above. A reduction in the estimated useful lives of property, plant and equipment, ROU assets and investment properties would increase the recorded depreciation and decrease the value of property, plant and equipment, ROU assets and investment properties. The carrying amount at the reporting date for property, plant and equipment, ROU assets and investment properties are disclosed in Notes 4, 5 and 8 respectively.

(ii) Impairment of investment in subsidiaries

The Company reviews its investment in subsidiaries when there are indicators of impairment. Impairment is measured by comparing the carrying amount of an investment with its recoverable amount. Significant judgement is required in determining the recoverable amount. Estimating the recoverable amount requires the Company to make an estimate of the expected future cash flows from the cash-generating units and also to determine a suitable discount rate in order to calculate the present value of those cash flows.

The carrying amounts at the reporting date for investment in subsidiaries are disclosed in Note 9.

(iii) Impairment of investment in associates

The Group reviews its investment in associates when there are indicators of impairment. Impairment is measured by comparing the carrying amount of an investment with its recoverable amount. Significant judgement is required in determining the recoverable amount. The Group evaluates the recoverable amount based on market performance, economic and political situation of the country in which the associates operate.

The carrying amounts at the reporting date for investment in associates are disclosed in Note 10.

Notes To The Financial Statements

31 December 2021 (Cont'd)

2. BASIS OF PREPARATION (CONT'D)

(c) Significant accounting judgements, estimates and assumptions (Cont'd)

Key sources of estimation uncertainty (Cont'd)

- (iv) Impairment of goodwill on consolidation

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which the goodwill is allocated. Estimating the value in use amount requires the Group to make an estimate of the expected future cash flows from the cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The key assumptions used to determine the value in use are disclosed in Note 13.

- (v) Deferred tax assets

Deferred tax assets are recognised for all unused tax losses, unutilised capital allowances and other deductible temporary differences to the extent that it is probable that taxable profit will be available against which the unused tax losses, unutilised capital allowances and other deductible temporary differences can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. The details of carrying amount of recognised and unrecognised of deferred tax assets are disclosed in Note 15.

- (vi) Inventories valuation

Inventories are measured at the lower of cost and net realisable value. The Group estimates the net realisable value of inventories based on an assessment of expected sales prices. Demand levels and pricing competition could change from time to time. If such factors result in an adverse effect on the Group's products, the Group might be required to reduce the value of its inventories. The details of inventories are disclosed in Note 7.

- (vii) Determination of transaction prices

The Group is required to determine the transaction price in respect of each of its contracts with customers. In making such judgement, the Group assesses the impact of any variable consideration in the contract, due to discounts or penalties, the existence of any significant financing component and any non-cash consideration in the contract.

There is no estimation required in determining the transaction price, as revenue from sale of goods and rendering of services are based on invoiced values. Discounts are not considered as they are only given in rare circumstances.

- (viii) Revenue from construction contracts

Construction revenue and costs are recognised over the period of the contract in the profit or loss by reference to the progress towards complete satisfaction of that performance obligation.

The progress towards complete satisfaction of performance obligation is measured based on physical proportion of contract work-to-date certified by professional consultants. Significant judgement is required in determining the progress based on the certified work-to-date corroborated by the level of completion of the construction based on actual costs incurred to-date over the estimated total construction costs. The total estimated construction costs are based on approved budgets, which require assessments and judgements to be made on changes in, for example, work scope, changes in costs and costs to completion. In making the judgement, the Group evaluates based on past experience, the work of specialists and a continuous monitoring mechanism.

The contract assets and contract liabilities of the Group arising from construction contracts are disclosed in Note 16.

2. BASIS OF PREPARATION (CONT'D)

(c) Significant accounting judgements, estimates and assumptions (Cont'd)

Key sources of estimation uncertainty (Cont'd)

(ix) Revenue from property development activities

Revenue is recognised as and when the control of the asset is transferred to customers and it is probable that the Group will collect the consideration to which it will be entitled in exchange for the asset that will be transferred to the customer. Depending on the terms of the contract and the applicable laws governing the contract, control of the asset may transfer over time or at a point in time.

If control of the asset transfers over time, revenue is recognised over the period of the contract by reference to the stage of completion of the development activity at the end of the reporting period. The stage of completion is determined based on the proportion that the property development costs incurred to-date bear to the estimated total costs for the property development. Where it is probable that total property development costs of a development phase will exceed total property development revenue of the development phase, the expected loss on the development phase is recognised as an expense immediately.

Significant judgement is required in determining the completeness and accuracy of the total property development costs as estimates of future property development costs are inherently uncertain, which involve management's estimation of future cost to completion of the development. Substantial changes in cost estimates in future periods may affect the profitability of the respective property development projects. In making the estimation, the Group evaluates based on past experiences and by relying on the work of specialists. Where the actual total property development costs are different from the estimated total property development costs, such difference will impact the property development profits/(losses) recognised.

The carrying amount of assets and liabilities of the Group arising from property development activities are disclosed in Note 16.

(x) Provision for expected credit loss of financial assets at amortised cost

The Group uses a provision matrix to calculate expected credit loss for trade receivables. The provision rates are based on number of days past due.

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

The assessment of the correlation between historical observed default rates, forecast economic conditions and expected credit loss is a significant estimate. The Group's historical credit loss experience and forecast of economic conditions may not be representative of customer's actual default in the future. Information about the expected credit loss on the Group's trade receivables is disclosed in Note 14.

Notes To The Financial Statements 31 December 2021 (Cont'd)

2. BASIS OF PREPARATION (CONT'D)

(c) Significant accounting judgements, estimates and assumptions (Cont'd)

Key sources of estimation uncertainty (Cont'd)

(xi) Discount rate used in leases

Where the interest rate implicit in the lease cannot be readily determined, the Group uses the incremental borrowing rate to measure the lease liabilities. The incremental borrowing rate is the interest rate that the Group would have to pay to borrow over a similar term, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. Therefore, the incremental borrowing rate requires estimation, particularly when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the incremental borrowing rate using observable inputs when available and is required to make certain entity-specific estimates.

(xii) Employees' Share Option Scheme

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The details of assumptions made in respect of the share-based payment scheme are disclosed in Note 41.

(xiii) Contingent liabilities

Determination of the treatment of contingent liabilities is based on management's view of the expected outcome of the contingencies after consulting internal and external experts to the Group, for matters in the ordinary course of business.

(xiv) Income taxes

Judgement is involved in determining the provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business.

The Group recognises liabilities for tax based on estimates of whether additional taxes will be due. Where the final tax outcome of these tax matters is different from the amounts that were initially recognised, such differences will impact the income tax and/or deferred tax provisions in the period in which such determination is made. As at 31 December 2021, the Group has tax recoverable and tax payable of RM7,649,031 and RM17,169,831 (31.12.2020: RM5,290,057 and RM27,890,481; 1.1.2020: RM4,744,821 and RM59,848,744) respectively. As at 31 December 2021, the Company has tax recoverable and tax payable of RM116,226 and RMNil (31.12.2020: RMNil and RM1,008,323; 1.1.2020: RMNil and RM7,148,113) respectively.

3. SIGNIFICANT ACCOUNTING POLICIES

The Group and the Company apply the significant accounting policies set out below, consistently throughout all periods presented in the financial statements unless otherwise stated.

(a) Basis of consolidation

(i) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interests in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Acquisition-related costs are expensed in profit or loss as incurred.

If the business combination is achieved in stages, the acquirer's previously held equity interest in the acquiree is re-measured at its acquisition date fair value and the resulting gain or loss is recognised in profit or loss.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (which cannot exceed one year from the acquisition date), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date, if known, would have affected the amounts recognised at that date.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of MFRS 9 *Financial Instruments* is measured at fair value with the changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

Inter-company transactions, balances and unrealised gains or losses on transactions between Group companies are eliminated. Unrealised losses are eliminated only if there is no indication of impairment. Where necessary, accounting policies of subsidiaries have been changed to ensure consistency with the policies adopted by the Group.

In the Company's separate financial statements, investment in subsidiaries is stated at cost less accumulated impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts are recognised in profit or loss. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. Refer accounting policy Note 3(o)(i) on impairment of non-financial assets.

Notes To The Financial Statements

31 December 2021 (Cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) Basis of consolidation (Cont'd)

(ii) Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions - that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

(iii) Disposal of subsidiaries

If the Group loses control of a subsidiary, the assets and liabilities of the subsidiary, including any goodwill, and non-controlling interests are derecognised at their carrying value on the date that control is lost. Any remaining investment in the entity is recognised at fair value. The difference between the fair value of consideration received and the amounts derecognised and the remaining fair value of the investment is recognised as a gain or loss on disposal in profit or loss. Any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities.

(iv) Goodwill on consolidation

The excess of the aggregate of the consideration transferred the amount of any non-controlling interest in the acquiree and the acquisition date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total consideration transferred, non-controlling interest recognised and previously held interest measured at fair value is less than the fair value of the net assets of the subsidiary acquired (i.e. a bargain purchase), the gain is recognised in profit or loss.

Following the initial recognition, goodwill is measured at cost less accumulated impairment losses. Goodwill is not amortised but instead, it is reviewed for impairment annually or more frequent when there is objective evidence that the carrying value may be impaired. Refer accounting policy Note 3(o)(i) on impairment of non-financial assets.

(b) Investment in associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

On acquisition of an investment in an associate, any excess of the cost of investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill and included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities of the investee over the cost of investment is excluded from the carrying amount of the investment and is instead included as income in the determination of the Group's share of associate's profit or loss for the period in which the investment is acquired.

An associate is accounted for either at cost or equity method as described in MFRS 128 from the date on which the investee becomes an associate. Under the equity method, on initial recognition the investment in an associate is recognised at cost, and the carrying amount is increased or decreased to recognise the Group's share of profit or loss and other comprehensive income of the associate after the date of acquisition. When the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) Investment in associates (Cont'd)

Profits or losses resulting from upstream and downstream transactions between the Group and its associate are recognised in the Group's consolidated financial statements only to the extent of unrelated investors' interests in the associate. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the assets transferred.

The financial statements of the associates are prepared as of the same reporting date as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

The requirements of MFRS 136 *Impairment of Assets* are applied to determine whether it is necessary to recognise any additional impairment loss with respect to its net investment in the associate or joint venture. When necessary, the entire carrying amount of the investment is tested for impairment in accordance with MFRS 136 as a single asset, by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount. Any impairment loss is recognised in profit or loss. Reversal of an impairment loss is recognised to the extent that the recoverable amount of the investment subsequently increases.

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

In the Company's separate financial statements, investment in associates are stated at cost less accumulated impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts are recognised in profit or loss. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. Refer accounting policy Note 3(o)(i) on impairment of non-financial assets.

(c) Intangible assets

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair values at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, is recognised in profit or loss when the asset is derecognised.

Refer accounting policy Note 3(o)(i) on impairment of non-financial assets.

(d) Foreign currency translation

(i) Foreign currency transactions and balances

Transactions in foreign currency are recorded in the functional currency of the respective Group entities using the exchange rates prevailing at the dates of the transactions. At each reporting date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Notes To The Financial Statements 31 December 2021 (Cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Foreign currency translation (Cont'd)

(i) Foreign currency transactions and balances (Cont'd)

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting date are included in profit or loss except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operation. These are initially taken directly to the foreign currency translation reserve within equity until the disposal of the foreign operations, at which time they are recognised in profit or loss. Exchange differences arising on monetary items that form part of the Company's net investment in foreign operation are recognised in profit or loss in the Company's financial statements or the individual financial statements of the foreign operation, as appropriate.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the reporting period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised in other comprehensive income. Exchange differences arising from such non-monetary items are also recognised in other comprehensive income.

(ii) Foreign operations

The assets and liabilities of foreign operations denominated in functional currencies other than RM are translated to RM at the rate of exchange prevailing at the reporting date and income and expenses, excluding foreign operations in hyperinflationary economies, are translated to RM at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income and accumulated in the foreign currency translation reserve ("FCTR") in equity. However, if the operation is a non-wholly-owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests. When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the FCTR related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal.

When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in associates that includes a foreign operation while retaining significant influence, the relevant proportion of the cumulative amount is reclassified to profit or loss.

(e) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. The policy for the recognition and measurement of impairment is in accordance with Note 3(o)(i) on impairment of non-financial assets.

(i) Recognition and measurement

Cost includes expenditures that are directly attributable to the acquisition of the asset 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)

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

(i) Recognition and measurement (Cont'd)

The cost of property, plant and equipment recognised as a result of a business combination is based on fair value at acquisition date. The fair value of property is the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. The fair value of other items of plant and equipment is based on the quoted market prices for similar items.

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) Reclassification to investment property

When the use of a property changes from owner-occupied to investment property, the property is reclassified as investment property and accounted for in accordance with Note 3(h) on investment properties.

(iii) 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 its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in the profit or loss as incurred.

(iv) Depreciation

Depreciation is recognised in the profit or loss on straight-line basis to write off the cost of each asset to its residual value over its estimated useful life.

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

Freehold land and buildings	50 years
Motor vehicles	5 years
Office equipment, furniture and fittings	2 to 10 years
Renovations	5 to 10 years
Plant, machinery and equipment	3 to 30 years

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

Notes To The Financial Statements

31 December 2021 (Cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(f) Capital work-in-progress

Capital work-in-progress consists of buildings under construction for intended use. The amount is stated at cost and includes capitalisation of interest incurred on borrowings related to property, plant and equipment under construction until the property, plant and equipment are ready for their intended use.

Capital work-in-progress is stated at cost during the period of construction. No depreciation is provided on capital work-in-progress and upon completion of construction, the cost will be transferred to property, plant and equipment or investment properties.

(g) Inventories

(i) Land held for property development

Land held for property development consists of land held for future development where 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 the lower of cost and net realisable value.

Cost associated with the acquisition of land includes the purchase price of the land, professional fees, stamp duties, commissions, conversion fees and other relevant levies.

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

Land held for property development is transferred to property development costs (under current assets) when development activities have commenced and where the development activities can be completed within the normal operating cycle.

(ii) Property development costs

Property development costs are determined based on a specific identification basis. Property development costs comprising cost of land, direct materials, direct labour, other direct costs and related overheads incurred that meet the definition of inventories are recognised as an asset and are stated at the lower of cost and net realisable value. The property development costs are subsequently recognised as an expense in profit or loss when or as the control of the asset is transferred to the customer over time or at a point in time.

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

Property development costs for which work has been undertaken and development activities are expected to be completed within the normal operating cycle, are classified as current asset.

(iii) Completed properties

Completed properties are stated at the lower of cost and net realisable value. The cost comprises proportionate cost of land and related development and construction expenditure.

(iv) Other inventories

Cost of raw materials, consumable foods, finished goods, spare parts and consumables comprise cost of purchase and other costs incurred in bringing it to their present location and condition are determined on a first-in-first-out basis.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(h) Investment properties

Investment properties, including right-of-use assets held by lessee, are properties held either to earn rental income or for capital appreciation or for both. Investment properties are measured at cost, including transaction costs, less any accumulated depreciation and impairment losses.

The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day servicing of an investment property.

Freehold land is not depreciated. Investment properties are depreciated on a straight-line basis to write down the cost of each asset to their residual values over their estimated useful lives. The principal annual depreciation rates are:

Freehold buildings	20 to 50 years
Leasehold land and buildings	Over the remaining period of the lease
Commercial properties	Over the remaining period of the lease

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Where an indication of impairment exists, the carrying amount of the asset is assessed and written down immediately to its recoverable amount. Refer accounting policy Note 3(o)(i) on impairment of non-financial assets.

Investment properties are derecognised upon disposal or when they are permanently withdrawn from use and no future economic benefits are expected from their disposal. Upon disposal, the difference between the net disposal proceeds and the carrying amount is recognised in the profit or loss.

Transfers are made to (or from) investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

(i) Financial assets

Recognition and initial measurement

Financial assets are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provision of the financial instrument.

At initial recognition, the Group and the Company measure a financial asset at its fair value plus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issuance of the financial instruments. Transaction costs of financial assets carried at fair value through profit or loss ("FVTPL") are expensed in profit or loss.

Notes To The Financial Statements

31 December 2021 (Cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(i) Financial assets (Cont'd)

Financial asset categories and subsequent measurement

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

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

The Group and the Company classify their financial assets as follows:

(i) Financial assets measured at amortised cost

The Group and the Company measure financial assets at amortised cost if both of the following condition are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group's and the Company's financial assets at amortised cost include trade and other receivables, amount due from subsidiaries, amount due from associates, deposits and bank and cash balances.

(ii) Financial assets measured at fair value through other comprehensive income ("FVTOCI")

(a) Debt investments

A debt investment is measured at FVTOCI if it meets both of the following conditions and is not designated as at FVTPL:

- It is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; 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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(i) Financial assets (Cont'd)

Financial asset categories and subsequent measurement (Cont'd)

(ii) Financial assets measured at fair value through other comprehensive income ("FVTOCI") (Cont'd)

(b) Equity investments

This category comprises investment in equity investment that is not held for trading. The Group and the Company irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an investment-by-investment basis. Dividends are recognised as income in profit or loss unless the dividend clearly represent a recovery of part of the cost of investment. Other net gains and losses are recognised in other comprehensive income.

On derecognition, gains and losses accumulated in other comprehensive income are not reclassified to profit or loss.

The Group's financial assets at FVTOCI comprises other investments.

(iii) Financial assets measured at fair value through profit or loss

All financial assets not classified as measured at amortised cost or FVTOCI, as described above, are measured at FVTPL. This includes derivative financial assets (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument). On initial recognition, the Group and the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVTOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets categorised as FVTPL are subsequently measured at their fair value. Net gains or losses, including any interest or dividend income are recognised in the profit or loss.

The Group's and the Company's financial assets at FVTPL comprise other investments.

All financial assets, except for those measured at FVTPL and equity investments measured at FVTOCI, are subject to impairment assessment as disclosed in Note 3(o)(ii) on impairment on financial assets.

Regular way purchase or sale of financial assets

Regular way purchase or sale are purchase or sale of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned. All regular way purchase or sale of financial assets are recognised or derecognised on the trade date i.e., the date that the Group and the Company commit to purchase or sell the asset.

Derecognition

A financial asset or part of it is derecognised when, and only when the contractual rights to receive cash flows from the financial asset expire or transferred, 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 of the financial assets and the sum of consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss.

Notes To The Financial Statements 31 December 2021 (Cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(j) Financial liabilities

Recognition and initial measurement

Financial liabilities are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument.

At initial recognition, the Group and the Company measure a financial liability at its fair value less, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issuance of the financial instrument.

Financial liabilities categories and subsequent measurement

The Group and the Company classify their financial liabilities as follows:

(i) Financial liabilities at fair value through profit or loss

The Group and the Company have not designated any financial liabilities as FVTPL.

(ii) Financial liabilities measured at amortised cost

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.

The Group's and the Company's financial liabilities designated as amortised cost comprise trade and other payables, amount due to holding company, amount due to subsidiaries, amount due to an associate, bank overdrafts, lease liabilities, bank borrowings, Sukuk and RCPS.

Derecognition

A financial liability or part of it is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expired. 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.

(k) 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 when the guaranteed debtor fails to make payment when due.

Financial guarantee contracts are recognised initially as financial liabilities at fair value, net of transaction costs. Subsequently, the liability is measured at the higher of:

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(l) Offsetting of financial instruments

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

(m) Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, bank balances, demand deposits, bank overdrafts and short-term highly liquid investments 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.

(n) Construction contracts

Construction contracts are contracts specifically negotiated for the construction of an asset or a combination of assets that are closely interrelated or interdependent in terms of their design, technology and function or their ultimate purpose or use.

Cost incurred to fulfil the contracts, comprising cost of direct materials, direct labour, other direct costs, attributable overheads and payments to subcontractors are recognised as an asset and amortised over to profit or loss systematically to reflect the transfer of the contracted service to the customer.

The Group uses the efforts or inputs to the satisfaction of the performance obligations to determine the appropriate amount to recognise in a given period. This is measured by reference to the contract costs incurred up to the end of the reporting period as a percentage of total estimated costs for each contract. Costs incurred in the financial year in connection with future activity on a contract are excluded from contract costs in determining the stage of completion. They are presented as inventories, prepayments or other assets, depending on their nature. When the carrying amount of the asset exceeds the remaining amount of consideration that the Group expects to receive in exchange of the contracted asset, an impairment loss is recognised in profit or loss.

When the total cost incurred on construction contracts plus recognised profits (less recognised losses) exceeds progress billings, the balance is presented as contract assets. When progress billings exceed costs incurred on construction contracts plus recognised profits (less recognised losses), the balance is presented as contract liabilities.

(o) Impairment of assets

(i) Non-financial assets

The carrying amounts of non-financial assets (except for inventories, contract assets, deferred tax assets, assets arising from employee benefits and non-current assets classified as held for sale) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite useful lives, or that are not yet available for use, the recoverable amount is estimated each period at the same time.

Notes To The Financial Statements

31 December 2021 (Cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(o) Impairment of assets (Cont'd)

(i) Non-financial assets (Cont'd)

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating unit. Subject to operating segment ceiling test, for the purpose of goodwill impairment testing, cash-generating units to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to a cash-generating unit or a group of cash-generating unit that are expected to benefit from the synergies of the combination.

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

An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit exceeds its estimated recoverable amount. Impairment loss is recognised 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 for the asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same asset. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (group of cash-generating units) and then to reduce the carrying amounts of the other assets in the cash-generating unit (group of cash-generating units) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation or amortisation, had no impairment loss been recognised for asset 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.

(ii) Financial assets

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(o) Impairment of assets (Cont'd)

(ii) Financial assets (Cont'd)

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

(p) Share capital

(i) Ordinary shares

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 its liabilities. Ordinary shares are equity instruments. Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Ordinary shares are classified as equity.

Dividend distribution to the Company's shareholders is recognised as a liability in the period they are approved by the Board of Directors except for the final dividend which is subject to approval by the Company's shareholders.

(ii) Preference shares

Preference share capital is classified as equity if it is non-redeemable, or is redeemable but only at the Company's option, and any dividends are discretionary. Dividends thereon are recognised as distributions within equity. Preference share capital is classified as financial liability if it is redeemable on a specific date or at the option of the equity holders, or if dividend payments are not discretionary. Dividends thereon are recognised as interest expense in profit or loss as accrued.

(iii) Treasury shares

When issued share of the Company are repurchased, the amount of the consideration paid, including directly attributable costs, net of any tax effects, is recognised as a deduction from equity as treasury shares until the shares are cancelled, reissued or disposed of. No gain or loss is recognised in profit or loss on the sale, re-issuance or cancellation of the treasury shares.

When treasury shares are distributed as share dividends, the cost of the treasury shares is deducted against the retained earnings of the Company.

When treasury shares are sold or reissued subsequently, the difference between the sales consideration net of directly attributable costs and the carrying amount of the treasury shares is recognised in equity.

(q) Perpetual Sukuk

Perpetual Sukuk is classified as equity instruments as there is no contractual obligation to redeem the instrument. Perpetual Sukuk holders' entitlement is accounted for as a distribution which is recognised in equity in the period in which it is declared or paid.

Notes To The Financial Statements 31 December 2021 (Cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(r) Contingencies

Where it is not probable that an inflow or outflow of economic benefits will be required, or the amount cannot be estimated reliably, the asset or the obligation is disclosed as a contingent asset or contingent liability, unless the probability of inflow or 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 assets or contingent liabilities unless the probability of inflow or outflow of economic benefits is remote.

(s) Leases

As lessee

The Group recognises a ROU asset and a lease liability at the lease commencement date. The ROU 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 site on which it is located, less any lease incentives received.

The ROU asset is subsequently measured at cost less any accumulated depreciation, accumulated impairment loss and, if applicable, adjusted for any remeasurement of lease liabilities. The policy of recognition and measurement of impairment losses is in accordance with Note 3(o)(i) on impairment of non-financial assets.

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

Leasehold land and buildings	Over the remaining period of the lease
Motor vehicles	5 years, or over the lease term, if shorter
Office equipment, furniture and fittings	2 to 10 years, or over the lease term, if shorter
Renovations	5 to 10 years, or over the lease term, if shorter
Plant, machinery and equipment	5 to 10 years, or over the lease term, if shorter
Motor racing circuit	20 years, or over the lease term, if shorter

The ROU assets are subject to impairment.

The lease liability is initially measured at the present value of future lease payments at the commencement date, discounted using the respective Group entities' 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.

Variable lease payments that do not depend on an index or a rate and are dependent on a future activity are recognised as expenses in profit or loss in the period in which the event or condition that triggers the payment occurs.

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 rate, or if the Group changes its assessment of whether it will exercise an extension or termination option.

Lease payments associated with short-term leases and leases of low value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less and do not contain a purchase option. Low value assets are those assets valued at less than RM20,000 each when purchased new.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(s) Leases (Cont'd)

As lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases.

If the lease arrangement contains lease and non-lease components, the Group applies MFRS 15 *Revenue from Contracts with Customers* to allocate the consideration in the contract based on the stand-alone selling price.

The Group recognises assets held under a finance lease in its statements of financial position and presents them as a receivable at an amount equal to the net investment in the lease. The Group uses the interest rate implicit in the lease to measure the net investment in the lease.

The Group recognises lease payments under operating leases as income on a straight-line basis over the lease term unless another systematic basis is more representative of the pattern in which benefit from the use of the underlying asset is diminished. The lease payment recognised is included as part of "Other income". Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

(t) Revenue and other income

(i) Revenue from contracts with customers

Revenue is recognised when the Group satisfied a performance obligation ("PO") by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A PO may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied PO.

The Group recognises revenue from the following major sources:

(a) Revenue from property development

Revenue from property development is recognised as and when the control of the asset is transferred to the customer. Depending on the terms of the contract and the laws that apply to the contract, control of the asset may transfer over time or at a point in time. Control of the asset is transferred over time if the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to-date.

If control of the asset transfers over time, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the asset.

The Group recognises revenue over time using the input method, which is based on the level the proportion that the property development costs incurred to date bear to the estimated total costs for the property development.

The Group recognises sales at a point in time for the sale of completed properties, when the control of the properties has been transferred to the purchasers, being when the properties have been completed and delivered to the customers.

Notes To The Financial Statements

31 December 2021 (Cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(t) Revenue and other income (Cont'd)

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

The Group recognises revenue from the following major sources: (Cont'd)

(b) Revenue from construction contracts

The Group recognises revenue from construction contracts over time when control over the asset has been transferred to the customers. The assets have no alternative use to the Group due to contractual restriction and the Group has an enforceable right to payment for performance completed to-date. Revenue from construction contracts is measured at the transaction price agreed under the construction contracts.

Revenue is recognised over the period of the contract using the output method to measure the progress towards complete satisfaction of the performance obligations under the construction contract, i.e. based on the level of completion of the physical proportion of contract work to-date, certified by professional consultants.

(c) Sale of goods

Revenue from sale of goods is measured at the fair value of consideration received or receivable, net of returns and allowances, trade discount and volume rebates. Revenue from sale of goods is recognised when the transfer of significant risk and rewards of ownership of the goods to the customer, 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 goods.

(d) Rendering of services

Revenue from rendering of services and management fees are recognised in the reporting period in which the services are rendered, which simultaneously received and consumes the benefits provided by the Group, and the Group has a present right to payment for the services.

(e) Hotel room rental and food and beverages revenue

Room rental revenue is accrued on a daily basis on customer-occupied rooms. Revenue from the sale of food and beverage is recognised when the customer received and consumes and the Group has a present right to payment for the food and beverage product. Hotel room rental and food and beverages revenue are recorded based on the published rates, net of discounts.

(f) Motor racing event income

Racing event income is recognised at a point in time when performance obligation is satisfied by the transfer of promised services to a customer which is the time the relevant event is held. Invoices are issued to customers before or upon completion of services and consideration is payable when invoiced. Consideration received before completion of services is classified as receipts in advance under other payables in the statements of financial position.

(g) Motor racing sponsorship income

Sponsorship income from advertising services is recognised over time as the customer simultaneously receives and consumes the benefits from the company's performance. Customers are invoiced on a periodical basis at amounts determined based on the terms of contracts and consideration is receivables when invoiced.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(t) Revenue and other income (Cont'd)

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

The Group recognises revenue from the following major sources: (Cont'd)

(h) Motor racing consultancy fee income

Consultancy fee income is recognised over time as the customer simultaneously receives and consumes the benefits from the company's performance. Customers are invoiced on a periodical basis at amounts determined based on the terms of contracts and consideration is receivables when invoiced.

(ii) Rental income

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

(iii) Interest income

Interest income is recognised on accruals basis using the effective interest method.

(iv) Dividend income

Dividend income is recognised when the shareholder's right to receive payment is established.

(u) Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

When the grant relates to an expense item, it is recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Where the grant relates to an asset, it is recognised as deferred income and transferred to profit or loss on a systematic basis over the useful lives of the related asset.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs to be recognised in profit or loss in the period in which they become receivable.

Where the Group receives non-monetary government grants, the asset and the grant are recorded at nominal amount and transferred to profit or loss on a systematic basis over the life of the depreciable asset by way of a reduced depreciation charge.

Notes To The Financial Statements 31 December 2021 (Cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(v) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in profit or loss in the period in which they are incurred. Borrowing costs consist of interest and other costs that the Group and the Company incurred in connection with the borrowing of funds.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or completed.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

(w) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-makers are responsible for allocating resources and assessing performance of the operating segments and make overall strategic decisions. The Group's operating segments are organised and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

(x) Provisions

Provisions are recognised when there is a present legal or constructive obligation as a result of a past event, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Any reimbursement that the Group can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision. The expense relating to any provision is presented in the statements of profit or loss and other comprehensive income net of any reimbursement.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(y) Income taxes

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

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

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

The measurement of deferred tax is based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, at the end of the reporting period, except for investment properties carried at fair value model. Where investment properties measured using fair value model, the amount of deferred tax recognised is measured using the tax rates that would apply on sale of those assets at their carrying amounts at the reporting date unless the property is depreciable and is held with the objective to consume substantially all of the economic benefits embodied in the property over time, rather than through sale. Deferred tax assets and liabilities are not discounted.

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

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

(z) Employee benefits

(i) Short-term employee benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the reporting period in which the associated services are rendered by employees of the Group. 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. Short-term non-accumulating compensated absences such as sick and medical leave are recognised when the 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.

Notes To The Financial Statements 31 December 2021 (Cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(z) Employee benefits (Cont'd)

(ii) Defined contribution plans

As required by law, companies in Malaysia contribute to the state pension scheme, the Employee Provident Fund ("EPF"). Some of the Group's foreign subsidiaries also make contributions to their respective countries' statutory pension schemes. Such contributions are recognised as an expense in the profit or loss as incurred. Once the contributions have been paid, the Group has no further payment obligations.

(iii) Share-based compensation

LBS Bina Group Berhad Employees' Share Option Scheme ("ESOS"), an equity-settled, share-based compensation plan, allows the Company and its subsidiaries' employees to acquire ordinary shares of the Company. The total fair value of share options granted to employees is recognised as an employee cost with a corresponding increase in the share option reserve within equity over the vesting period and taking into account the probability that the options will vest. The fair value of share options is measured at grant date, taking into account, if any, the market vesting conditions upon which the options were granted but excluding the impact of any non-market vesting conditions. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable on vesting date. At the end of each reporting period, the Group revises its estimates of the number of options that are expected to become exercisable on vesting date. It recognises the impact of the revision of original estimates, if any, in the profit or loss, and a corresponding adjustment to equity over the remaining vesting period. The equity amount is recognised in the share option reserve until the option is exercised, upon which it will be transferred to share capital, or until the option expires, upon which it will be transferred directly to retained earnings. The proceeds received net of any directly attributable transaction costs are credited to equity when the options are exercised.

(aa) Contract assets and contract liabilities

Contract asset is the right to consideration for goods or services transferred to the customers. The Group's contract asset is the excess of revenue recognised over the billings to-date and deposits or advances received from customers.

Where 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 customers. The Group's contract liability is the excess of the billings to-date over the revenue recognised. Contract liabilities are recognised as revenue when the Group performs its obligation under the contracts.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(bb) Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. Such non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

The criteria for held for sale classification is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Investment properties are not depreciated or amortised once classified as held for sale.

(cc) Fair value measurement

Fair value of an asset or a liability 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 of the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

For non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair value is 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 recognises transfers between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfers.

Notes To The Financial Statements
31 December 2021 (Cont'd)

4. PROPERTY, PLANT AND EQUIPMENT

	Freehold land and buildings RM	Motor vehicles RM	Office equipment, furniture and fittings RM	Renovations RM	Plant, machinery and equipment RM	Total RM
31.12.2021						
Group Cost						
At 1 January 2021	-	3,904,514	34,473,557	24,713,708	29,871,775	92,963,554
Additions	205,270	7,531	2,368,467	1,757,603	2,235,459	6,574,330
Transfer from capital work-in-progress	935,028	-	7,757,927	1,862,011	-	10,554,966
Transfer from right-of-use assets	-	809,401	-	-	6,736,717	7,546,118
Disposals	-	(526,584)	(53,661)	-	(691,863)	(1,272,108)
Written off	-	(1,850)	(752,605)	(377,311)	-	(1,131,766)
Reclassification	-	-	-	(343,377)	-	(343,377)
Exchange differences	-	-	473,051	-	-	473,051
At 31 December 2021	1,140,298	4,193,012	44,266,736	27,612,634	38,152,088	115,364,768
Accumulated depreciation						
At 1 January 2021	-	3,040,154	20,157,866	10,128,430	15,496,511	48,822,961
Charge for the financial year	22,464	306,995	4,055,410	3,793,234	4,315,664	12,493,767
Transfer from right-of-use assets	-	891,063	-	-	4,210,914	5,101,977
Disposals	-	(412,258)	(45,203)	-	(590,881)	(1,048,342)
Written off	-	(1,849)	(679,932)	(272,369)	-	(954,150)
Reclassification	-	-	22,224	(22,224)	-	-
Exchange differences	-	-	354,872	-	-	354,872
At 31 December 2021	22,464	3,824,105	23,865,237	13,627,071	23,432,208	64,771,085
Accumulated impairment losses						
At 1 January 2021	-	-	-	-	-	-
Additions	5,601	-	-	-	-	5,601
At 31 December 2021	5,601	-	-	-	-	5,601
Carrying amount						
At 31 December 2021	1,112,233	368,907	20,401,499	13,985,563	14,719,880	50,588,082

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

	Motor vehicles RM	Office equipment, furniture and fittings RM	Renovations RM	Plant, machinery and equipment RM	Total RM
31.12.2020					
Group Cost					
At 1 January 2020	2,592,021	29,798,317	21,290,242	29,614,023	83,294,603
Additions	437,112	3,359,060	3,555,108	4,301,662	11,652,942
Transfer from capital work-in-progress	-	1,351,665	1,407,855	-	2,759,520
Transfer from right-of-use assets	1,868,958	-	-	409,750	2,278,708
Disposals	(990,249)	(381,588)	(1,469,565)	(4,284,464)	(7,125,866)
Written off	(3,328)	(180,830)	(58,526)	(15,500)	(258,184)
Reclassification	-	165,102	(11,406)	(153,696)	-
Exchange differences	-	361,831	-	-	361,831
At 31 December 2020	3,904,514	34,473,557	24,713,708	29,871,775	92,963,554
Accumulated depreciation					
At 1 January 2020	2,160,003	17,413,279	7,982,767	13,668,916	41,224,965
Charge for the financial year	338,638	2,709,770	2,836,128	4,077,357	9,961,893
Transfer from right-of-use assets	1,469,515	-	-	472,725	1,942,240
Disposals	(924,676)	(271,385)	(631,940)	(2,512,159)	(4,340,160)
Written off	(3,326)	(158,747)	(58,525)	(2,200)	(222,798)
Reclassification	-	208,128	-	(208,128)	-
Exchange differences	-	256,821	-	-	256,821
At 31 December 2020	3,040,154	20,157,866	10,128,430	15,496,511	48,822,961
Accumulated impairment losses					
At 1 January 2020	-	11,924	-	3,299	15,223
Written off	-	(11,924)	-	(3,299)	(15,223)
At 31 December 2020	-	-	-	-	-
Carrying amount					
At 31 December 2020	864,360	14,315,691	14,585,278	14,375,264	44,140,593
At 1 January 2020	432,018	12,373,114	13,307,475	15,941,808	42,054,415

Notes To The Financial Statements
31 December 2021 (Cont'd)

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

	Company	
	31.12.2021	31.12.2020
	RM	RM
Office equipment		
Cost		
At 1 January/31 December	4,500	4,500
	<hr/>	<hr/>
Accumulated depreciation		
At 1 January	1,575	1,125
Charge for the financial year	450	450
	<hr/>	<hr/>
At 31 December	2,025	1,575
	<hr/>	<hr/>
Carrying amount		
At 31 December	2,475	2,925
	<hr/>	<hr/>
At 1 January	2,925	3,375
	<hr/>	<hr/>

The aggregate additional cost for the property, plant and equipment of the Group during the financial year acquired under contra arrangement and cash payments are as follows:

	Group	
	2021	2020
	RM	RM
Aggregate costs	6,574,330	11,652,942
Less: Offset with other payables	(1,441,685)	(2,763,993)
	<hr/>	<hr/>
Cash payments	5,132,645	8,888,949
	<hr/>	<hr/>

5. RIGHT-OF-USE ASSETS

	Leasehold land and buildings RM	Motor vehicles RM	Office equipment, furniture and fittings RM	Renovations RM	Plant, machinery and equipment RM	Motor racing circuit RM	Total RM
31.12.2021							
Group Cost							
At 1 January 2021, as previously reported	403,072,147	13,375,656	2,154,439	20,779,117	62,377,869	80,988,900	582,748,128
Effect on adoption of the Agenda Decision	(42,863)	-	-	-	-	-	(42,863)
At 1 January 2021, as restated	403,029,284	13,375,656	2,154,439	20,779,117	62,377,869	80,988,900	582,705,265
Additions	739,532	1,386,810	142,540	507,155	7,735,422	-	10,511,459
Transfer from capital work- in-progress	70,557,660	-	-	2,320,969	-	-	72,878,629
Expiration of lease contracts	(58,572)	-	(102,177)	-	-	-	(160,749)
Transfer to property, plant and equipment	-	(809,401)	-	-	(6,736,717)	-	(7,546,118)
Disposals	-	(1,316,013)	-	-	-	-	(1,316,013)
Written off	(282,117)	-	-	-	-	-	(282,117)
Exchange differences	18,109,649	-	-	619,478	-	4,955,475	23,684,602
At 31 December 2021	492,095,436	12,637,052	2,194,802	24,226,719	63,376,574	85,944,375	680,474,958

Notes To The Financial Statements
31 December 2021 (Cont'd)

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

	Leasehold land and buildings RM	Motor vehicles RM	Office equipment, furniture and fittings RM	Renovations RM	Plant, machinery and equipment RM	Motor racing circuit RM	Total RM
31.12.2021							
Group							
Accumulated depreciation							
At 1 January 2021, as previously reported	162,390,355	8,230,116	665,070	11,097,206	11,458,561	79,455,914	273,297,222
Effect on adoption of the Agenda Decision	(1,748)	-	-	-	-	-	(1,748)
<hr/>							
At 1 January 2021, as restated	162,388,607	8,230,116	665,070	11,097,206	11,458,561	79,455,914	273,295,474
Charge for the financial year	13,749,372	2,345,044	536,255	2,470,885	5,542,930	261,211	24,905,697
Expiration of lease contracts	(58,572)	-	(102,177)	-	-	-	(160,749)
Transfer to property, plant and equipment	-	(891,063)	-	-	(4,210,914)	-	(5,101,977)
Disposals	-	(1,160,887)	-	-	-	-	(1,160,887)
Written off	(282,117)	-	-	-	-	-	(282,117)
Exchange differences	8,859,372	-	-	490,766	-	4,866,791	14,216,929
<hr/>							
At 31 December 2021	184,656,662	8,523,210	1,099,148	14,058,857	12,790,577	84,583,916	305,712,370
<hr/>							
Accumulated impairment losses							
At 1 January 2021	1,476,723	-	-	-	-	-	1,476,723
Additions	749,185	-	-	-	-	-	749,185
<hr/>							
At 31 December 2021	2,225,908	-	-	-	-	-	2,225,908
<hr/>							
Carrying amount							
At 31 December 2021	305,212,866	4,113,842	1,095,654	10,167,862	50,585,997	1,360,459	372,536,680

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

	Leasehold land and buildings RM	Motor vehicles RM	Office equipment, furniture and fittings RM	Renovations RM	Plant, machinery and equipment RM	Motor racing circuit RM	Total RM
31.12.2020 (Restated)							
Group Cost							
At 1 January 2020, as previously reported	387,273,905	14,317,074	844,087	18,601,663	59,044,445	77,180,654	557,261,828
Effect on adoption of the Agenda Decision	(20,720)	-	-	-	-	-	(20,720)
At 1 January 2020, as restated	387,253,185	14,317,074	844,087	18,601,663	59,044,445	77,180,654	557,241,108
Additions	4,353,950	927,540	1,350,709	191,408	3,743,174	-	10,566,781
Transfer (to)/ from capital work-in- progress	(258,000)	-	-	191,690	-	-	(66,310)
Transfer from inventories	2,813,862	-	-	-	-	-	2,813,862
Expiration of lease contracts	(1,399,541)	-	(40,357)	-	-	-	(1,439,898)
Transfer to investment properties	(1,081,699)	-	-	-	-	-	(1,081,699)
Transfer to property, plant and equipment	-	(1,868,958)	-	-	(409,750)	-	(2,278,708)
Disposals	(318,791)	-	-	-	-	-	(318,791)
Written off	(2,195,270)	-	-	(349,972)	-	-	(2,545,242)
Other movement	(48,242)	-	-	(12,859)	-	-	(61,101)
Exchange differences	13,909,830	-	-	2,157,187	-	3,808,246	19,875,263
At 31 December 2020	403,029,284	13,375,656	2,154,439	20,779,117	62,377,869	80,988,900	582,705,265

Notes To The Financial Statements
31 December 2021 (Cont'd)

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

	Leasehold land and buildings RM	Motor vehicles RM	Office equipment, furniture and fittings RM	Renovations RM	Plant, machinery and equipment RM	Motor racing circuit RM	Total RM
31.12.2020 (Restated)							
Group							
Accumulated depreciation							
At 1 January 2020, as previously reported	146,225,993	7,104,432	277,989	9,151,795	6,702,719	75,480,585	244,943,513
Effect on adoption of the Agenda Decision	(1,515)	-	-	-	-	-	(1,515)
<hr/>							
At 1 January 2020, as restated	146,224,478	7,104,432	277,989	9,151,795	6,702,719	75,480,585	244,941,998
Charge for the financial year	13,122,875	2,595,199	427,438	1,961,449	5,228,567	247,724	23,583,252
Expiration of lease contracts	(1,188,271)	-	(40,357)	-	-	-	(1,228,628)
Transfer to investment properties	(20,868)	-	-	-	-	-	(20,868)
Transfer to property, plant and equipment	-	(1,469,515)	-	-	(472,725)	-	(1,942,240)
Disposals	(36,442)	-	-	-	-	-	(36,442)
Written off	(2,195,270)	-	-	(349,972)	-	-	(2,545,242)
Exchange differences	6,482,105	-	-	333,934	-	3,727,605	10,543,644
<hr/>							
At 31 December 2020	162,388,607	8,230,116	665,070	11,097,206	11,458,561	79,455,914	273,295,474

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

	Leasehold land and buildings RM	Motor vehicles RM	Office equipment, furniture and fittings RM	Renovations RM	Plant, machinery and equipment RM	Motor racing circuit RM	Total RM
31.12.2020 (Restated)							
Group							
Accumulated impairment losses							
At 1 January 2020	1,389,832	-	-	-	-	-	1,389,832
Additions	86,891	-	-	-	-	-	86,891
At 31 December 2020	1,476,723	-	-	-	-	-	1,476,723
Carrying amount							
At 31 December 2020	239,163,954	5,145,540	1,489,369	9,681,911	50,919,308	1,532,986	307,933,068
At 1 January 2020	239,638,875	7,212,642	566,098	9,449,868	52,341,726	1,700,069	310,909,278

- (a) Included in the right-of-use assets of the Group are leasehold land and buildings with carrying amount of RM59,390,363 (31.12.2020: RM61,007,632; 1.1.2020: RM86,406,399) which have been pledged to licensed banks as securities for banking facilities granted to the Group as disclosed in Notes 31(a) and 33(a).
- (b) The net carrying amount of right-of-use assets of the Group acquired under lease arrangement are as follows:

	Group		
	31.12.2021 RM	31.12.2020 RM	1.1.2020 RM
Motor vehicles	4,113,842	5,145,540	7,212,642
Office equipment	778,846	1,038,461	-
Plant and machinery	50,585,997	50,919,309	52,341,726
	55,478,685	57,103,310	59,554,368

Leased assets of the Group are pledged as securities for the related financing facilities.

Notes To The Financial Statements

31 December 2021 (Cont'd)

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

(c) The aggregate additional costs for the right-of-use assets of the Group during the financial year acquired under lease financing, term loan financing, offset with other payables and cash payments are as follows:

	Group		Group
	2021	2020	2020
	RM	RM	RM
	Restated		
Aggregate costs	10,511,459	10,566,781	
Less: Lease financing	(10,481,285)	(6,038,311)	
Less: Term loan financing	(274,112)	(1,156,000)	
Less: Offset with other payables	2,731,896	-	
 Cash payments	 2,487,958	 3,372,470	

(d) The remaining lease period of the leasehold land and buildings range from 22 to 93 (31.12.2020: 23 to 94; 1.1.2020: 24 to 94) years.

(e) Leasehold land with carrying amount of RM152,130,713 (31.12.2020: RM149,875,310; 1.1.2020: RM149,037,808) situated in mainland China is held under medium term lease.

Management has performed an impairment assessment on the carrying amount of the leasehold land by reference to a report prepared by an independent professional valuer on the business operations of a motor racing circuit run by a subsidiary on such leasehold land, and concluded that the leasehold land has not impaired. The valuation is based on cash flow projections which involve assumptions on and estimations of future cash flows, growth rates, discount factors etc. The assessment of impairment therefore requires considerable judgement by the management.

6. CAPITAL WORK-IN-PROGRESS

	Group		Group
	31.12.2021	31.12.2020	31.12.2020
	RM	RM	RM
	Restated		
At 1 January, as previously reported	123,133,270	84,800,715	
Effect on adoption of the Agenda Decision	(300,166)	-	
 At 1 January, as restated	 122,833,104	 84,800,715	
Additions	12,270,181	38,316,292	
Transfer to property, plant and equipment (Note 4)	(10,554,966)	(2,759,520)	
Transfer (to)/from right-of-use assets (Note 5)	(72,878,629)	66,310	
Transfer (to)/from land held for property development and property development costs [Note 7(a)]	(11,993,889)	1,196,105	
Transfer from completed properties [Note 7(b)]	-	729,758	
Transfer to investment properties (Note 8)	(19,273,807)	-	
Finance costs (Note 37)	-	562,462	
Exchange differences	418,201	(79,018)	
 At 31 December	 20,820,195	 122,833,104	

Included in capital work-in-progress of the Group is an amount of RM8,256,870 (31.12.2020: RM102,506,759; 1.1.2020: RM68,863,091) which have been pledged to licensed banks as securities for banking facilities granted to the Group as disclosed in Note 31(b).

7. INVENTORIES

	Note	31.12.2021 RM	Group 31.12.2020 RM Restated	1.1.2020 RM Restated
Non-current				
Land held for property development and property development costs	(a)	1,163,758,817	1,209,046,989	1,382,088,262
Current				
Land held for property development and property development costs	(a)	745,458,363	647,500,831	531,719,991
Completed properties	(b)	232,205,268	261,939,598	252,577,692
Other inventories	(c)	4,131,625	2,842,269	1,303,228
		981,795,256	912,282,698	785,600,911

(a) Land held for property development and property development costs

		Group 31.12.2021 RM	31.12.2020 RM Restated
Non-current			
Freehold land, at cost			
At 1 January		92,670,620	99,457,617
Additions		-	3,800,000
Transfer to current portion		-	(10,586,997)
At 31 December		92,670,620	92,670,620
Long-term leasehold land, at cost			
At 1 January, as previously reported		437,501,571	523,849,882
Effect on adoption of the Agenda Decision		(26,534,415)	(26,534,415)
At 1 January, as restated		410,967,156	497,315,467
Additions		4,405,023	9,034,237
Transfer from/(to) current portion		13,155,667	(95,738,327)
Transfer from capital work-in-progress		142,450	-
Transfer (to)/from property development costs		(7,500,000)	355,779
At 31 December		421,170,296	410,967,156

Notes To The Financial Statements
31 December 2021 (Cont'd)

7. INVENTORIES (CONT'D)

(a) Land held for property development and property development costs (Cont'd)

	Group	31.12.2021 RM	31.12.2020 RM Restated
Non-current (Cont'd)			
Property development costs			
At 1 January, as previously reported		766,583,829	855,484,562
Effect on adoption of the Agenda Decision		(61,174,616)	(70,169,384)
At 1 January, as restated		705,409,213	785,315,178
Additions		126,743,002	19,528,047
Transfer to current portion		(180,337,126)	(98,638,667)
Transfer from/(to) leasehold land		7,500,000	(355,779)
Property development costs written off		(9,397,188)	(439,566)
At 31 December		649,917,901	705,409,213
Total non-current land held for property development and property development costs		1,163,758,817	1,209,046,989
 Current			
Freehold land, at cost			
At 1 January		20,764,815	18,613,718
Transfer from non-current portion		-	10,586,997
Portion related to completed projects		-	(8,435,900)
At 31 December		20,764,815	20,764,815
 Long-term leasehold land, at cost			
At 1 January, as previously reported		320,755,017	295,387,812
Effect on adoption of the Agenda Decision		(28,012,780)	(38,414,652)
At 1 January, as restated		292,742,237	256,973,160
Additions		12,717,952	7,812,922
Transfer (to)/from non-current portion		(13,155,667)	95,738,327
Portion related to completed projects		(53,341,399)	(64,778,198)
Transfer to completed properties		(1,518,844)	(3,003,974)
At 31 December		237,444,279	292,742,237

7. INVENTORIES (CONT'D)

(a) Land held for property development and property development costs (Cont'd)

	Group	31.12.2021	31.12.2020
		RM	RM
		Restated	
Current			
Property development costs			
At 1 January, as previously reported		1,402,286,100	1,150,181,060
Effect on adoption of the Agenda Decision		(54,942,170)	(36,706,230)
At 1 January, as restated		1,347,343,930	1,113,474,830
Additions		841,287,623	693,595,483
Transfer from non-current portion		180,337,126	98,638,667
Portion related to completed projects		(649,674,005)	(540,301,241)
Transfer from/(to) capital work-in-progress		11,851,439	(1,196,105)
Transfer to completed properties		(57,929,455)	(16,867,704)
Property development costs written off		(3,347,133)	-
At 31 December		1,669,869,525	1,347,343,930
Less: Costs recognised in profit or loss			
At 1 January, as previously reported		1,051,559,454	898,432,214
Effect on adoption of the Agenda Decision		(38,209,303)	(41,090,497)
At 1 January, as restated		1,013,350,151	857,341,717
Recognised during the financial year		872,285,509	769,523,773
Less : Portion related to completed projects		1,885,635,660	1,626,865,490
At 31 December		(703,015,404)	(613,515,339)
Total current land held for property development and property development costs		1,182,620,256	1,013,350,151

- (i) Certain land held for property development and property development costs are pledged as securities for banking facilities, Sukuk and RCPS granted to the Group as disclosed in Notes 31(c), 32(a), 33(b) and 34(a) respectively.
- (ii) Included in land held for property development and property development costs for the financial year are as follows:

	Group	2021	2020
		RM	RM
		Restated	
Finance costs		37	1,806,632
Landowners consideration			591,753
Sales commission			23,532,861
			24,284,104
			36,246,394
			62,581,838

Notes To The Financial Statements
31 December 2021 (Cont'd)

7. INVENTORIES (CONT'D)

(b) Completed properties

	31.12.2021 RM	Group 31.12.2020 RM Restated	1.1.2020 RM Restated
At cost:			
Completed properties	196,804,279	261,839,598	252,477,692
At net realisable value:			
Completed properties	35,400,989	100,000	100,000
	232,205,268	261,939,598	252,577,692
	31.12.2021 RM	Group 31.12.2020 RM Restated	31.12.2020 RM Restated
At 1 January, as previously reported	267,798,766	258,410,062	
Effect on adoption of the Agenda Decision	(5,859,168)	(5,832,370)	
At 1 January, as restated	261,939,598	252,577,692	
Transfer from land held for property development and property development costs	59,448,299	19,871,678	
Purchase of a completed property	1,661,940	-	
Transfer to capital work-in-progress	-	(729,758)	
Transfer to right-of-use assets	-	(2,813,862)	
Written down	(5,188,800)	-	
Recognised during the financial year	(85,655,769)	(6,966,152)	
At 31 December	232,205,268	261,939,598	

The completed properties with carrying amount of RM105,464,770 (31.12.2020: RM86,351,138; 1.1.2020: RM92,707,922) have been pledged to licensed banks as securities for banking facilities granted to the Company and certain subsidiaries as disclosed in Notes 31(d) and 33(f).

7. INVENTORIES (CONT'D)

(c) Other inventories

	31.12.2021 RM	Group 31.12.2020 RM	1.1.2020 RM
At cost:			
Raw materials	3,097,502	2,212,299	1,226,211
Consumable foods	184,066	40,565	-
Finished goods	624	624	7,360
Spare parts and consumables	849,433	588,781	69,657
	<hr/> 4,131,625	<hr/> 2,842,269	<hr/> 1,303,228
 Recognised in profit or loss:			
Inventories recognised in cost of sales	14,948,884	14,804,745	

8. INVESTMENT PROPERTIES

	31.12.2021 RM	Group 31.12.2020 RM
Cost		
At 1 January	161,889,173	177,108,835
Additions	-	5,945,153
Transfer from right-of-use assets (Note 5)	-	1,081,699
Transfer from capital work-in-progress (Note 6)	19,273,807	-
Transfer to assets held for sale (Note 23)	(3,254,095)	(180,000)
Disposals	-	(22,066,514)
At 31 December	<hr/> 177,908,885	<hr/> 161,889,173
 Accumulated depreciation		
At 1 January	13,139,190	12,430,094
Charge for the financial year	2,265,407	2,253,271
Transfer from right-of-use assets (Note 5)	-	20,868
Transfer to assets held for sale (Note 23)	(114,264)	(48,000)
Disposals	-	(1,517,043)
At 31 December	<hr/> 15,290,333	<hr/> 13,139,190

Notes To The Financial Statements
31 December 2021 (Cont'd)

8. INVESTMENT PROPERTIES (CONT'D)

	31.12.2021 RM	31.12.2020 RM	Group
Accumulated impairment losses			
At 1 January	869,680	431,423	
Addtions	398,033	523,457	
Transfer to assets held for sale (Note 23)	(791,406)	(85,200)	
At 31 December	476,307	869,680	

	31.12.2021 RM	31.12.2020 RM	Group
Carrying amount			
At 31 December	162,142,245	147,880,303	
At 1 January	147,880,303	164,247,318	

	31.12.2021 RM	31.12.2020 RM	1.1.2020 RM
Included in the above are:			
At cost			
Leasehold land and buildings	48,264,019	48,406,495	63,724,831
Freehold land and building	-	-	180,000
Commercial properties	129,644,866	113,482,678	113,204,004
	177,908,885	161,889,173	177,108,835
Fair value	190,927,800	176,443,000	197,900,000

(a) Investment properties pledged as securities

Investment properties with carrying amount of RM150,671,737 (31.12.2020: RM140,295,616; 1.1.2020: RM160,606,121) have been pledged to licensed banks as securities for banking facilities granted to the Group as disclosed in Notes 31(e) and 33(c) respectively.

(b) Investment properties under leases

Certain investment properties with carrying amount of RMNil (31.12.2020: RM1,060,831; 1.1.2020: RM865,466) have been transferred from/to ROU assets, as the properties' usage has been changed from investment properties to owner-occupied properties or vice versa.

Certain investment properties are leasehold properties with remaining lease period range from 68 to 96 (31.12.2020: 69 to 97; 1.1.2020: 70 to 95) years.

Investment properties comprise a number of leasehold and freehold land and buildings and commercial properties that are leased to third parties. Each of the leases contains a cancellable period ranging from two to three years. Subsequent renewals are negotiated with the lessee on an average renewal period ranging from one to two years.

8. INVESTMENT PROPERTIES (CONT'D)

(c) Fair value basis of investment properties

Fair value of investment properties is arrived at by reference to market evidence of transaction prices for similar properties and are performed by registered external valuers having appropriate recognised professional qualification and experiences in the locations and category of properties being valued. The fair value are within Level 2 of the fair value hierarchy.

There were no transfers between levels during current and previous financial year.

(d) Income and expenses recognised in profit or loss

The following are recognised in profit or loss in respect of investment properties:

	Group	2021 RM	2020 RM
Rental income		6,170,938	5,765,371
Direct operating expenses:			
- Income generating investment properties		3,308,783	3,781,946
- Non-income generating investment properties		159,371	107,196

9. INVESTMENT IN SUBSIDIARIES

(a) Investment in subsidiaries

	31.12.2021 RM	Company 31.12.2020 RM	1.1.2020 RM
In Malaysia			
Quoted shares, at cost	234,084,597	247,997,882	246,853,363
Unquoted shares, at cost	518,195,342	393,455,495	393,455,495
Less: Accumulated impairment losses	752,279,939 (89,392)	641,453,377 (3,667,922)	640,308,858 (3,667,922)
	752,190,547	637,785,455	636,640,936
Outside Malaysia			
Unquoted shares, at cost	3,728	4,075	4,075
	752,194,275	637,789,530	636,645,011

The Group's subsidiaries which have non-controlling interests are not material individually or in aggregate to the financial position, financial performance and cash flows of the Group except as disclosed in Note 9(e).

Certain listed securities have been pledged as securities to partially secure the banking facilities as disclosed in Notes 31(g) and 33(e) respectively.

Notes To The Financial Statements

31 December 2021 (Cont'd)

9. INVESTMENT IN SUBSIDIARIES (CONT'D)

(a) Investment in subsidiaries (Cont'd)

Details of the subsidiaries are disclosed in Note 53.

The movements in the allowance for impairment losses of investment in subsidiaries are as follows:

	Company	
	31.12.2021	31.12.2020
	RM	RM
At 1 January	3,667,922	3,667,922
Reversal of impairment losses during the financial year	(3,578,530)	-
At 31 December	89,392	3,667,922

The recoverable amount of the Company's investment in subsidiaries was estimated based on value in use method. Reversal of impairment losses amounting to RM3,578,530 (2020: RMNil) was recognised during the financial year.

(b) Acquisition of a subsidiary

31 December 2020

On 10 December 2020, Galeri Cekap Sdn. Bhd. ("GCSB"), a wholly-owned subsidiary of LBS Bina Holdings Sdn. Bhd. ("LBS Bina"), acquired 700,000 ordinary shares representing 70% equity interest in Leaptec Engineering Sdn. Bhd. ("LESB") for a total cash consideration of RM10,000 only. Consequently, LESB became a 70% owned subsidiary of GCSB.

The effect of the acquisition on the financial results of the Group in respect of the financial year is as follows:

	Group
	2020
	RM
Administrative and operating expenses, representing total comprehensive loss for the financial year	(3,180)
Net loss for the financial year attributable to owners of the parent	(3,180)

Impact of the acquisition on the Statements of Profit or Loss and Other Comprehensive Income

From the date of acquisition, acquired subsidiary has contributed loss of RMNil (2020: RM3,180) to the Group for the financial year. If the business combination had taken place at the beginning of the financial year, the Group's loss for the financial year would have been increased by RMNil (2020: RM602,268).

9. INVESTMENT IN SUBSIDIARIES (CONT'D)

(b) Acquisition of a subsidiary (Cont'd)

31 December 2020 (Cont'd)

The following summarises the major classes of consideration transferred, and the recognised amount of assets acquired and liabilities assumed at the acquisition date:

	Group 2020 RM
Fair value of identifiable assets acquired and liabilities assumed	
Cash and bank balances	37,460
Trade and other payables	(5,527)
 Total identifiable assets and liabilities	 31,933

Net cash inflows arising from the acquisition is as follows:

	Group 2020 RM
Purchase consideration satisfied by cash	
Less: Cash and bank balances acquired	(37,460)
 Net cash inflows from the acquisition of a subsidiary	 (27,460)

Bargain purchase gain arising from the acquisition as follows:

	Group 2020 RM
Fair value of consideration transferred	
Non-controlling interests, based on their proportionate interest in the recognised amounts of the assets and liabilities of the acquiree	9,580
Fair value of identifiable assets acquired and liabilities assumed	(31,933)
 Bargain purchase gain	 (12,353)

(c) Incorporation of a subsidiary

31 December 2021

On 6 December 2021, MGB Berhad ("MGB"), a listed subsidiary of the Company, incorporated MGB Water Solution Sdn. Bhd. ("MGBWS") with an initial paid-up share capital of RM100 comprising of 100 ordinary shares. MGB subscribed 70 ordinary shares in MGBWS for a total cash consideration of RM70 only. Consequently, MGBWS became a 70% owned subsidiary of MGB.

Notes To The Financial Statements

31 December 2021 (Cont'd)

9. INVESTMENT IN SUBSIDIARIES (CONT'D)

(d) Changes in equity interest in subsidiaries

31 December 2021

- (i) On 30 September 2021, LBS Bina acquired 770,000 ordinary shares, representing 12.83% equity interest in Seloka Sinaran Sdn. Bhd. ("SSSB") for a total cash consideration of RM15,550,000 only. Consequently, SSSB became a wholly-owned subsidiary of LBS Bina.
- (ii) On 30 December 2021, LBS Bina acquired 100,000 ordinary shares, representing 20% equity interest in Pembangunan Primer Sdn. Bhd. ("PPSB") for a total cash consideration of RM9,000,000 only. Consequently, PPSB became a wholly-owned subsidiary of LBS Bina.
- (iii) Changes in equity interest in MGB

During the financial year, the Company's equity interest in MGB has decreased from 59.85% to 58.65% as a result of the followings:

- (1) Acquisition of 312,200 ordinary shares in MGB for a total cash consideration of RM249,115 only.
- (2) Disposed of 21,000,000 ordinary shares for a total cash consideration of RM19,530,000 only.
- (3) Conversion of 67,500,000 Irredeemable Convertible Preference Share ("ICPS") into 67,500,000 new ordinary shares with no cash consideration.

31 December 2020

- (i) On 2 February 2020, LBS Bina acquired 200,000 ordinary shares, representing 2% equity interest in Kemudi Ehsan Sdn. Bhd. ("KESB") for a total cash consideration of RM3,000,000 only. Consequently, KESB became a 82% owned subsidiary of LBS Bina.
- (ii) On 17 February 2020, LBS Bina acquired 245,000 ordinary shares, representing 49% equity interest in Taman Sempurna Sdn. Bhd. ("TSSB") for a total cash consideration of RM245,000 only. Consequently, TSSB became a wholly-owned subsidiary of LBS Bina.
- (iii) On 31 December 2020, LBS Bina acquired 370,000 ordinary shares, representing 6.17% equity interest in SSSB for a total cash consideration of RM7,450,000 only. Consequently, SSSB became a 87.17% owned subsidiary of LBS Bina.
- (iv) Changes of equity interest in MGB

During the financial year, the Company acquired 2,445,800 ordinary shares, representing 0.49% equity interest in MGB for a total cash consideration of RM1,144,519 only. Consequently, MGB became a 59.85% owned subsidiary of the Company.

The effect of changes in the equity interest that is attributable to the owners of the parent is as follows:

	Group	31.12.2021	31.12.2020
		RM	RM
		Restated	
Carrying amount of non-controlling interests acquired		(46,722,620)	9,618,794
Net consideration paid to non-controlling interests		(5,269,115)	(11,839,519)
 Increase in parent's equity		 (51,991,735)	 (2,220,725)

9. INVESTMENT IN SUBSIDIARIES (CONT'D)

(e) Material partly-owned subsidiaries

The Group's subsidiaries that have material non-controlling interests are as follows:

Name of company	Proportion of ownership interests and voting rights held by non-controlling interests			Profit/(Loss) allocated to non-controlling interests		Carrying amount of non-controlling interests		
	31.12.2021 31.12.2020 1.1.2020			2021 RM	2020 RM	31.12.2021 RM	31.12.2020 RM	1.1.2020 RM
	%	%	%	Restated	Restated	Restated	Restated	Restated
MGB Group *	41.35	40.15	40.64	11,465,959	5,769,200	205,787,231	131,502,129	127,666,914
Zhuhai International Circuit Limited ("ZIC")	40.00	40.00	40.00	(2,133,600)	1,939,821	(39,373,840)	(36,116,676)	(38,515,292)
Kemudi Ehsan Sdn. Bhd. ("KESB")	18.00	18.00	20.00	2,442,864	3,568,469	19,080,911	16,638,048	14,835,185
Seloka Sinaran Sdn. Bhd. ("SSSB") **	-	12.83	19.00	5,871,087	17,971,165	-	13,650,069	5,213,129
Individually immaterial subsidiaries with non-controlling interests						185,494,302	125,673,570	109,199,936
Total non-controlling interests						(8,944,310)	(11,858,752)	(4,836,093)
						176,549,992	113,814,818	104,363,843

* MGB Group represents MGB and its subsidiaries

** Became wholly-owned subsidiary during the financial year

The summarised financial information for each subsidiary that has non-controlling interests that are material to the Group is set out below. The summarised financial information below represents amounts before inter-company elimination.

(i) Summarised Statements of Financial Position

	MGB Group RM	ZIC RM	KESB RM	SSSB RM
31.12.2021				
Non-current assets	403,698,954	162,483,739	128,195,120	39,387,008
Current assets	533,698,865	50,463,367	337,214,006	381,053,833
Non-current liabilities	(35,900,294)	(190,870,447)	(114,417,058)	(18,786,000)
Current liabilities	(403,609,559)	(111,528,552)	(244,987,004)	(218,517,556)
Net assets/(liabilities)	497,887,966	(89,451,893)	106,005,064	183,137,285
Equity attributable to: Owners of the parent	497,701,984	(50,078,053)	106,005,064	183,137,285
Non-controlling interests	185,982	(39,373,840)	-	-
Total equity	497,887,966	(89,451,893)	106,005,064	183,137,285

Notes To The Financial Statements

31 December 2021 (Cont'd)

9. INVESTMENT IN SUBSIDIARIES (CONT'D)

(e) Material partly-owned subsidiaries (Cont'd)

The summarised financial information for each subsidiary that has non-controlling interests that are material to the Group is set out below. The summarised financial information below represents amounts before inter-company elimination. (Cont'd)

(i) Summarised Statements of Financial Position (Cont'd)

	MGB Group RM	ZIC RM	KESB RM	SSSB RM
31.12.2020				
(Restated)				
Non-current assets	407,750,600	160,742,664	84,660,998	55,941,577
Current assets	555,731,365	44,402,765	390,095,645	364,717,140
Non-current liabilities	(43,037,910)	(182,302,281)	(77,570,880)	-
Current liabilities	(449,133,844)	(104,421,176)	(304,752,167)	(314,266,915)
Net assets/(liabilities)	471,310,211	(81,578,028)	92,433,596	106,391,802
Equity attributable to: Owners of the parent	470,618,411	(109,545,711)	92,433,596	106,391,802
Non-controlling interests	691,800	27,967,683	-	-
Total equity	471,310,211	(81,578,028)	92,433,596	106,391,802
1.1.2020				
(Restated)				
Non-current assets	429,439,766	158,979,119	74,417,738	47,124,575
Current assets	535,529,226	44,560,063	441,404,885	162,547,091
Assets held for sale	3,000,000	-	-	-
Non-current liabilities	(60,963,931)	(177,612,184)	(144,295,671)	-
Current liabilities	(449,697,887)	(113,377,132)	(297,351,028)	(177,864,941)
Net assets/(liabilities)	457,307,174	(87,450,134)	74,175,924	31,806,725
Equity attributable to: Owners of the parent	456,249,300	(115,817,201)	74,175,924	31,806,725
Non-controlling interests	1,057,874	28,367,067	-	-
Total equity	457,307,174	(87,450,134)	74,175,924	31,806,725

9. INVESTMENT IN SUBSIDIARIES (CONT'D)

(e) Material partly-owned subsidiaries (Cont'd)

The summarised financial information for each subsidiary that has non-controlling interests that are material to the Group is set out below. The summarised financial information below represents amounts before inter-company elimination. (Cont'd)

(ii) Summarised Statements of Profit or Loss and Other Comprehensive Income

	MGB Group RM	ZIC RM	KESB RM	SSSB RM
2021				
Revenue	593,758,902	21,266,109	245,875,154	347,614,614
Net profit/(loss) for the financial year	27,083,569	(2,826,995)	13,571,468	76,745,482
Other comprehensive loss for the financial year	-	(2,507,006)	-	-
Total comprehensive income/ (loss) for the financial year	27,083,569	(5,334,001)	13,571,468	76,745,482
2020 (Restated)				
Revenue	563,274,102	23,188,420	245,324,145	435,185,574
Net profit for the financial year	14,369,115	10,055,391	18,257,672	94,585,078
Other comprehensive loss for the financial year	-	(5,205,838)	-	-
Total comprehensive income for the financial year	14,369,115	4,849,553	18,257,672	94,585,078

Notes To The Financial Statements

31 December 2021 (Cont'd)

9. INVESTMENT IN SUBSIDIARIES (CONT'D)

(e) Material partly-owned subsidiaries (Cont'd)

The summarised financial information for each subsidiary that has non-controlling interests that are material to the Group is set out below. The summarised financial information below represents amounts before inter-company elimination. (Cont'd)

(iii) Summarised Statements of Cash Flows

	MGB Group RM	ZIC RM	KESB RM	SSSB RM
2021				
Net cash from operating activities	74,709,887	7,718,883	41,645,743	10,813,524
Net cash used in investing activities	(3,606,423)	(508,724)	-	(28,534,534)
Net cash (used in)/from financing activities	(101,367,144)	-	(58,695,021)	41,649,619
Net (decrease)/increase in cash and cash equivalents	(30,263,680)	7,210,159	(17,049,278)	23,928,609
2020 (Restated)				
Net cash from/(used in) operating activities	35,804,311	(964,172)	116,577,977	63,863,445
Net cash used in investing activities	(9,481,259)	(1,710,463)	(17,000)	(12,039,422)
Net cash from/(used in) financing activities	19,358,163	-	(86,195,464)	(19,248,605)
Net increase/(decrease) in cash and cash equivalents	45,681,215	(2,674,635)	30,365,513	32,575,418
Dividend paid to non-controlling interests	-	-	-	3,800,000

9. INVESTMENT IN SUBSIDIARIES (CONT'D)

(f) Disposal of a subsidiary

31 December 2020

On 22 June 2020, LBS Bina had disposed of 51,000 ordinary shares, representing 51% equity interest in Retro Court Sdn. Bhd. ("RCSB") for a total cash consideration of RM1.00 only. The subsidiary was previously reported as part of the property development segment.

The effect of the disposal of RCSB on the financial position of the Group at the date of disposal was as follows:

	Group 31.12.2020 RM
Cash and bank balances	82,302
Trade and other payables	(2,100)
<hr/>	
Total net assets disposed	80,202
Non-controlling interests	(39,299)
Loss on disposal	(40,902)
<hr/>	
Proceeds from disposal	1
Less: Cash and cash balances disposed	(82,302)
<hr/>	
Net cash outflows from disposal	(82,301)
<hr/>	

(g) Internal re-organisation

31 December 2021

On 25 March 2021, the Company has undertaken internal restructuring whereby LBS Bina, disposed of 1,000 ordinary shares, representing the entire equity interest in Nuevoprima Development Sdn. Bhd., an indirect wholly-owned subsidiary of the Company to LESB for a total cash consideration of RM1,000.

(h) Additional investments

31 December 2021

- (i) On 31 May 2021, Adil Restu Sdn. Bhd. ("ARSB"), a wholly-owned subsidiary of LBS Bina, had increased its paid-up share capital from 500,000 to 42,459,055 ordinary shares. LBS Bina has subscribed for an additional 41,959,055 ordinary shares in ARSB by way of capitalisation of amount due from ARSB.
- (ii) On 31 May 2021, Azam Perspektif Sdn. Bhd. ("AZSB"), a wholly-owned subsidiary of LBS Bina, had increased its paid-up share capital from 500,000 to 4,587,957 ordinary shares. LBS Bina has subscribed for an additional 4,087,957 ordinary shares in AZSB by way of capitalisation of amount due from AZSB.
- (iii) On 31 May 2021, GCSB had increased its paid-up share capital from 500,000 to 10,106,799 ordinary shares. LBS Bina has subscribed for an additional 9,606,799 ordinary shares in GCSB by way of capitalisation of amount due from GCSB.
- (iv) On 31 May 2021, Gerbang Mekar Sdn. Bhd. ("GMSB"), a wholly-owned subsidiary of Saujana Tunggal Sdn Bhd ("STSB"), had increased its paid-up share capital from 2,000,000 to 106,651,145 ordinary shares. STSB has subscribed for an additional 104,651,145 ordinary shares in GMSB by way of capitalisation of amount due from GMSB.

Notes To The Financial Statements

31 December 2021 (Cont'd)

9. INVESTMENT IN SUBSIDIARIES (CONT'D)

(h) Additional investments (Cont'd)

31 December 2021 (Cont'd)

- (v) On 31 May 2021, Intellview Sdn. Bhd. ("IVSB"), a wholly-owned subsidiary of LBS Bina, had increased its paid-up share capital from 500,000 to 66,039,099 ordinary shares. LBS Bina has subscribed for an additional 65,539,099 ordinary shares in IBSB by way of capitalisation of amount due from IBSB.
- (vi) On 31 May 2021, Inderaloka Impian Sdn. Bhd. ("IISB"), a wholly-owned subsidiary of LBS Bina, had increased its paid-up share capital from 250,000 to 1,902,736 ordinary shares. LBS Bina has subscribed for an additional 1,652,736 ordinary shares in IISB by way of capitalisation of amount due from IISB.
- (vii) On 31 May 2021, Juaraplex Sdn. Bhd. ("JPSB"), a wholly-owned subsidiary of Sinaran Restu Sdn. Bhd. ("SRSB"), had increased its paid-up share capital from 2 to 1,215,624 ordinary shares. SRSB has subscribed for an additional 1,215,622 ordinary shares in JPSB by way of capitalisation of amount due from JPSB.
- (viii) On 31 May 2021, Kenderong Sdn. Bhd. ("KDSB"), a wholly-owned subsidiary of SRSB, had increased its paid-up share capital from 5,000 to 764,595 ordinary shares. SRSB has subscribed for an additional 759,595 ordinary shares in KDSB by way of capitalisation of amount due from KDSB.
- (ix) On 31 May 2021, Keranji Bina Sdn. Bhd. ("KBSB"), a wholly-owned subsidiary of SRSB, had increased its paid-up share capital from 5,000 to 29,757 ordinary shares. SRSB has subscribed for an additional 24,757 ordinary shares in KBSB by way of capitalisation of amount due from KBSB.
- (x) On 31 May 2021, Kilatlima Sdn. Bhd. ("KLSB"), a wholly-owned subsidiary of LBS Bina, had increased its paid-up share capital from 250,000 to 2,967,998 ordinary shares. LBS Bina has subscribed for an additional 2,717,998 ordinary shares in KLSB by way of capitalisation of amount due from KLSB.
- (xi) On 31 May 2021, LBS Capital Sdn. Bhd. ("LCSB"), a wholly-owned subsidiary of LBS Bina, had increased its paid-up share capital from 4,000,000 to 7,785,798 ordinary shares. LBS Bina has subscribed for an additional 3,785,798 ordinary shares in LCSB by way of capitalisation of amount due from LCSB.
- (xii) On 31 May 2021, Lingkaran Semangat Sdn. Bhd. ("LISSB"), a wholly-owned subsidiary of SRSB, had increased its paid-up share capital from 20,002 to 747,944 ordinary shares. SRSB has subscribed for an additional 727,942 ordinary shares in LISSB by way of capitalisation of amount due from LISSB.
- (xiii) On 31 May 2021, Megah Solaris Sdn. Bhd. ("MSSB"), a wholly-owned subsidiary of LBS Bina, had increased its paid-up share capital from 1,000 to 8,987 ordinary shares. LBS Bina has subscribed for an additional 7,987 ordinary shares in MSSB by way of capitalisation of amount due from MSSB.
- (xiv) On 31 May 2021, STSB had increased its paid-up share capital from 1,000 to 120,640,947 ordinary shares. LBS Bina Group Berhad has subscribed for an additional 120,639,947 ordinary shares in STSB by way of capitalisation of amount due from STSB.
- (xv) On 1 June 2021, Utuh Aspirasi Sdn. Bhd. ("UASB"), a wholly-owned subsidiary of LBS Bina, had increased its paid-up share capital from 100,000 to 250,000 ordinary shares. LBS Bina has subscribed for an additional 150,000 ordinary shares in UASB by way of capitalisation of amount due from UASB.
- (xvi) On 30 July 2021, ARSB had increased its paid-up share capital from 42,459,055 to 47,022,620 ordinary shares. LBS Bina has subscribed for an additional 4,563,565 ordinary shares in ARSB by way of capitalisation of amount due from ARSB.
- (xvii) On 30 July 2021, IBSB had increased its paid-up share capital from 66,039,099 to 67,566,896 ordinary shares. LBS Bina has subscribed for an additional 1,527,797 ordinary shares in IBSB by way of capitalisation of amount due from IBSB.

9. INVESTMENT IN SUBSIDIARIES (CONT'D)

(h) Additional investments (Cont'd)

31 December 2021 (Cont'd)

- (xviii) On 27 August 2021, LESB had increased its paid-up share capital from 1,000,000 to 2,000,000 ordinary shares. GCSB has subscribed for an additional 700,000 ordinary shares in LESB for a total cash consideration of RM700,000 only. Consequently, LESB remain 70% owned subsidiary of GCSB.
- (xix) On 27 September 2021, Kita Sejati Sdn. Bhd. ("KISSB"), a wholly-owned subsidiary of the Company, had increased its paid-up share capital from 20,900,000 to 25,000,000 ordinary shares. The Company has subscribed for an additional 4,100,000 ordinary shares in KISSB by way of capitalisation of amount due from KISSB.
- (xx) On 5 October 2021, MGB had increased its issued and paid-up share capital from 501,652,605 to 591,652,605 by way of conversion of 90,000,000 ICPS into 90,000,000 new ordinary shares at the conversion ratio of 1 unit ICPS into 1 new ordinary share with no additional cash payment.
- (xxi) On 28 December 2021, JPSB had increased its paid-up share capital from 1,215,624 to 1,221,624 ordinary shares. SRSB has subscribed for an additional 6,000 ordinary shares in JPSB for a total cash consideration of RM6,000.
- (xxii) On 28 December 2021, KDSB had increased its paid-up share capital from 764,595 to 773,595 ordinary shares. SRSB has subscribed for an additional 9,000 ordinary shares in KDSB for a total cash consideration of RM9,000.
- (xxiii) On 28 December 2021, KBSB had increased its paid-up share capital from 29,757 to 38,757 ordinary shares. SRSB has subscribed for an additional 9,000 ordinary shares in KBSB for a total cash consideration of RM9,000.
- (xxiv) On 28 December 2021, LISSB had increased its paid-up share capital from 747,944 to 756,944 ordinary shares. SRSB has subscribed for an additional 9,000 ordinary shares in LISSB for a total cash consideration of RM9,000.

31 December 2020

On 8 January 2020, Koleksi Sigma Sdn. Bhd. ("KSSB"), a 75% owned subsidiary of LBS Bina, had increased its paid-up share capital from 100,000 to 250,000 ordinary shares. LBS Bina has subscribed for an additional 112,500 ordinary shares in KSSB by way of capitalisation of amount due from KSSB. KSSB remained as a 75% owned subsidiary of LBS Bina.

- (i) There are no significant restrictions on the ability of the subsidiaries to transfer funds to the Group in the form of cash dividends or repayment of loans and advances.**

Notes To The Financial Statements

31 December 2021 (Cont'd)

9. INVESTMENT IN SUBSIDIARIES (CONT'D)

(i) Strike off of subsidiaries

31 December 2021

- (i) Below mentioned subsidiaries were struck off from the register of the Companies Commission of Malaysia with publication of the Gazette pursuant to Section 551(3) of the Companies Act 2016:
 - (a) Linkway Property Co. Ltd., a wholly-owned subsidiary of the Company was struck off on 20 December 2021.
 - (b) Dayang Merdeka Sdn. Bhd., a 51% owned subsidiary of LBS Bina was struck off on 23 February 2022.
 - (c) Induk Pelita Sdn. Bhd., a 81% owned subsidiary of LBS Bina was struck off on 3 March 2022.
 - (d) Nuevo Attraction & Destination Sdn. Bhd., a 60% owned subsidiary of LBS Bina was struck off on 14 March 2022.
 - (e) Prima Utuh Sdn Bhd., a 80% owned subsidiary of LBS Bina was struck off on 14 March 2022.
 - (f) Puncak Maksimum Sdn. Bhd. (formerly known as Puncak Maksimum Berhad), a wholly-owned subsidiary of the Company was struck off on 23 March 2022.
 - (g) LBS Maju Sdn. Bhd., a 70% owned subsidiary of LBS Bina was struck off on 7 April 2022.
 - (h) Legasi Holdings Group Sdn. Bhd., a 51% owned subsidiary of LBS Bina was struck off on 7 April 2022.
- (ii) Below mentioned companies have submitted the application for voluntarily strike-off. These subsidiaries shall be struck off from the register of the Companies Commission of Malaysia upon publication of the Gazette pursuant to Section 551(3) of the Companies Act 2016, which is pending as at the date of the report.
 - (a) LBS Properties Sdn. Bhd., a wholly-owned subsidiary of LBS Bina.
 - (b) Nilam Mewah Sdn. Bhd., a 55% owned subsidiary of SRSB.

The effect of striking off below mentioned subsidiaries on the financial position of the Group as at the date of strike off are as follows:

	Group
	31.12.2021
	RM
Other reserves	767,957
Non-controlling interests	(40,175)
Exchange differences	(20)
Total equity	727,762
Loss on strike off	(727,762)

10. INVESTMENT IN ASSOCIATES

(a) Investment in associates

	31.12.2021 RM	Group 31.12.2020 RM	1.1.2020 RM
At cost			
Unquoted shares in Malaysia	4,254,031	4,254,071	4,254,070
Less: Accumulated impairment losses	(519,283)	(505,126)	(456,858)
	<hr/>	<hr/>	<hr/>
Group's share of post acquisition reserves	3,734,748	3,748,945	3,797,212
Dividend received	(1,015,562)	(1,149,015)	(1,235,691)
Strike off of an associate	(150,000)	-	-
	(11,657)	-	-
	<hr/>	<hr/>	<hr/>
	2,557,529	2,599,930	2,561,521

Details of the associates are disclosed in Note 54.

The movements in the allowance for impairment losses of investment in associates are as follows:

	31.12.2021 RM	Group 31.12.2020 RM
At 1 January	505,126	456,858
Impairment losses during the financial year	14,197	48,268
Reversal of impairment losses during the financial year	(40)	-
	<hr/>	<hr/>
At 31 December	519,283	505,126

31 December 2021

Bayu Cergas Sdn. Bhd., a 40% owned associate of LBS Bina was struck off from the register of the Companies Commission of Malaysia with publication of the Gazette pursuant to Section 551(3) of the Companies Act 2016 on 17 March 2022.

31 December 2020

On 26 June 2020, LBS Bina acquired 5,000 ordinary shares, representing 5% equity interest in Sambungan Aktif Sdn. Bhd. ("SASB") for a total cash consideration of RM1 only. Consequently, SASB became a 35% owned associate of LBS Bina.

Notes To The Financial Statements

31 December 2021 (Cont'd)

10. INVESTMENT IN ASSOCIATES (CONT'D)

(b) The summarised financial information of the associates, not adjusted for the percentage held by the Group is as follows:

	31.12.2021 RM	Group 31.12.2020 RM	1.1.2020 RM
Assets and liabilities			
Non-current assets	1,160,832	1,243,932	1,645,052
Current assets	3,246,956	2,899,150	1,956,341
 Total assets	 4,407,788	 4,143,082	 3,601,393
Non-current liabilities	(747,772)	(1,060,083)	(823,918)
Current liabilities	(1,939,062)	(1,663,923)	(1,866,822)
 Total net assets	 1,720,954	 1,419,076	 910,653

(c) The summarised financial performance of the associates, not adjusted for the percentage held by the Group is as follows:

	2021 RM	Group 2020 RM
Financial results		
Revenue	2,505,141	1,717,023
 Profit before tax	 968,457	 697,760
Taxation	(166,578)	(212,190)
 Net profit for the financial year	 801,879	 485,570

The unrecognised share of losses of the associates is as follows:

	2021 RM	Group 2020 RM
At 1 January	318,989	301,198
Share of losses during the financial year	16,795	17,791
Share of losses on striking off an associate	(7,830)	-
 At 31 December	 327,954	 318,989

(d) The Group's associates are individually immaterial to the financial position, financial performance and cash flows of the Group.

11. OTHER INVESTMENTS

	31.12.2021 RM	Group 31.12.2020 RM	1.1.2020 RM
Non-current			
<i>Financial assets measured at fair value through other comprehensive income</i>			
Equity securities listed in Hong Kong measured at fair value on recurring basis and classified as level 1 of the fair value hierarchy	-	-	49,782,672
Other investments			
At cost			
Transferable corporate club memberships	1,133,001	1,133,001	1,133,001
Accumulated impairment losses			
At 1 January	557,001	523,001	373,001
Impairment losses during the financial year	8,000	34,000	150,000
At 31 December	565,001	557,001	523,001
	568,000	576,000	610,000
Total other investments	568,000	576,000	50,392,672

The fair value of the listed equity securities was determined by reference to the quoted price in an active market.

Included in the listed equity securities was an amount of RMNil (31.12.2020: RMNil; 1.1.2020: RM37,843,200) which have been pledged to licensed banks as securities to partially secure the bank overdrafts as disclosed in Note 33(e).

During the financial year, an impairment loss of RM8,000 (31.12.2020: RM34,000; 1.1.2020: RM150,000) was provided for transferable corporate club memberships as there were decline in the fair value of these investments below their costs.

	31.12.2021 RM	Group 31.12.2020 RM	1.1.2020 RM
Current			
<i>Financial assets measured at fair value through profit or loss</i>			
Over the counter trust funds measured at fair value on recurring basis and classified as level 1 of the fair value hierarchy			
	2,003,129	-	9,620,634

Notes To The Financial Statements

31 December 2021 (Cont'd)

11. OTHER INVESTMENTS (CONT'D)

	31.12.2021 RM	Company 31.12.2020 RM	1.1.2020 RM
Current			
Financial assets measured at fair value through profit or loss			
Over the counter trust funds measured at fair value on recurring basis and classified as level 1 of the fair value hierarchy	-	-	2,168,854

The fair value of the trust funds was determined by reference to the quoted prices provided by financial intermediaries.

12. INTANGIBLE ASSETS

	31.12.2021 RM	Group 31.12.2020 RM
Cost		
At 1 January/31 December		
At 1 January/31 December	3,016,020	3,016,020
Accumulated amortisation		
At 1 January		
At 1 January	2,668,843	1,489,109
Charge for the financial year	347,177	1,179,734
At 31 December	3,016,020	2,668,843

	31.12.2021 RM	Group 31.12.2020 RM
Carrying amount		
At 31 December		
At 31 December	-	347,177
At 1 January		
At 1 January	347,177	1,526,911

	31.12.2021 RM	Group 31.12.2020 RM	1.1.2020 RM
Included in the above is:			
At fair value			
Contracts with customers	-	347,177	1,526,911

A subsidiary of the Company has completed the purchase price allocation ("PPA") exercise to determine the fair value of the net assets of Multi Court Developers Sdn. Bhd. within the stipulated time period, i.e. twelve (12) months from the acquisition date of 5 January 2018, in accordance to MFRS 3 *Business Combinations*.

The intangible assets, deferred tax liabilities arising from the intangible assets and goodwill on consolidation have been reflected accordingly in the statements of financial position.

13. GOODWILL ON CONSOLIDATION

	Group 31.12.2021 RM	31.12.2020 RM
Cost		
At 1 January/31 December	184,738,924	184,738,924
Accumulated impairment losses		
At 1 January	86,783,921	71,573,081
Additions	25,121,364	15,210,840
At 31 December	111,905,285	86,783,921
Carrying amount		
At 31 December	72,833,639	97,955,003
At 1 January	97,955,003	113,165,843

(a) Impairment test for goodwill on consolidation

Goodwill on consolidation has been allocated to Group's cash-generating units ("CGUs") identified according to business segments as follows:

	Group 31.12.2021 RM	31.12.2020 RM	1.1.2020 RM
Property development	72,833,639	97,955,003	106,900,832
Construction and trading	-	-	6,265,011
	72,833,639	97,955,003	113,165,843

(b) Key assumptions used to determine the recoverable amount

The recoverable amount of a CGU is determined based on value in use calculations using cash flow projections based on financial budgets approved by management covering a five years period. The key assumptions used for value in use calculations are based on future projection of the Group in Malaysia are as follows:

	Property development 31.12.2021	31.12.2020	1.1.2020
Net margin	16%	17%	21%
Pre-tax discount rate (per annum)	5%	6%	7%

Notes To The Financial Statements

31 December 2021 (Cont'd)

13. GOODWILL ON CONSOLIDATION (CONT'D)

(b) Key assumptions used to determine the recoverable amount (Cont'd)

The recoverable amount of a CGU is determined based on value in use calculations using cash flow projections based on financial budgets approved by management covering a five years period. The key assumptions used for value in use calculations are based on future projection of the Group in Malaysia are as follows: (Cont'd)

	Construction and trading		
	31.12.2021	31.12.2020	1.1.2020
Net margin	6%	2%	2%
Growth rate	Average of 34%	Average of 18%	5% - 15%
Pre-tax discount rate (per annum)	6%	8%	7%

The key assumptions that the Directors have used in the cash flow projections to undertake impairment testing are as follows:

- (i) Net margin - Budgeted value based on the average margins achieved in the year immediately before the budget year, increased for expected efficiency improvements and market development.
- (ii) Growth rate - Not applicable for property development segment as the cash flow projections made is for a period of 5 years, in accordance with the expected life cycle of the CGU.
- (iii) Pre-tax discount rate - Rate that reflects specific risks relating to the relevant CGU.

The values assigned to the key assumptions represent management's assessment of future trends in the industry and are based on both external sources and internal sources.

(c) Sensitivity to changes in assumptions

The management believes that a reasonably possible change in the key assumptions on which management has based on its determination of the CGU's recoverable amount would not cause the CGU's carrying amount to exceed its recoverable amount.

(d) Impairment loss recognised during the financial year

The Group recognised an impairment loss of RM25,121,364 (2020: RM15,210,840) during the financial year in respect of the goodwill arising on consolidation. The goodwill relates to certain subsidiaries mainly undertake development projects which are expected to complete within the next 5 years. As a decrease in development activities or other significant cash generating activities is expected from the subsidiaries, the related goodwill has been impaired accordingly. The impairment loss is recorded within administrative expenses in the statements of profit or loss and other comprehensive income.

14. TRADE RECEIVABLES

	31.12.2021 RM	Group 31.12.2020 RM	1.1.2020 RM
Non-current			
Trade receivables			
- Third parties	2,764,706	3,984,661	3,368,268
Current			
Trade receivables			
- Third parties	394,673,939	195,860,902	401,518,143
- Related parties	- 1,905,552	1,905,552	3,993,042
	394,673,939	197,766,454	405,511,185
Retention sum receivables			
- Third parties	7,607,037	9,765,521	10,202,356
Less: Accumulated impairment losses	402,280,976 (7,096,466)	207,531,975 (5,885,974)	415,713,541 (5,770,712)
Total current trade receivables	395,184,510	201,646,001	409,942,829
Total trade receivables	397,949,216	205,630,662	413,311,097

The Group's normal trade credit terms range from 14 to 180 days (31.12.2020: 14 to 180 days; 1.1.2020: 14 to 180 days) term. Other credit terms are assessed and approved on a case-to-case basis. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Included in trade receivables was an amount of RM48,974,851 (31.12.2020: RM29,654,728; 1.1.2020: RM37,848,196) retained by stakeholders which are due upon the expiry of retention period as stipulated in the sale and purchase agreements signed with property purchasers. The retention periods range from 8 to 24 months (31.12.2020: 8 to 24 months; 1.1.2020: 8 to 24 months).

Movements in the allowance for impairment losses of trade receivables are as follows:

Group 31.12.2021	Lifetime allowance RM	Credit impaired RM	Loss allowance RM
At 1 January	1,729,456	4,156,518	5,885,974
Allowance for impairment losses	1,784,819	950,263	2,735,082
Reversal of allowance for impairment losses	(347,770)	(1,220,544)	(1,568,314)
Exchange differences	- 43,724	43,724	43,724
At 31 December	3,166,505	3,929,961	7,096,466

Notes To The Financial Statements
31 December 2021 (Cont'd)

14. TRADE RECEIVABLES (CONT'D)

Movements in the allowance for impairment losses of trade receivables are as follows: (Cont'd)

Group	Lifetime allowance RM	Credit impaired RM	Loss allowance RM
31.12.2020			
At 1 January	885,446	4,885,266	5,770,712
Allowance for impairment losses	1,180,591	117,445	1,298,036
Amount written off	-	(643,657)	(643,657)
Reversal of allowance for impairment losses	(336,581)	(246,546)	(583,127)
Exchange differences	-	44,010	44,010
At 31 December	1,729,456	4,156,518	5,885,974

Analysis of the trade receivables ageing are as follows:

Group	Gross amount RM	Loss allowance RM	Net amount RM
31.12.2021			
Not past due	230,816,883	(222,889)	230,593,994
Past due:			
Less than 30 days	35,730,590	(7,402)	35,723,188
31 to 60 days	24,730,309	(17,725)	24,712,584
More than 60 days	109,837,939	(2,918,489)	106,919,450
	170,298,838	(2,943,616)	167,355,222
Credit impaired:			
Individually impaired	3,929,961	(3,929,961)	-
	405,045,682	(7,096,466)	397,949,216
31.12.2020			
Not past due	78,103,642	(75,584)	78,028,058
Past due:			
Less than 30 days	40,689,069	(210,408)	40,478,661
31 to 60 days	20,754,419	(104,073)	20,650,346
More than 60 days	67,812,988	(1,339,391)	66,473,597
	129,256,476	(1,653,872)	127,602,604
Credit impaired:			
Individually impaired	4,156,518	(4,156,518)	-
	211,516,636	(5,885,974)	205,630,662

14. TRADE RECEIVABLES (CONT'D)

Analysis of the trade receivables ageing are as follows: (Cont'd)

Group	Gross amount RM	Loss allowance RM	Net amount RM
1.1.2020			
Not past due	185,433,955	(19,586)	185,414,369
Past due:			
Less than 30 days	50,976,389	(11,896)	50,964,493
31 to 60 days	40,741,015	(26,308)	40,714,707
More than 60 days	137,045,184	(827,656)	136,217,528
	228,762,588	(865,860)	227,896,728
Credit impaired:			
Individually impaired	4,885,266	(4,885,266)	-
	419,081,809	(5,770,712)	413,311,097

Trade receivables that are not past due or past due

(i) Property development

Included in gross trade receivables were an amount of RM367,974,846 (31.12.2020: RM170,680,808; 1.1.2020: RM354,688,775), mainly related to amount due from property purchasers with end financing facilities from reputable end financiers. In respect of property purchasers with no end financing facilities, the Group retains the legal title to all the properties sold until the purchase consideration is fully settled.

As at 31 December 2021, trade receivables that are individually determined to be impaired were RM3,098,502 (31.12.2020: RM2,951,806; 1.1.2020: RM3,100,623), mainly related to purchasers whom were in significant financial difficulties or have defaulted on payments. For those trade receivables that are individually impaired, the Group's internal legal department will follow up with enforcement activities.

The Group also assesses credit quality of the trade receivables on a collective basis by using ageing of past due days. As at 31 December 2021, the Group provided lifetime impairment losses of RM2,995,313 (31.12.2020: RM1,550,277; 1.1.2020: RM709,382) based on purchasers' historical data as an assumption for possibility of default.

(ii) Construction and trading

Included in gross trade receivables were an amount of RM28,857,960 (31.12.2020: RM29,441,179; 1.1.2020: RM55,164,182), mainly were creditworthy receivables with good payment record and active corporate clients with healthy business relationship but slower repayment records. The management is of the view that the amount are recoverable based on past payment record.

As at 31 December 2021, trade receivables that are individually assessed to be impaired amounting to RM202,937 (31.12.2020: RM34,741; 1.1.2020: RM34,741), related to customers that are in financial difficulties. These balances are expected to be recovered through the debt recovery process.

The Group also assesses credit quality of the trade receivables on a collective basis by using ageing of past due days. At the reporting date, the Group provided lifetime impairment losses of RM123,430 (31.12.2020: RM127,030; 1.1.2020: RM173,285) based on customers' historical data as an assumption for possibility of default.

Notes To The Financial Statements 31 December 2021 (Cont'd)

14. TRADE RECEIVABLES (CONT'D)

Trade receivables that are not past due or past due (Cont'd)

(iii) Others

Included in gross trade receivables were an amount of RM8,212,876 (31.12.2020: RM11,394,649; 1.1.2020: RM9,228,852), mainly were creditworthy receivables with good payment record and active corporate clients with healthy business relationship but slower repayment records. The management is of the view that the amount are recoverable based on past payment record.

As at 31 December 2021, trade receivables that are individually assessed to be impaired amounting to RM628,522 (31.12.2020: RM1,169,971; 1.1.2020: RM1,749,902), related to customers that are in financial difficulties. These balances are expected to be recovered through the debt recovery process.

The Group also assesses credit quality of the trade receivables on a collective basis by using ageing of past due days. At the reporting date, the Group provided lifetime impairment losses of RM47,762 (31.12.2020: RM52,149; 1.1.2020: RM2,779) based on customers' historical data as an assumption for possibility of default.

Concentration of credit risk with respect to trade receivables is limited due to the Group's large number of purchasers, who are widely distributed and cover a broad range of end markets. There is no objective evidence that the remaining trade receivables are not fully recoverable.

15. DEFERRED TAX ASSETS/(LIABILITIES)

	Group	31.12.2021	31.12.2020
	RM	RM	Restated
At 1 January, as previously reported	(655,766)	(3,722,975)	
Effect on adoption of the Agenda Decision	10,667,157	10,525,153	
At 1 January, as restated	10,011,391	6,802,178	
Recognised in profit or loss	9,305,983	3,135,427	
Crystallisation of deferred tax	1,746,951	1,698,911	
Exchange differences	(2,009,217)	(1,625,125)	
At 31 December	19,055,108	10,011,391	

The net deferred tax assets and liabilities shown on the statements of financial position after appropriate offsetting are as follows:

	Group	31.12.2021	1.1.2020
	RM	RM	RM
	Restated	Restated	Restated
Deferred tax assets	58,570,516	48,507,520	44,880,449
Deferred tax liabilities	(39,515,408)	(38,496,129)	(38,078,271)
	19,055,108	10,011,391	6,802,178

15. DEFERRED TAX ASSETS/(LIABILITIES) (CONT'D)

The components and movements of deferred tax assets and liabilities at the end of reporting period prior to offsetting are as follows:

Deferred tax assets of the Group

	Unutilised capital allowances RM	Unused tax losses RM	Others RM	Total RM
31.12.2021				
At 1 January, as previously reported	3,744,355	717,986	38,354,556	42,816,897
Effect on adoption of the Agenda Decision	-	(398)	10,779,935	10,779,537
At 1 January, as restated Recognised in profit or loss (Over)/Under provision in prior year	3,744,355 1,174,321 (248,318)	717,588 72,801 434,827	49,134,491 (609,828) 10,694,000	53,596,434 637,294 10,880,509
At 31 December (before offsetting)	4,670,358	1,225,216	59,218,663	65,114,237
Offsetting				(6,543,721)
At 31 December (after offsetting)				58,570,516
31.12.2020 (Restated)				
At 1 January, as previously reported	2,596,240	113,163	35,834,794	38,544,197
Effect on adoption of the Agenda Decision	-	-	10,496,406	10,496,406
At 1 January, as restated Recognised in profit or loss Under/(Over) provision in prior year	2,596,240 728,695 419,420	113,163 (299,073) 903,498	46,331,200 3,076,749 (273,458)	49,040,603 * 3,506,371 1,049,460
At 31 December (before offsetting)	3,744,355	717,588	49,134,491	53,596,434
Offsetting				(5,088,914)
At 31 December (after offsetting)				48,507,520

Notes To The Financial Statements
31 December 2021 (Cont'd)

15. DEFERRED TAX ASSETS/(LIABILITIES) (CONT'D)

Deferred tax liabilities of the Group

	Accelerated capital allowances RM	Others RM	Total RM
31.12.2021			
At 1 January,			
as previously reported	(42,651,865)	(820,798)	(43,472,663)
Effect on adoption of the Agenda Decision	-	(112,380)	(112,380)
At 1 January, as restated	(42,651,865)	(933,178)	(43,585,043)
Recognised in profit or loss	(2,019,483)	(303,566)	(2,323,049)
Over provision in prior year	85,484	25,745	111,229
Crystallisation of deferred tax	1,746,951	-	1,746,951
Exchange differences	(2,009,217)	-	(2,009,217)
At 31 December (before offsetting)	(44,848,130)	(1,210,999)	(46,059,129)
Offsetting			6,543,721
At 31 December (after offsetting)			(39,515,408)
31.12.2020 (Restated)			
At 1 January,			
as previously reported	(40,941,094)	(1,326,078)	(42,267,172)
Effect on adoption of the Agenda Decision	-	28,747	28,747
At 1 January, as restated	(40,941,094)	(1,297,331)	(42,238,425)*
Recognised in profit or loss	(223,921)	447,723	223,802
Under provision in prior year	(1,560,636)	(83,570)	(1,644,206)
Crystallisation of deferred tax	1,698,911	-	1,698,911
Exchange differences	(1,625,125)	-	(1,625,125)
At 31 December (before offsetting)	(42,651,865)	(933,178)	(43,585,043)
Offsetting			5,088,914
At 31 December (after offsetting)			(38,496,129)

* The amount of offset between deferred tax assets and deferred tax liabilities as at 1.1.2020 was amounted to RM4,160,154 for the Group.

15. DEFERRED TAX ASSETS/(LIABILITIES) (CONT'D)

Deferred tax assets have not been recognised in respect of the following items:

	31.12.2021 RM	Group 31.12.2020 RM Restated	1.1.2020 RM Restated
Unutilised capital allowances	9,500,819	5,295,676	1,732,501
Unused tax losses	121,264,342	126,715,109	91,380,063
Deductible temporary differences	102,883,081	89,975,189	102,572,285
	<hr/> 233,648,242	<hr/> 221,985,974	<hr/> 195,684,849

Deferred tax assets have not been recognised in respect of these items as they may not have sufficient taxable profits to be used to offset or they have arisen in subsidiaries that have a recent history of losses.

Pursuant to an amendment to Section 44(5F) of the Income Tax Act 1967, effective from year of assessment 2019 onwards, the unused tax losses can be carried forward for a maximum period of ten consecutive years of assessment. The unused tax losses accumulated up to year of assessment 2018 can be carried forward for another ten consecutive years of assessment until year of assessment 2028.

16. CONTRACT ASSETS/(LIABILITIES)

	31.12.2021 RM	Group 31.12.2020 RM	1.1.2020 RM
Contract assets			
Construction contracts (a)	3,008,950	1,168,372	8,987,809
Property development activities (b)	605,934,111	544,372,686	379,245,821
	<hr/> 608,943,061	<hr/> 545,541,058	<hr/> 388,233,630
Contract liabilities			
Construction contracts (a)	5,774,295	12,060,360	29,121,338
Property development activities (b)	11,651,582	19,037,323	24,807,543
	<hr/> 17,425,877	<hr/> 31,097,683	<hr/> 53,928,881

Notes To The Financial Statements

31 December 2021 (Cont'd)

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

(a) Construction contracts

	31.12.2021 RM	Group 31.12.2020 RM	1.1.2020 RM
Contract cost incurred to-date	427,672,184	418,437,862	405,932,688
Attributable profits recognised to-date	54,827,545	49,399,680	47,431,685
	482,499,729	467,837,542	453,364,373
Less: Progress billings	(485,107,910)	(478,572,366)	(473,340,738)
Less: Accumulated impairment losses	(157,164)	(157,164)	(157,164)
	(2,765,345)	(10,891,988)	(20,133,529)
<hr/>			
Presented as:			
Contract assets	3,008,950	1,168,372	8,987,809
Contract liabilities	(5,774,295)	(12,060,360)	(29,121,338)
	(2,765,345)	(10,891,988)	(20,133,529)
<hr/>			

Included in progress billings is retention sum of RM7,607,037 (31.12.2020: RM9,765,521; 1.1.2020: RM10,202,356).

(b) Property development activities

	31.12.2021 RM	Group 31.12.2020 RM	1.1.2020 RM
At 1 January	525,335,363	354,438,278	171,702,474
Property development revenue recognised during the financial year	1,195,089,076	1,012,805,460	1,029,185,950
Less: Billings during the financial year	(1,126,141,910)	(841,908,375)	(846,450,146)
	594,282,529	525,335,363	354,438,278
<hr/>			
Presented as:			
Contract assets	605,934,111	544,372,686	379,245,821
Contract liabilities	(11,651,582)	(19,037,323)	(24,807,543)
	594,282,529	525,335,363	354,438,278
<hr/>			

The contract assets and liabilities balances represent the timing differences in revenue recognition and milestone billings. The milestone billings for property development contract are governed by the relevant regulations.

Contract assets in relation to property development activities is the excess of revenue recognised in profit or loss over billings to purchasers as at the reporting date. This unbilled amount for work completed will be transferred to trade receivables when the right to bill becomes unconditional. Contract liabilities consist of billings in excess of revenue recognised, this amount is expected to be recognised as revenue over a period of 180 days.

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

(c) Contract value yet to be recognised as revenue

The Group applies the practical expedient in MFRS 15 on not disclosing the aggregate amount of the revenue expected to be recognised in the future as the Group recognises revenue from the satisfaction of the performance obligation using output methods in accordance with paragraph B16 of MFRS 15.

17. OTHER RECEIVABLES

	31.12.2021 RM	Group 31.12.2020 RM Restated	1.1.2020 RM
Current			
Other receivables			
- Third parties	20,887,817	23,862,255	40,093,585
- Related parties	1,029,771	1,071,707	265,435
	<hr/>	<hr/>	<hr/>
Less: Accumulated impairment losses	21,917,588	24,933,962	40,359,020
- Third parties	(2,632,170)	(3,772,613)	(5,020,114)
	<hr/>	<hr/>	<hr/>
Deposits	19,285,418	21,161,349	35,338,906
- Third parties	94,947,517	68,915,673	59,641,272
- Related parties	1,500	12,900	12,900
GST receivable	568,747	1,289,518	5,246,545
Prepayments	92,586,937	81,551,960	19,403,640
	<hr/>	<hr/>	<hr/>
Total other receivables	207,390,119	172,931,400	119,643,263

	31.12.2021 RM	Company 31.12.2020 RM	1.1.2020 RM
Current			
Other receivables	390,229	1,060	4,197
Deposits	1,024,500	3,024,500	2,034,500
Prepayment	120,000	-	-
GST receivable	-	-	11,265
	<hr/>	<hr/>	<hr/>
Total other receivables	1,534,729	3,025,560	2,049,962

Notes To The Financial Statements 31 December 2021 (Cont'd)

17. OTHER RECEIVABLES (CONT'D)

Included in other receivables of the Group mainly comprise of the followings:

- (i) Deposits, prepaid purchase consideration and development expenses of RM122,991,232 (31.12.2020: RM90,019,799; 1.1.2020: RM25,487,585), paid for the acquisition and joint venture of development lands that have not been completed as at 31 December 2021. The balance of purchase consideration is disclosed as capital commitments in Note 51.
- (ii) An amount of RM25,805,921 (31.12.2020: RM19,446,898; 1.1.2020: RM14,353,382) paid for Certificate of Share Unit Formula (Sijil Formula Unit Syer - SiFUS) fees for strata title subdivision.
- (iii) An amount of RM2,699,003 (31.12.2020: RM6,357,971; 1.1.2020: RM6,357,971) provided for settlement with the purchasers of a development project of a subsidiary in accordance with the Workout Proposals of Instangreen Corporation Berhad. This amount will be settled upon receipt of claims from all the purchasers.
- (iv) An amount of RM583,533 (31.12.2020: RM529,921; 1.1.2020: RM732,716) arising from a project management agreement signed with a developer. The projects have been completed and collection is pending strata titles issuance and closure of Housing Development Accounts by the developer.

The movements in the allowance for impairment losses (individually assessed) of other receivables are as follows:

	Group	
	31.12.2021 RM	31.12.2020 RM
At 1 January	3,772,613	5,020,114
Allowance for impairment losses	329,013	176,528
Reversal of allowance for impairment losses	(1,469,456)	(1,424,029)
At 31 December	2,632,170	3,772,613

Other receivables that are individually determined to be impaired at the reporting date related to debtors that are in significant financial difficulties or have defaulted on payment.

18. AMOUNT DUE FROM/(TO) SUBSIDIARIES

(a) Amount due from subsidiaries (Non-Current)

These represent unsecured, non-interest bearing advances and repayable after twelve months except for an amount of RMNil (31.12.2020: RM219,404,594; 1.1.2020: RM270,370,707) which bear interest at a rate of Nil (31.12.2020: 1.85%; 1.1.2020: 3.10%) per annum at the reporting date and RMNil (31.12.2020: RM65,560,000; 1.1.2020: RM14,593,887) represented bank borrowings obtained on behalf by the Company which bear interest at a rate of Nil (31.12.2020: range from 6.80% to 9.00%; 1.1.2020: range from 5.90% to 9.00%) per annum at the reporting date.

18. AMOUNT DUE FROM/(TO) SUBSIDIARIES (CONT'D)

(b) Amount due (to)/from subsidiaries (Current)

	Note	31.12.2021 RM	Company 31.12.2020 RM	1.1.2020 RM
Trade		(766,666)	(297,000)	(28,800)
<u>Non-trade</u>				
Amount due from subsidiaries	(i)	622,749,196	383,526,936	275,873,135
Less: Accumulated impairment losses		-	(4,758)	-
		622,749,196	383,522,178	275,873,135
		621,982,530	383,225,178	275,844,335

Movements in the allowance for impairment losses of amount due from subsidiaries are as follows:

	Company	2021 RM	2020 RM
At 1 January		4,758	-
Impairment losses recognised		-	4,758
Reversal of allowance for impairment losses		(4,758)	-
 At 31 December		-	4,758

(i) This represents unsecured, non-interest bearing advances and repayable on demand except for an amount of RM574,644,411 (31.12.2020: RM374,863,747; 1.1.2020: RM206,286,090) which bear interest range from 1.85% to 6.85% (31.12.2020: at a rate of 1.85%; 1.1.2020: at a rate of 3.10%) per annum at the reporting date and RM35,370,000 (31.12.2020: RM3,500,000; 1.1.2020: RM62,520,000) represented bank borrowings obtained on behalf by the Company which bear interest range from 4.00% to 9.00% (31.12.2020: at a rate of 6.95%; 1.1.2020: range from 5.89% to 9.00%) per annum at the reporting date.

(c) Amount due to subsidiaries

	Note	31.12.2021 RM	Company 31.12.2020 RM	1.1.2020 RM
Amount due to subsidiaries	(i)	-	31,219,171	-
Amount due from subsidiaries	(ii)	-	(1,920,000)	-
		-	29,299,171	-

Notes To The Financial Statements

31 December 2021 (Cont'd)

18. AMOUNT DUE FROM/(TO) SUBSIDIARIES (CONT'D)

- (i) This represents unsecured, non-interest bearing advances and repayable on demand except for an amount of RMNil (31.12.2020: RM14,901,827; 1.1.2020: RMNil) which bear interest at a rate of Nil (31.12.2020: 1.85%; 1.1.2020: Nil) per annum at the reporting date.
- (ii) This represents bank borrowing obtained on behalf by the Company which bear interest at a rate of Nil (31.12.2020: range from 4.85% to 6.80%; 1.1.2020: Nil) per annum at the reporting date.

19. AMOUNT DUE FROM/(TO) ASSOCIATES

- (a) Amount due from associates

This represents unsecured, non-interest bearing advances and repayable on demand. An amount of RM7,200 (31.12.2020: RM7,200; 1.1.2020: RM12,296) represents trade transactions.

- (b) Amount due to an associate

This represents trade in nature, unsecured, non-interest bearing and repayable on demand.

20. FIXED DEPOSITS WITH LICENSED BANKS

Included in fixed deposits of the Group and of the Company are amounts of RM22,302,268 and RM988,305 (31.12.2020: RM20,597,047 and RM983,492; 1.1.2020: RM57,615,678 and RM24,867,182) respectively, which are pledged to licensed banks as securities for banking facilities granted to the Company and certain subsidiaries as disclosed in Notes 31(h) and 33(d) respectively.

The interest rates and maturities of deposits of the Group at the reporting date range from 1.25% to 3.80% (31.12.2020: 0.80% to 3.80%; 1.1.2020: 0.30% to 4.05%) per annum and 1 to 365 days (31.12.2020: 1 to 365 days; 1.1.2020: 1 to 365 days) respectively. All unpledged deposits have maturity periods of less than three months.

The interest rates and maturities of deposits of the Company at the reporting date range from 1.25% to 1.65% (31.12.2020: 1.25% to 1.65%; 1.1.2020: 0.40% to 4.05%) per annum and 1 to 365 days (31.12.2020: 1 to 365 days; 1.1.2020: 1 to 365 days) respectively.

21. CASH HELD UNDER HOUSING DEVELOPMENT ACCOUNTS

Cash held under Housing Development Accounts which are not freely available for use represents monies received from purchasers of residential properties less payments or withdrawals in accordance with the Housing Development (Control and Licensing) Act, 1966.

The interest rates of cash held under Housing Development Accounts at the reporting date range from 0.35% to 1.80% (31.12.2020: 0.35% to 1.94%; 1.1.2020: 1.20% to 2.10%) per annum.

22. CASH AND BANK BALANCES

Included in cash and bank balances of the Group and of the Company are deposits with licensed banks amounting to RM5,823,814 and RM333,388 (31.12.2020: RM5,296,662 and RM1,007,966; 1.1.2020 RM8,721,135 and RM655,611) respectively, which have been pledged to licensed banks for banking facilities granted to the Group and to the Company as disclosed in Notes 31(f) and 32(b) respectively.

23. ASSETS HELD FOR SALE

Note	31.12.2021 RM	Group	
		31.12.2020 RM	1.1.2020 RM
Freehold land	(a)	-	3,000,000
Freehold building	(b)	-	123,812
Leasehold buildings	(c)	2,348,425	964,128
		2,348,425	338,772
			4,087,940

(a) Freehold land

In December 2019, the Directors of MGB Construction & Engineering Sdn. Bhd. ("MGBCE"), a subsidiary of MGB have decided to dispose of a piece of freehold vacant agricultural land for a total cash consideration of RM3,000,000. The disposal was completed in the previous financial year.

(b) Freehold building

In December 2020, the Directors of Equal Sign Sdn. Bhd., a subsidiary of LBS Bina, have decided to dispose of a freehold building for a total cash consideration of RM110,000. The disposal was completed during the financial year.

In December 2019, the Directors of SPJ Construction Sdn. Bhd., a subsidiary of LBS Bina, have decided to dispose of a freehold building for a total cash consideration of RM280,000. The disposal was completed in the previous financial year.

(c) Leasehold buildings

In July 2019, Azam Perspektif Sdn. Bhd., a wholly-owned subsidiary of LBS Bina, entered into a Sale and Purchase Agreement to dispose of a leasehold building for a total cash consideration of RM680,000. The disposal was completed during the financial year.

In October 2019, the Directors of LBS Properties Sdn. Bhd., a wholly-owned subsidiary of LBS Bina, have decided to dispose of two leasehold buildings for a total cash consideration of RM107,300 and RM101,700 respectively. The disposals were completed in the previous financial year.

In November 2019, Pelangi Homes Sdn. Bhd., a wholly-owned subsidiary of LBS Bina, entered into a Sale and Purchase Agreement to dispose of two leasehold buildings for a total cash consideration of RM130,000 each. The disposals were completed in the previous financial year.

In December 2019, the Directors of LBS Bina, a wholly-owned subsidiary of the Company, have decided to dispose of a leasehold building for a total cash consideration of RM800,000. The disposal was completed during the financial year.

In May 2021, Kilatlima Sdn. Bhd., a wholly-owned subsidiary of LBS Bina, entered into a Sale and Purchase Agreement to dispose of a leasehold building for a total cash consideration of RM225,000. The disposal is pending completion as at the date of this report.

In December 2021, the Directors of Pelangi Homes Sdn. Bhd., a subsidiary of LBS Bina, have decided to dispose of a leasehold building for a total cash consideration of RM2,200,000 to its holdings company, LBS Bina. The disposal is expected to be completed in the next financial year.

Notes To The Financial Statements

31 December 2021 (Cont'd)

24. SHARE CAPITAL

	Group/Company			
	Number of shares		Amount	
	31.12.2021 Units	31.12.2020 Units	31.12.2021 RM	31.12.2020 RM
Issued and fully paid ordinary shares				
At 1 January	1,569,245,151	1,567,111,011	819,378,365	817,569,429
Issuance of shares:				
- Exercise of warrants	-	739,098	-	413,894
- Conversion of RCPS	-	1,395,042	-	1,395,042
At 31 December	1,569,245,151	1,569,245,151	819,378,365	819,378,365
Redeemable Convertible Preference Shares ("RCPS")				
At 1 January	94,099,035	95,367,255	103,508,939	104,903,981
Conversion of RCPS	-	(1,268,220)	-	(1,395,042)
At 31 December	94,099,035	94,099,035	103,508,939	103,508,939
Total	1,663,344,186	1,663,344,186	922,887,304	922,887,304

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regards to the Company's residual assets. In respect of the Company's treasury shares that are held by the Company, all rights are suspended until those shares are reissued.

Ordinary shares

31 December 2020

The Company increased its issued and paid-up share capital from 1,567,111,011 to 1,569,245,151 by way of issuance of 2,134,140 new ordinary shares as follows:

- (a) 739,098 new ordinary shares pursuant to the conversion of 739,098 Warrants B at exercise price of RM0.56 per ordinary share.
- (b) 1,395,042 new ordinary shares with the conversion ratio of 11 new ordinary shares for 10 RCPS pursuant to the conversion of 1,268,220 RCPS.

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

24. SHARE CAPITAL (CONT'D)

Redeemable Convertible Preference Shares ("RCPS")

On 8 August 2017, the Company issued renounceable rights issue of 115,448,037 RCPS on the conversion ratio of RCPS at 1 new ordinary share for every 2 RCPS held. The issue price of the RCPS has been fixed at RM1.10 each.

The salient terms of the RCPS are as follows:

- (a) The Company shall at its discretion and subject to the availability of distributable profits pay out a targeted preferential dividend of 6% in each financial year calculated on the issue price of the RCPS from and including the Issue Date i.e. 8 August 2017 until the date of redemption of the RCPS.
- (b) The preferential dividends, if declared, shall be payable annually in arrears, subject to availability of distributable profits. Although annual payments are anticipated as disclosed above, the Company may defer, in part or in whole, such payments depending on availability of distributable profits ("Deferred Dividends"). For avoidance of doubt, the Company is not obliged to pay any dividends or Deferred Dividends, as the case may be, in the event that it has insufficient distributable profits.
- (c) The RCPS shall be convertible, at the option of the holder of RCPS, at any time commencing from the Issue Date up to the relevant redemption date of the RCPS, into such number of fully-paid new ordinary shares of the Company, without payment of any consideration, in accordance with the Conversion Ratio.
- (d) Subject to the provisions of the Companies Act 2016 and any other applicable legislation, the Company may at any time on or after the 5th anniversary of the Issue Date, at its discretion, redeem all (and not some only) of the outstanding RCPS by giving notice in writing not less than 30 days prior to the redemption date to the holders of RCPS of its intention to do so.
- (e) The RCPS holders shall not have the right to vote at any general meeting of the Company except with regard to:
 - (i) when the dividend or part of the dividend payable on the RCPS is in arrears for more than six (6) months;
 - (ii) on any proposal to reduce the share capital of the Company;
 - (iii) on any proposal for the disposal of substantially the whole of the property, business and undertaking of the Company;
 - (iv) on any proposal that affects the rights and privileges attached to the RCPS; or
 - (v) on any proposal to wind-up the Company or during the winding-up of the Company;

in which case, the RCPS holders shall be entitled to vote together with the holders of Shares by way of poll and each RCPS holders shall be entitled to one (1) vote for each Share into the RCPS are convertible upon exercise of the Conversion Rights (at the Conversion Ratio) and every Share shall, notwithstanding any other provisions in this Constitution, carry one (1) vote for each such Share.

- (f) The holders of RCPS shall have the right to receive notices, reports and accounts and attend meetings, of which shareholders of ordinary shares are entitled.

Pursuant to the completion of corporate exercises in relation to share subdivision and bonus issue on 27 February 2018, the conversion ratio of any outstanding RCPS has been adjusted to 11 new ordinary shares for every 10 RCPS.

As at 31 December 2021, the total number of RCPS that remain unexercised was 94,099,035 (2020: 94,099,035).

Notes To The Financial Statements

31 December 2021 (Cont'd)

25. TREASURY SHARES

	Group/Company			
	Number of shares		Amount	
	31.12.2021 Units	31.12.2020 Units	31.12.2021 RM	31.12.2020 RM
At 1 January	7,584,694	21,317,500	2,685,339	10,932,709
Shares repurchased	1,000,500	31,751,400	505,555	13,584,876
Dividend distribution	-	(45,484,206)	-	(21,832,246)
At 31 December	8,585,194	7,584,694	3,190,894	2,685,339

The shareholders of the Company, by a resolution passed in the last Annual General Meeting held on 3 August 2021, renewed the authority in relation to shares repurchased. The Directors of the Company are committed to enhance the value of the Company for its shareholders and believe that the repurchase plan can be applied in the best interest of the Company and its shareholders.

During the financial year, the Company repurchased 1,000,500 (31.12.2020: 31,751,400; 1.1.2020: 21,197,500) of its issued ordinary shares from the open market. The average price paid for the shares repurchased was RM0.51 (31.12.2020: RM0.43; 1.1.2020: RM0.51) per share. The total consideration paid for the repurchase including transaction costs was RM505,555 (31.12.2020: RM13,584,876; 1.1.2020: RM10,844,628). The repurchased transactions were financed by internally generated funds. The shares repurchased are being held as treasury shares in accordance with Section 127 of the Companies Act 2016.

On 14 August 2020, a total of 45,484,206 treasury shares were distributed as share dividends to the shareholders in the ratio of 3 treasury shares for every 100 existing ordinary shares held, fractions of treasury shares will be disregarded.

The Company has the right to resell these shares at a later date. As treasury shares, the rights attached as to voting, dividends and participation in other distribution are suspended.

26. OTHER RESERVES

	Note	Group		
		31.12.2021 RM	31.12.2020 RM	1.1.2020 RM
Non-distributable				
Fair value reserves	(a)	-	-	(21,750,858)
ESOS reserves	(b)	4,169,856	4,421,701	4,481,102
Foreign currency translation reserves	(c)	123,038,971	112,962,085	110,029,397
Other reserves	(d)	(329,513,257)	(278,289,479)	(276,068,754)
Warrants reserves	(e)	-	-	21,352,823
		(202,304,430)	(160,905,693)	(161,956,290)

	Note	Company		
		31.12.2021 RM	31.12.2020 RM	1.1.2020 RM
Non-distributable				
Fair value reserves	(a)	-	-	(21,352,823)
ESOS reserves	(b)	4,169,856	4,421,701	4,481,102
Warrants reserves	(e)	-	-	21,352,823
		4,169,856	4,421,701	4,481,102

26. OTHER RESERVES (CONT'D)

(a) Fair value reserves

Fair value reserves represent the cumulative net change in the financial assets measured at FVTOCI until they derecognised or impaired and fair value allocated to the bonus issue of free detachable Warrants B.

(b) ESOS reserves

	Group/Company	
	31.12.2021	31.12.2020
	RM	RM
At 1 January	4,421,701	4,481,102
Realisation of ESOS reserves	(251,845)	(59,401)
At 31 December	4,169,856	4,421,701

Employees' Share Option Scheme reserves represent the equity-settled share options granted to employees. The reserves are made up of the cumulative value of services received from employees recorded over the vesting period commencing from the grant date of equity-settled share options, and is reduced by the expiry, cancellation or exercise of the share options.

Details of Employees' Share Option Scheme are disclosed in Note 41.

(c) Foreign currency translation reserves

The foreign currency translation reserves represent exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

(d) Other reserves

Other reserves represent the difference between the Group's share of net assets before and after the acquisition of equity interest from its non-controlling interests, and any consideration paid.

(e) Warrants reserves

	Group/Company			
	Number of shares		Amount	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
	Units	Units	RM	RM
Non-distributable				
Warrants B				
At 1 January	-	99,949,262	-	21,352,823
Realisation of warrants reserves	-	(739,098)	-	(157,871)
Expiry of warrants	-	(99,210,164)	-	(21,194,952)
At 31 December	-	-	-	-

Notes To The Financial Statements 31 December 2021 (Cont'd)

26. OTHER RESERVES (CONT'D)

(e) Warrants reserves (Cont'd)

Warrants reserves represent reserves allocated to the detachable Warrants B.

The salient terms of Warrants B are as follows:

On 5 October 2015, the Company had issued 136,429,897 Warrants B to all the entitled shareholders of the Company on the basis of 1 free Warrants B for every 4 existing ordinary shares held in the Company.

The Warrants B are constituted under a Deed Poll executed on 3 September 2015 and each warrant entitles the registered holder the right at any time during the exercise period from 5 October 2015 to 4 October 2020 to subscribe in cash for one new ordinary share of the Company at an exercise price of RM1.25 each.

Pursuant to the completion of corporate exercises in relation to share subdivision and bonus issue on 27 February 2018, additional Warrants B of 54,671,815 have been issued. The exercise prices for all the warrants have been adjusted accordingly.

The exercise period of Warrants B expired on 2 October 2020.

The new ordinary shares allotted and issued upon exercise of the warrants shall rank pari passu in all respects with the existing ordinary shares of the Company, 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 the exercise of the warrants.

On 2 October 2020 ("Expiry Date"), a total of 739,098 warrants were exercised before the expiry date of the warrants, which resulted in 739,098 new ordinary shares being allotted, issued and listed. As at Expiry Date, 99,210,164 unexercised warrants become null, void and ceased to be exercisable and the same amount was removed from the official list of Bursa Malaysia Securities Berhad with effect from 5 October 2020.

27. PERPETUAL SUKUK MUSHARAKAH ("PERPETUAL SUKUK")

	Group/Company		
	31.12.2021 RM	31.12.2020 RM	1.1.2020 RM
Issuance nominal value	223,000,000	130,000,000	-

The Company established a Perpetual Sukuk Musharakah Programme ("Programme") of up to RM700 million in nominal value based on the Shariah principle of Musharakah.

On 30 March 2020, the Company made its first issuance pursuant to the Programme for the amount of RM130 million at nominal value and carrying a distribution rate of 6.80% per annum.

On 30 July 2021, the Company issued a second series of RM93 million pursuant to the Programme at its nominal value that carries a distribution rate of 6.85% per annum.

The Perpetual Sukuk is established to raise funds as and when required to be utilised for Shariah-compliant purposes which include refinancing of existing financing/borrowings, capital expenditure, asset acquisition, working capital, general corporate purposes and defray fees, costs and expenses in relation to the issuance of the Perpetual Sukuk.

27. PERPETUAL SUKUK MUSHARAKAH (“PERPETUAL SUKUK”) (CONT'D)

The salient features of the Perpetual Sukuk are as follows:

- (a) The Perpetual Sukuk is issued under the Shariah principle of Musharakah;
- (b) The expected periodic distribution rates from year 1 to year 5 are ranging from 6.80% to 6.85% per annum payable semi-annually. The first call date for the first issuance and second series is on 28 March 2025 and 30 July 2026 respectively (“First Call Date”). If the Company does not exercise its option to redeem the Perpetual Sukuk on the First Call Date, the periodic distribution rate increases by 2.5% per annum in year 6 and subsequently the periodic distribution rate increases by additional 1% per annum on each anniversary of the First Call Date and subject to a maximum rate of 15% per annum;
- (c) No fixed redemption date but the Company has the option to redeem at the end of the fifth year from the date of issue and on each subsequent semi-annual periodic distribution date;
- (d) The Company also has the option to redeem the Perpetual Sukuk under the following circumstances:
 - (i) Accounting Event - if the Perpetual Sukuk is or will no longer be recorded as equity as a result of changes to accounting standards;
 - (ii) Tax Event - if the Company is or will become obliged to pay additional amount of tax due to changes in tax laws or regulations;
 - (iii) Change in Control Event - if Tan Sri Dato’ Sri Lim Hock San ceases to be the single largest shareholder (directly or indirectly) of the Company;
 - (iv) Leverage Event - if the Net Debts over Equity Ratio of the Company (on a consolidated basis) exceeds 1.25 times;
 - (v) Privatisation Event - if the Company fails to maintain the status as a public listed company on Bursa Malaysia Securities Berhad and is delisted; and
 - (vi) Shareholder Event - the Company reduces the issued and fully paid ordinary shares.
- (e) Payment obligations on the Perpetual Sukuk will at all times, rank ahead of the holders of Junior Obligations of the Company and rank pari passu with all other present and future unsecured, unconditional and unsubordinated obligations of the Company.

Notes To The Financial Statements
31 December 2021 (Cont'd)

28. TRADE PAYABLES

	31.12.2021 RM	Group 31.12.2020 RM Restated	1.1.2020 RM Restated
Non-current			
Trade payables	453,428,632	421,741,835	406,267,459
Current			
Trade payables			
- Third parties	390,996,391	368,025,998	426,961,937
- Related parties	6,829,875	347,406	277,288
	397,826,266	368,373,404	427,239,225
Retention sum			
- Third parties	107,907,865	84,198,270	89,547,324
- Related parties	2,004,139	-	7,098
	109,912,004	84,198,270	89,554,422
	507,738,270	452,571,674	516,793,647
Total trade payables	961,166,902	874,313,509	923,061,106

(a) Non-current trade payables

This mainly represents payables for the acquisition and joint venture of project development lands. Payment will be made as stipulated in the agreements.

(b) Current trade payables

The normal trade credit terms granted to the Group range from cash basis to 60 days (31.12.2020: cash basis to 60 days; 1.1.2020: cash basis to 60 days) depending on the terms of the contracts.

Included in trade payables of the Group mainly comprise of an amount of RM84,996,695 (31.12.2020: RM83,892,321; 1.1.2020: RM94,998,803) for the acquisition and joint venture of project development lands. Payment will be made as stipulated in the agreements.

29. OTHER PAYABLES

	31.12.2021 RM	Group 31.12.2020 RM	1.1.2020 RM
Non-current			
Other payables			
- Related parties	55,557,549	52,354,151	49,892,363
Current			
Other payables			
- Third parties	107,677,129	124,076,890	113,862,742
- Related parties	8,581,015	7,375,835	18,229,239
	116,258,144	131,452,725	132,091,981
Accruals	389,590,122	313,314,783	302,355,267
Deposits			
- Third parties	6,160,743	5,493,992	5,151,110
- Related party	2,400	7,900	14,300
	6,163,143	5,501,892	5,165,410
Amount due to a shareholder	3,528,909	2,360,462	4,996,821
	515,540,318	452,629,862	444,609,479
Total other payables	571,097,867	504,984,013	494,501,842

	31.12.2021 RM	Company 31.12.2020 RM	1.1.2020 RM
Current			
Other payables			
Accruals	816,556	465,755	304,142
	1,492,929	762,537	1,157,586
Total other payables	2,309,485	1,228,292	1,461,728

(a) Non-current other payables

Unsecured and interest free advances of RM55,557,549 (31.12.2020: RM52,354,151; 1.1.2020: RM49,892,363) from a joint venture partner which is not expected to be settled within the next twelve months.

(b) Current other payables

Included in other payables of the Group mainly comprise of the followings:

- (i) An amount of RM4,995,396 (31.12.2020: RM5,152,483; 1.1.2020: RM19,187,483) for equity interest acquisition from non-controlling interests.
- (ii) An amount of RM2,689,003 (31.12.2020: RM6,379,601; 1.1.2020: RM6,379,601) provided for settlement with the purchasers of a development project of a subsidiary in accordance with the Workout Proposals of Instangreen Corporation Berhad. This amount will be settled upon receipt of claims from all the purchasers.

Notes To The Financial Statements
31 December 2021 (Cont'd)

30. LEASE LIABILITIES

	Group	31.12.2021 RM	31.12.2020 RM
At 1 January		37,942,448	41,902,674
Additions		10,481,285	7,116,280
Payments		(17,698,986)	(13,152,729)
Rent concessions related to Covid-19		-	(39,260)
Accretion of interest		2,140,137	2,330,771
Expiration of lease contracts		-	(211,270)
Exchange differences		2,545	(4,018)
At 31 December		32,867,429	37,942,448
<hr/>			
Presented as:			
31 December			
- Non-current		18,805,324	24,469,563
- Current		14,062,105	13,472,885
		32,867,429	37,942,448
<hr/>			
1 January			
- Non-current		24,469,563	27,553,165
- Current		13,472,885	14,349,509
		37,942,448	41,902,674
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The maturity analysis of lease liabilities of the Group at the end of the reporting period are as follows:

	Group	31.12.2021 RM	31.12.2020 RM	1.1.2020 RM
Within one year		15,494,422	15,172,877	16,552,064
Between one and two years		13,241,138	12,091,736	6,681,401
Between two and five years		6,407,003	13,903,611	23,041,481
After five years		-	51,640	227,460
Less: Future finance charges		35,142,563 (2,275,134)	41,219,864 (3,277,416)	46,502,406 (4,599,732)
Present value of lease liabilities		32,867,429	37,942,448	41,902,674
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The Group leases various land, buildings, office equipment, furniture and fittings, renovations, plant and equipment and motor racing circuits. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

The weighted average incremental borrowing rate applied to lease liabilities of the Group at the reporting date range from 2.02% to 8.66% (31.12.2020: 2.18% to 7.57%; 1.1.2020: 2.18% to 7.57%).

31. BANK BORROWINGS

	31.12.2021 RM	Group 31.12.2020 RM	1.1.2020 RM
Secured			
<i>Floating rates:</i>			
Bridging loans	312,452,820	222,473,688	230,280,603
Term loans	334,313,168	391,061,883	451,614,123
Revolving credits	237,695,539	225,622,501	301,109,436
Trade services	12,566,677	71,944,467	25,752,902
Total bank borrowings	897,028,204	911,102,539	1,008,757,064
Analysed as:			
Repayable within twelve months			
<i>Floating rates:</i>			
Bridging loans	197,013,830	114,425,941	27,631,714
Term loans	121,612,095	143,300,144	155,507,532
Revolving credits	237,695,539	225,622,501	301,109,436
Trade services	12,566,677	71,944,467	25,752,902
	568,888,141	555,293,053	510,001,584
Repayable after twelve months			
<i>Floating rates:</i>			
Bridging loans	115,438,990	108,047,747	202,648,889
Term loans	212,701,073	247,761,739	296,106,591
	328,140,063	355,809,486	498,755,480
Total bank borrowings	897,028,204	911,102,539	1,008,757,064

Notes To The Financial Statements

31 December 2021 (Cont'd)

31. BANK BORROWINGS (CONT'D)

	31.12.2021 RM	Company 31.12.2020 RM	1.1.2020 RM
Secured			
<i>Floating rates:</i>			
Term loans	84,229,705	114,214,989	129,272,426
Revolving credits	78,205,878	83,565,559	139,182,452
Total bank borrowings	162,435,583	197,780,548	268,454,878
Analysed as:			
Repayable within twelve months			
<i>Floating rates:</i>			
Term loans	53,979,705	99,714,989	80,272,426
Revolving credits	78,205,878	83,565,559	139,182,452
	132,185,583	183,280,548	219,454,878
Repayable after twelve months			
<i>Floating rates:</i>			
Term loans	30,250,000	14,500,000	49,000,000
	30,250,000	14,500,000	49,000,000
Total bank borrowings	162,435,583	197,780,548	268,454,878

The banking facilities of the Group and of the Company obtained from licensed banks are secured by the followings:

- (a) fixed charge over certain right-of-use assets as disclosed in Note 5(a);
- (b) fixed charge over certain capital work-in-progress as disclosed in Note 6;
- (c) fixed charge or specific debenture over certain land held for property development and property development costs as disclosed in Note 7(a);
- (d) fixed charge over certain inventories of subsidiaries as disclosed in Note 7(b);
- (e) fixed charge over certain investment properties and/or legal assignment of tenancy agreements over certain investment properties as disclosed in Note 8(a);
- (f) legal assignment of cash flows and/or insurance proceeds and/or sale proceeds and/or performance bonds in relation to projects being developed and constructed by subsidiaries;
- (g) certain securities listed on Main Market of Bursa Malaysia Securities Berhad ("Bursa Securities") as disclosed in Note 9(a);
- (h) pledged of fixed deposits as disclosed in Note 20;
- (i) corporate guarantees provided by the Company and/or certain subsidiaries; and
- (j) debenture by way of fixed and floating charge over all present and future assets belonging to subsidiaries.

31. BANK BORROWINGS (CONT'D)

	31.12.2021 RM	Group 31.12.2020 RM	1.1.2020 RM
Within one year	568,888,141	555,293,053	510,001,584
Between one and two years	184,821,520	153,956,836	119,858,538
Between two and three years	51,635,164	61,037,533	149,956,747
Between three and four years	24,970,593	36,333,812	112,452,041
Between four and five years	15,344,680	27,645,105	32,541,223
After five years	51,368,106	76,836,200	83,946,931
	897,028,204	911,102,539	1,008,757,064

	31.12.2021 RM	Company 31.12.2020 RM	1.1.2020 RM
Within one year	132,185,583	183,280,548	219,454,878
Between one and two years	19,000,000	12,750,000	38,000,000
Between two and three years	11,250,000	1,750,000	11,000,000
	162,435,583	197,780,548	268,454,878

The range of effective interest rates per annum of the Group and of the Company at the reporting date are as follows:

	31.12.2021 %	Group 31.12.2020 %	1.1.2020 %
Bridging loans	4.40 - 6.08	5.30 - 7.82	5.77 - 8.01
Term loans	3.15 - 9.00	3.15 - 10.50	4.40 - 10.50
Revolving credits	4.15 - 5.81	4.15 - 7.10	4.94 - 10.70
Trade services	5.95 - 6.57	5.82 - 8.01	3.46 - 7.20

	31.12.2021 %	Company 31.12.2020 %	1.1.2020 %
Term loans	4.01 - 9.00	4.85 - 10.50	4.95 - 10.50
Revolving credits	4.15 - 4.69	4.53 - 7.10	5.10 - 10.70

Notes To The Financial Statements
31 December 2021 (Cont'd)

32. SUKUK MURABAHAH ("SUKUK")

	31.12.2021 RM	Group 31.12.2020 RM	1.1.2020 RM
Secured			
Repayable within twelve months	13,952,000	9,202,000	4,452,000
Repayable after twelve months	61,670,000	75,622,000	84,824,000
Total Sukuk			
	75,622,000	84,824,000	89,276,000

Maturities of Sukuk are as follows:

	31.12.2021 RM	Group 31.12.2020 RM	1.1.2020 RM
Within one year			
Between one and two years	13,952,000	9,202,000	4,452,000
Between two and three years	13,952,000	13,952,000	9,202,000
Between three and four years	9,202,000	13,952,000	13,952,000
Between four and five years	4,452,000	9,202,000	13,952,000
Between five and six years	4,452,000	4,452,000	9,202,000
After six years	29,612,000	34,064,000	38,516,000
	75,622,000	84,824,000	89,276,000

On 15 December 2017, a subsidiary established a Sukuk Murabahah Programme ("Programme") of up to RM500 million in nominal value with a tenure of up to 20 years from the first issuance date.

On 10 January 2018, the subsidiary made its first issuance pursuant to the Programme for an amount of RM5,000,000 at its nominal value that carries profit rates ranging from 7.97% to 8.22% per annum. It was repaid in full on 10 January 2019.

On 12 February 2018, the subsidiary made a second issuance of RM28.5 million pursuant to the Programme at its nominal value that carries profit rates ranging from 6.53% to 6.54% per annum. It is repayable in 6 semi-annually principal payments commencing from 11 August 2021.

On 26 July 2018 and 21 August 2018, the subsidiary made a third issuance of RM67.0 million pursuant to the Programme at its nominal value that carries profit rates ranging from 6.53% to 6.54% per annum. It is repayable in 180 monthly principal payments commencing on subsequent months from their issuance dates.

The Sukuk is secured by the followings:

- (a) fixed charge or specific debenture over certain land held for property development and property development costs as disclosed in Note 7(a);
- (b) legal assignment of cashflows or insurance proceeds in relation to projects being developed by subsidiaries; and
- (c) corporate guarantees provided by the Company and certain subsidiaries.

The effective interest rate at the reporting date is 5.35% (31.12.2020: 5.35%; 1.1.2020: 6.34%) per annum.

33. BANK OVERDRAFTS

	31.12.2021 RM	Group 31.12.2020 RM	1.1.2020 RM
Secured			
Repayable within twelve months	75,838,746	79,912,915	93,794,619
	31.12.2021 RM	Company 31.12.2020 RM	1.1.2020 RM
Secured			
Repayable within twelve months	2,330,998	2,920,453	2,500,588

The bank overdrafts obtained from licensed banks are secured by the followings:

- (a) fixed charge over certain right-of-use assets as disclosed in Note 5(a);
- (b) fixed charge or specific debenture over certain land held for property development and property development costs as disclosed in Note 7(a);
- (c) fixed charge over certain investment properties as disclosed in Note 8(a);
- (d) pledged of fixed deposits as disclosed in Note 20;
- (e) certain securities listed on Bursa Securities or Hong Kong Stock Exchange as disclosed in Notes 9(a) and 11 respectively;
- (f) fixed charge over certain inventories of subsidiaries as disclosed in Note 7(b); and
- (g) corporate guarantees provided by the Company and certain subsidiaries.

The range of effective interest rates per annum of the Group and of the Company at the reporting date are as follows:

	31.12.2021 %	Group 31.12.2020 %	1.1.2020 %
Bank overdrafts	5.47 - 6.92	5.40 - 7.22	6.72 - 8.17
	31.12.2021 %	Company 31.12.2020 %	1.1.2020 %
Bank overdrafts	6.35	6.35	8.10

Notes To The Financial Statements

31 December 2021 (Cont'd)

34. REDEEMABLE CONVERTIBLE PREFERENCE SHARES ("RCPS")

On 5 September 2018, Utuh Sejagat Sdn. Bhd. ("USSB"), a wholly-owned subsidiary of Kalimah Jaya Sdn. Bhd., issued Ringgit Malaysia fifty million (RM50,000,000) Redeemable Convertible Preference Shares ("RCPS") and four million seven hundred and fifty thousand (4,750,000) free attachable Zero-Rated Redeemable Preference Shares ("ZRPS") equivalent to 9.5% per annum of the RM50 million RCPS.

The purpose of the issuance of RCPS and ZRPS ("Instrument") is for project financing.

The tenure of the Instrument is one year from the date of the first issuance of the Instrument ("Tenure 1") with an option to extend the tenure for a period of six months commencing from the expiry of Tenure 1.

The Instrument was successfully issued in September 2018.

On 26 September 2019, USSB redeemed Ringgit Malaysia thirty million (RM30,000,000) RCPS.

On 2 March 2020, USSB redeemed Ringgit Malaysia twenty million (RM20,000,000) RCPS.

The movements of the Instrument is as follows:

	RCPS RM
31.12.2020	
At 1 January	20,000,000
Repayment	(20,000,000)
At 31 December	-

The Instrument is secured by the followings:

- (a) assignment over certain land held for property development and property development costs as disclosed in Note 7(a); and
- (b) corporate guarantee by the Company.

35. REVENUE

	Group	
	2021 RM	2020 RM
Revenue from contracts with customers		
Property development	1,195,089,076	1,012,805,460
Completed properties	108,209,175	22,081,535
Construction and trading	33,237,381	32,147,261
Motor racing events and sponsorship	12,426,038	17,332,188
Management fees from third parties	304,554	374,550
Hospitality	-	485,243
Hotel	1,983,177	-
Rendering of services	897,469	801,780
Sale of investment properties	-	160,000
	1,352,146,870	1,086,188,017

	Company	
	2021 RM	2020 RM
Revenue from other sources		
Retail mall	4,770,043	4,286,808
Motor racing	8,840,071	5,856,232
	13,610,114	10,143,040
	1,365,756,984	1,096,331,057

	Company	
	2021 RM	2020 RM
Revenue from contracts with customers		
Management fees from a subsidiary	-	5,000
Revenue from other source		
Dividends from a subsidiary	63,000,000	34,260,000
	63,000,000	34,265,000

	Group	
	2021 RM	2020 RM
Timing of revenue recognition		
At a point in time	140,154,355	70,831,664
Over time	1,211,992,515	1,015,356,353
Total revenue from contracts with customers	1,352,146,870	1,086,188,017

	Company	
	2021 RM	2020 RM
Timing of revenue recognition		
Over time	-	5,000
Total revenue from contracts with customers	-	5,000

Notes To The Financial Statements

31 December 2021 (Cont'd)

35. REVENUE (CONT'D)

Set below is the disaggregation of the Group's revenue from contracts with customers:

	Property Development RM	Construction and Trading RM	Management and Investment RM	Motor Racing Circuit RM	Hotel RM	Others RM	Total RM
Group							
2021							
Major goods and services							
Property development	1,195,089,076	-	-	-	-	-	1,195,089,076
Sale of goods	108,209,175	19,361,802	-	-	-	-	127,570,977
Construction contract services	-	13,875,579	-	-	-	-	13,875,579
Motor racing events and sponsorship	-	-	-	12,426,038	-	-	12,426,038
Management fees	-	-	304,554	-	-	-	304,554
Hotel	-	-	-	-	1,983,177	-	1,983,177
Rendering of services	-	-	-	-	-	897,469	897,469
Total revenue from contracts with customers							
	1,303,298,251	33,237,381	304,554	12,426,038	1,983,177	897,469	1,352,146,870

35. REVENUE (CONT'D)

Set below is the disaggregation of the Group's revenue from contracts with customers: (Cont'd)

	Property Development RM	Construction and Trading RM	Management and Investment RM	Motor Racing Circuit RM	Others RM	Total RM
Group 2020						
Major goods and services						
Property development	1,012,805,460	-	-	-	-	1,012,805,460
Sale of goods	22,081,535	18,290,311	-	-	-	40,371,846
Construction contract services	-	13,856,950	-	-	-	13,856,950
Motor racing events and sponsorship	-	-	-	17,332,188	-	17,332,188
Management fees	-	-	374,550	-	-	374,550
Hospitality	-	-	-	-	485,243	485,243
Rendering of services	-	-	-	-	801,780	801,780
Sale of investment properties	-	-	-	-	160,000	160,000
Total revenue from contracts with customers	1,034,886,995	32,147,261	374,550	17,332,188	1,447,023	1,086,188,017

	Property Development RM	Construction and Trading RM	Management and Investment RM	Motor Racing Circuit RM	Hotel RM	Others RM	Total RM
Group 2021							
Geographical market							
Malaysia	1,303,298,251	33,237,381	304,554	-	1,983,177	897,469	1,339,720,832
People's Republic of China	-	-	-	12,426,038	-	-	12,426,038
Total revenue from contracts with customers	1,303,298,251	33,237,381	304,554	12,426,038	1,983,177	897,469	1,352,146,870

Notes To The Financial Statements 31 December 2021 (Cont'd)

35. REVENUE (CONT'D)

Set below is the disaggregation of the Group's revenue from contracts with customers: (Cont'd)

	Property Development RM	Construction and Trading RM	Management and Investment RM	Motor Racing Circuit RM	Others RM	Total RM
Group						
2020						
Geographical market						
Malaysia	1,034,886,995	32,147,261	374,550	-	1,447,023	1,068,855,829
People's Republic of China	-	-	-	17,332,188	-	17,332,188
Total revenue from contracts with customers						
	1,034,886,995	32,147,261	374,550	17,332,188	1,447,023	1,086,188,017

36. COST OF SALES

	Group	2021 RM	2020 RM	Restated
Property development		784,659,467	685,116,574	
Completed properties		94,121,144	26,842,961	
Construction and trading		31,860,084	30,911,882	
Motor racing events and sponsorship		6,409,853	5,575,049	
Hospitality		-	136,786	
Hotel		274,643	-	
Retail mall		3,237,847	3,469,711	
Rendering of services		423,880	428,647	
Sale of investment properties		-	148,285	
		920,986,918	752,629,895	

37. FINANCE COSTS

	Group	2020
	2021	RM
Interest expenses on:		Restated
Term loans	21,359,578	24,486,914
Bank overdrafts	4,526,299	4,314,679
Sukuk	4,325,571	5,033,886
Bridging loans	12,703,624	11,160,347
Revolving credits	11,552,928	12,940,737
Lease liabilities	2,140,137	2,330,771
Trade services	527,499	1,294,544
Advances from holding company	-	1,073
RCPS	-	316,667
Unwinding interest	5,523,703	5,356,407
Others	1,515,298	1,580,241
	64,174,637	68,816,266
Less: Interest capitalised in:		
- Capital work-in-progress (Note 6)	-	(562,462)
- Cost sharing with landowner	(877,825)	(125,702)
- Land held for property development and property development costs [Note 7(a)(ii)]	(1,806,632)	(591,753)
	61,490,180	67,536,349
	Company	2020
	2021	RM
Interest expenses on:		
Term loans	7,347,862	7,165,886
Bank overdrafts	144,752	159,787
Revolving credits	3,034,974	5,779,724
Advances from a subsidiary	46,246	31,184
	10,573,834	13,136,581
Less:		
Cost sharing by subsidiaries	(3,857,785)	(3,789,655)
	6,716,049	9,346,926

Notes To The Financial Statements
31 December 2021 (Cont'd)

38. PROFIT BEFORE TAX

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

	Group	2021 RM	2020 RM	Restated
Allowance for impairment losses on:				
- Assets held for sale		-	88,856	
- Goodwill arising on consolidation		25,121,364	15,210,840	
- Investment in associates		14,197	48,268	
- Investment properties		398,033	523,457	
- Other investments		8,000	34,000	
- Property, plant and equipment		5,601	-	
- Right-of-use assets		749,185	86,891	
- Trade and other receivables		3,064,095	1,474,564	
Amortisation of intangible assets		347,177	1,179,734	
Auditors' remuneration				
- Statutory		937,217	905,942	
- Others		77,992	82,293	
- Under provision in prior years		14,400	16,700	
Bad debts written off		1,644,970	738,600	
Bad debts written off - Amount due from a subsidiary under strike off		100	-	
Deposits written off		812,419	18,883	
Depreciation of:				
- Investment properties		2,265,407	2,253,271	
- Property, plant and equipment		12,493,767	9,961,893	
- Right-of-use assets		24,905,697	23,583,252	
Inventories written down to net realisable value		5,188,800	-	
Loss on strike off of:				
- Subsidiaries		727,762	-	
- An associate		11,697	-	
Lease expenses relating to short-term leases:				
- Rental of premises		23,113	108,252	
- Rental of office equipment		39,008	95,300	
Prepayments written off		192,410	446,019	
Property, plant and equipment written off		177,616	20,163	
Property development costs written off		12,744,321	439,566	
Provision for staff economic compensation		-	12,763	
Waiver of debts of an associate		1,350	-	
Waiver of interest income		630,166	1,479,115	

38. PROFIT BEFORE TAX (CONT'D)

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

	Group	2021 RM	2020 RM	Restated
<i>Non-Executive Directors' remuneration:</i>				
Company's Directors				
- Fees		173,400	166,950	
- Other emoluments		2,195,000	813,400	
- Social security contributions		99	593	
- Other benefits		7,742	6,643	
Subsidiaries' Directors				
- Fees		370,770	384,700	
- Other emoluments		24,250	22,750	
Net foreign exchange loss				
- Realised		1,037,318	365,597	
- Unrealised		4,958,744	589,391	
Bargain purchase gain		-	(12,353)	
Claims accrued in prior years no longer required		-	(6,928,283)	
Contingency sum accrued in prior years no longer required		(9,132,972)	(19,515,780)	
Dividend income from financial assets measured at FVTPL		(5,416)	(82,971)	
Fair value adjustment on trade receivables		(28,075)	(52,183)	
(Gain)/Loss on disposal of:				
- Assets held for sale		(398,108)	(579,985)	
- Financial assets measured at FVTPL		-	(4,336)	
- Investment properties		-	(3,115,141)	
- Investment in a subsidiary		-	40,902	
- Property, plant and equipment		(26,857)	(276,238)	
- Right-to-use-assets		(314,874)	(258,251)	
Fair value (gain)/loss on revaluation of financial assets measured at FVTPL		(273)	8,481	
Income from rent concessions		-	(39,260)	
Interest income from:				
- Licensed banks		(1,763,787)	(3,293,704)	
- Trade receivables		(657,794)	(444,631)	
- Others		(619,032)	(452,586)	
Recover of bad debts		(61,043)	(7,302)	
Rental income from:				
- Investment properties		(1,400,895)	(993,320)	
- Completed properties		(1,712,108)	(2,960,279)	
- Others		(1,316,510)	(401,999)	
Reversal of allowance for impairment losses on:				
- Trade and other receivables		(3,037,770)	(2,007,156)	
- Investment in an associate		(40)	-	
Staff economic compensation provided in prior years no longer required		(17,943)	-	
Wages subsidy		(1,244,360)	(1,185,873)	
Waiver of debts		(174,648)	(3,535)	

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38. PROFIT BEFORE TAX (CONT'D)

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

	Company	
	2021	2020
	RM	RM
Allowance for impairment losses on amount due from a subsidiary	-	4,758
Auditors' remuneration		
- Statutory	110,000	110,000
- Others	26,000	18,500
- (Over)/Under provision in prior years	(5,000)	10,000
Bad debts written off - Amount due from a subsidiary under strike off	2,140	-
Deposit written off	-	10,000
Depreciation on property, plant and equipment	450	450
Fair value loss on revaluation of financial assets measured at FVTPL	-	948
Loss of strike off of subsidiaries	447	-
<u>Non-Executive Directors' remuneration:</u>		
Company's Directors		
- Fees	173,400	166,950
- Salaries and other emoluments	29,000	29,400
- Other benefits	15,507	6,643
Net foreign exchange (gain)/loss:		
- Realised	-	(490,122)
- Unrealised	-	8,224
Dividend income from financial assets measured at FVTPL	-	(12,928)
Gain on disposal of equity interest in a subsidiary	(5,367,600)	-
Interest income from:		
- Advances to subsidiaries	(12,462,900)	(12,485,282)
- Licensed banks	(4,816)	(385,531)
Reversal of allowance for impairment losses on:		
- Amount due from a subsidiary	(4,758)	-
- Investment in a subsidiary	(3,578,530)	-

The Group's and Company's non-executive Directors' remuneration does not include the estimated monetary value of benefits-in-kind amounting to RM34,359 (2020: RM81,983).

39. TAXATION

	Group	2021	2020
	RM	RM	Restated
Tax expenses recognised in profit or loss			
Malaysian income tax			
Current tax provision	70,881,267	62,628,516	
Under/(Over) provision in prior years	2,057,862	(1,531,505)	
	72,939,129	61,097,011	
Deferred tax: (Note 15)			
Relating to origination and reversal of temporary differences	1,685,755	(3,730,173)	
Crystallisation of deferred tax	(1,746,951)	(1,698,911)	
(Under)/Over provision in prior years	(10,991,738)	594,746	
	(11,052,934)	(4,834,338)	
Real property gains tax		-	39,046
		61,886,195	56,301,719
Tax expenses recognised in profit or loss	Company		
Malaysian income tax	2021	2020	
Current tax provision	572,776	1,403,266	
(Over)/Under provision in prior years	(376,495)	66,158	
	196,281	1,469,424	

Malaysian income tax is calculated at the statutory tax rate of 24% (2020: 24%) of the estimated assessable profits for the financial year. Taxation for other jurisdiction is calculated at the rates prevailing in the respective jurisdictions.

Notes To The Financial Statements

31 December 2021 (Cont'd)

39. TAXATION (CONT'D)

A reconciliation of income tax expenses applicable to profit before tax at the statutory income tax rate to income tax expenses at the effective income tax rate of the Group and of the Company are as follows:

	Group	
	2021 RM	2020 RM
Profit before tax	176,807,747	123,036,936
At Malaysian statutory tax rate of 24% (2020: 24%)	42,433,859	29,528,865
Crystallisation of deferred tax	(1,746,951)	(1,698,911)
Differential in tax rate in other jurisdiction	(3,865)	(40)
Subsidiary companies domiciled in tax heaven country	11,464	19,458
Income not subject to tax	(1,639,436)	(5,351,297)
Expenses not deductible for tax purposes	31,087,656	26,169,277
Perpetual Sukuk distribution	(2,121,600)	(1,069,519)
Deferred tax assets not recognised	6,846,605	10,217,802
Utilisation of previously unrecognised tax losses and capital allowances	(4,047,661)	(616,203)
Under/(Over) provision of income tax in prior years	2,057,862	(1,531,505)
(Under)/Over provision of deferred tax in prior years	(10,991,738)	594,746
Real property gains tax	-	39,046
Tax expenses for the financial year	61,886,195	56,301,719

	Company	
	2021 RM	2020 RM
Profit before tax	72,725,062	32,026,555
At Malaysian statutory tax rate of 24% (2020: 24%)	17,454,015	7,686,373
Expenses not deductible for tax purposes	2,508,574	3,134,284
Perpetual Sukuk distribution	(2,121,600)	(1,069,519)
Income not subject to tax	(17,268,213)	(8,347,872)
(Over)/Under provision of income tax in prior years	(376,495)	66,158
Tax expenses for the financial year	196,281	1,469,424

The Group has estimated unutilised capital allowances and unused tax losses carry forward, available for offset against future taxable profits as follows:

	Group	
	2021 RM	2020 RM
Unutilised capital allowances	28,960,645	19,862,495
Unused tax losses	126,369,410	131,518,496
	155,330,055	151,380,991

40. EARNINGS PER SHARE

(a) Basic earnings per share

The basic earnings per share are calculated based on the consolidated profit for the financial year attributable to the owners of the parent and the weighted average number of ordinary shares in issue during the financial year as follows:

	Group	2021 RM	2020 RM	Restated
Net profit for the financial year attributable to owners of the parent	95,618,980	43,740,545		
Less:				
- Dividends on RCPS	(6,210,536)	(6,210,536)		
- Distribution to Perpetual Sukuk holders	(8,840,000)	(4,456,329)		
Net profit for the financial year attributable to ordinary equity holders	80,568,444	33,073,680		

	Group	2021 Units	2020 Units
Weighted average number of ordinary shares in issue			
- Ordinary shares in issue as at 1 January	1,569,245,151	1,567,111,011	
- Effect of ordinary shares issued during the financial year	-	1,016,511	
- Effect of treasury shares held	(7,735,784)	(31,338,527)	
Weighted average number of ordinary shares as at 31 December	1,561,509,367	1,536,788,995	
Basic earnings per share (sen)	5.16	2.15	

(b) Diluted earnings per share

Diluted earnings per share are calculated based on the consolidated profit for the financial year attributable to the owners of the parent and the adjusted weighted average number of ordinary shares issued and issuable during the financial year have been adjusted for the dilutive effects of all potential ordinary shares as follows:

	Group	2021 RM	2020 RM	Restated
Net profit for the financial year attributable to owners of the parent	95,618,980	43,740,545		
Less:				
- Dividends on RCPS	(6,210,536)	(6,210,536)		
- Distribution to Perpetual Sukuk holders	(8,840,000)	(4,456,329)		
Net profit for the financial year attributable to ordinary equity holders	80,568,444	33,073,680		

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31 December 2021 (Cont'd)

40. EARNINGS PER SHARE (CONT'D)

(b) Diluted earnings per share (Cont'd)

	Group	2021 Units	2020 Units
Weighted average number of ordinary shares used in the calculation of basic earnings per share		1,561,509,367	1,536,788,995
Weighted average number of ordinary shares deemed issued at no consideration			
- ESOS	97,970	*	*
- RCPS	*	*	*
Adjusted weighted average number of ordinary shares as at 31 December		1,561,607,337	1,536,788,995
Diluted earnings per share (sen)		5.16	2.15

* The number of shares under ESOS and RCPS was not taken into account in the computation of diluted earnings per share as the ESOS and RCPS do not have any dilutive effect on the weighted average number of ordinary shares.

41. EMPLOYEES' SHARE OPTION SCHEME

The Company has established Employees' Share Option Scheme ("ESOS") of not more than 15% of the issued share capital of the Company at the point of time throughout the duration of the scheme to eligible Directors and employees of the Group, which was approved by shareholders at an Extraordinary General Meeting ("EGM") held on 28 June 2012.

The ESOS became effective for a period of 10 years from 18 September 2012 to 17 September 2022.

The salient features of the ESOS are as follows:

- (a) Eligible employees include Directors of the Company and confirmed full time employees of the Company and its eligible subsidiaries or under a fixed term employment contract, the contract should be for a duration of at least one (1) year, whom must be a Malaysian citizen, shall have attained the age of eighteen (18) years old and have served for at least one year of full continuous service in the Group.
- (b) The maximum number of new ordinary shares which may be available under the ESOS shall not exceed 15% of the total issued and paid-up share capital of the Company at the point in time during the tenure of the ESOS.
- (c) The new Company's shares of RM1.00 each ("new Shares") to be allotted and issued upon the exercise of the ESOS Option shall, upon allotment and issue, rank pari passu in all respects with the existing Company's ordinary shares of RM1.00 each save and except that the said new Shares so allotted will not be entitled to any dividends, rights, allotments and/or other distributions that may be declared, made or paid prior to the date of allotment of the said new Shares.
- (d) The ESOS shall be in force for a period of ten years.
- (e) The option is personal to the grantee and is non-assignable.
- (f) The option price shall be determined at a discount of not more than 10% from the weighted average market price of the Company's ordinary shares of RM1.00 each for five (5) market days preceding the date of offer, or the par value of the shares, whichever is higher.

41. EMPLOYEES' SHARE OPTION SCHEME (CONT'D)

The salient features of the ESOS are as follows: (Cont'd)

- (g) The options granted may be exercised in full or in lesser number of ordinary shares provided that the number shall be in multiples of 100 shares.
- (h) The options granted may be exercised, subject to the maximum limit of options exercisable in each particular year, at any time within a period of ten years from the date of offer of the option or such period as may be specifically stated in the offer upon giving notice in writing.
- (i) The persons to whom the options have been granted shall not participate in more than one Employees' Share Option Scheme implemented by any company within the Group.

Pursuant to the completion of corporate exercises in relation to share subdivision and bonus issue on 27 February 2018, additional ESOS of 10,958,400 have been granted to eligible Directors and employees of the Group. The exercise prices for all the ESOS have been adjusted accordingly ("adjusted exercise price").

Movements in the number of share options outstanding and their related weighted average exercise prices ("WAEP") are as follows:

	At 1 January	Number of share options over ordinary shares			Exercisable at 31 December	
		Granted	Forfeited	Exercised	At 31 December	31 December
2021						
ESOS						
First Grant	100,210	-	(110)	-	100,100	100,100
Second Grant	633,160	-	(110)	-	633,050	633,050
Third Grant	2,420	-	-	-	2,420	2,420
Fourth Grant	228,030	-	(5,610)	-	222,420	222,420
Fifth Grant	297,110	-	-	-	297,110	297,110
Sixth Grant	78,430	-	(5,500)	-	72,930	72,930
Seventh Grant	-	-	-	-	-	-
Eighth Grant	65,410	-	-	-	65,410	65,410
Ninth Grant	-	-	-	-	-	-
Tenth Grant	759,220	-	-	-	759,220	759,220
Eleventh Grant	130,900	-	-	-	130,900	130,900
Twelfth Grant	198,580	-	-	-	198,580	198,580
Thirteenth Grant	235,620	-	-	-	235,620	235,620
Fourteenth Grant	88,330	-	-	-	88,330	88,330
Fifteenth Grant	1,420,980	-	-	-	1,420,980	1,420,980
Sixteenth Grant	293,700	-	(71,060)	-	222,640	222,640
Seventeenth Grant	109,900	-	-	-	109,900	109,900
Eighteenth Grant	46,640	-	(7,480)	-	39,160	39,160
Nineteenth Grant	36,960	-	-	-	36,960	36,960
Twentieth Grant	90,200	-	(4,400)	-	85,800	85,800
Twenty-First Grant	-	-	-	-	-	-
Twenty-Second Grant	29,920	-	-	-	29,920	29,920
Twenty-Third Grant	1,260,490	-	(5,720)	-	1,254,770	1,254,770
Twenty-Fourth Grant	181,500	-	-	-	181,500	181,500

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31 December 2021 (Cont'd)

41. EMPLOYEES' SHARE OPTION SCHEME (CONT'D)

Movements in the number of share options outstanding and their related WAEP are as follows: (Cont'd)

	At 1 January	Number of share options over ordinary shares			At 31 December	Exercisable at 31 December
		Granted	Forfeited	Exercised		
2021 ESOS						
Twenty-Fifth Grant	80,520	-	-	-	80,520	80,520
Twenty-Sixth Grant	334,620	-	-	-	334,620	334,620
Twenty-Seventh Grant	24,200	-	(5,500)	-	18,700	18,700
Twenty-Eighth Grant	12,280	-	(11,220)	-	1,060	1,060
Twenty-Ninth Grant	12,100	-	-	-	12,100	12,100
Thirtieth Grant	-	-	-	-	-	-
Thirty-First Grant	5,720	-	-	-	5,720	5,720
Thirty-Second Grant	84,540	-	-	-	84,540	84,540
Thirty-Third Grant	-	-	-	-	-	-
Thirty-Fourth Grant	63,580	-	(7,480)	-	56,100	56,100
Thirty-Fifth Grant	1,105,130	-	(9,240)	-	1,095,890	1,095,890
Thirty-Sixth Grant	181,060	-	-	-	181,060	181,060
Thirty-Seventh Grant	14,960	-	-	-	14,960	14,960
Thirty-Eighth Grant	345,840	-	-	-	345,840	345,840
Thirty-Ninth Grant	24,420	-	(5,720)	-	18,700	18,700
Fortieth Grant	663,740	-	(16,720)	-	647,020	647,020
Forty-First Grant	310,200	-	-	-	310,200	310,200
Forty-Second Grant	87,780	-	-	-	87,780	87,780
Forty-Third Grant	88,660	-	-	-	88,660	88,660
Forty-Fourth Grant	80,300	-	(33,660)	-	46,640	46,640
Forty-Fifth Grant	44,540	-	(7,480)	-	37,060	37,060
Forty-Sixth Grant	2,184,820	-	(149,380)	-	2,035,440	2,035,440
Forty-Seventh Grant	447,500	-	(52,360)	-	395,140	395,140
Forty-Eighth Grant	1,039,280	-	(443,740)	-	595,540	595,540
Forty-Ninth Grant	2,035,220	-	(158,840)	-	1,876,380	1,876,380
Fiftieth Grant	*	*	*	*	*	*
	15,558,720	-	(1,001,330)	-	14,557,390	14,557,390
WAEP	1.55	-	1.72	-	1.54	1.54

* Additional Options were granted under the Fiftieth Grant pursuant to the corporate exercise in relation to the share subdivision and bonus issue on 27 February 2018. Such additional Options and their Exercise Prices were included/adjusted to the respective First to Forty-Ninth Grant.

41. EMPLOYEES' SHARE OPTION SCHEME (CONT'D)

Movements in the number of share options outstanding and their related WAEP are as follows: (Cont'd)

	At 1 January	Number of share options over ordinary shares			At 31 December	Exercisable at 31 December
		Granted	Forfeited	Exercised		
2020						
ESOS						
First Grant	100,210	-	-	-	100,210	100,210
Second Grant	633,160	-	-	-	633,160	633,160
Third Grant	2,420	-	-	-	2,420	2,420
Fourth Grant	228,030	-	-	-	228,030	228,030
Fifth Grant	297,110	-	-	-	297,110	297,110
Sixth Grant	78,430	-	-	-	78,430	78,430
Seventh Grant	-	-	-	-	-	-
Eighth Grant	65,410	-	-	-	65,410	65,410
Ninth Grant	-	-	-	-	-	-
Tenth Grant	759,220	-	-	-	759,220	759,220
Eleventh Grant	130,900	-	-	-	130,900	130,900
Twelfth Grant	198,580	-	-	-	198,580	198,580
Thirteenth Grant	235,620	-	-	-	235,620	235,620
Fourteenth Grant	88,330	-	-	-	88,330	88,330
Fifteenth Grant	1,423,180	-	(2,200)	-	1,420,980	1,420,980
Sixteenth Grant	293,700	-	-	-	293,700	293,700
Seventeenth Grant	109,900	-	-	-	109,900	109,900
Eighteenth Grant	46,640	-	-	-	46,640	46,640
Nineteenth Grant	36,960	-	-	-	36,960	36,960
Twentieth Grant	90,200	-	-	-	90,200	90,200
Twenty-First Grant	-	-	-	-	-	-
Twenty-Second Grant	29,920	-	-	-	29,920	29,920
Twenty-Third Grant	1,260,490	-	-	-	1,260,490	1,260,490
Twenty-Fourth Grant	181,500	-	-	-	181,500	181,500
Twenty-Fifth Grant	80,520	-	-	-	80,520	80,520
Twenty-Sixth Grant	334,620	-	-	-	334,620	334,620
Twenty-Seventh Grant	24,200	-	-	-	24,200	24,200
Twenty-Eighth Grant	12,280	-	-	-	12,280	12,280
Twenty-Ninth Grant	12,100	-	-	-	12,100	12,100
Thirtieth Grant	-	-	-	-	-	-
Thirty-First Grant	5,720	-	-	-	5,720	5,720

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41. EMPLOYEES' SHARE OPTION SCHEME (CONT'D)

Movements in the number of share options outstanding and their related WAEP are as follows: (Cont'd)

	At 1 January	Number of share options over ordinary shares			At 31 December	Exercisable at 31 December
		Granted	Forfeited	Exercised		
2020 ESOS						
Thirty-Second Grant	84,540	-	-	-	84,540	84,540
Thirty-Third Grant	-	-	-	-	-	-
Thirty-Fourth Grant	63,580	-	-	-	63,580	63,580
Thirty-Fifth Grant	1,105,130	-	-	-	1,105,130	1,105,130
Thirty-Sixth Grant	181,060	-	-	-	181,060	181,060
Thirty-Seventh Grant	14,960	-	-	-	14,960	14,960
Thirty-Eighth Grant	345,840	-	-	-	345,840	345,840
Thirty-Ninth Grant	24,420	-	-	-	24,420	24,420
Fortieth Grant	663,740	-	-	-	663,740	663,740
Forty-First Grant	310,200	-	-	-	310,200	310,200
Forty-Second Grant	87,780	-	-	-	87,780	87,780
Forty-Third Grant	88,660	-	-	-	88,660	88,660
Forty-Fourth Grant	80,300	-	-	-	80,300	80,300
Forty-Fifth Grant	50,040	-	(5,500)	-	44,540	44,540
Forty-Sixth Grant	2,274,580	-	(89,760)	-	2,184,820	2,184,820
Forty-Seventh Grant	447,500	-	-	-	447,500	447,500
Forty-Eighth Grant	1,149,720	-	(110,440)	-	1,039,280	1,039,280
Forty-Ninth Grant	2,064,480	-	(29,260)	-	2,035,220	2,035,220
Fiftieth Grant	*	*	*	*	*	*
	15,795,880	-	(237,160)	-	15,558,720	15,558,720
WAEP	1.55	-	1.76	-	1.55	1.55

* Additional Options were granted under the Fiftieth Grant pursuant to the corporate exercise in relation to the share subdivision and bonus issue on 27 February 2018. Such additional Options and their Exercise Prices were included/adjusted to the respective First to Forty-Ninth Grant.

41. EMPLOYEES' SHARE OPTION SCHEME (CONT'D)

Details of share options outstanding at the end of the reporting period are as follows:

Share Options	Original exercise prices			Adjusted exercise prices*	Exercise periods	Original fair value of share options at grant date		Adjusted fair value of share options at grant date
	2021		2020			2021	2020	
	RM	RM	RM			RM	RM	
ESOS								
First Grant	1.00	1.00	0.46	18.09.2012 - 17.09.2022		0.12	0.12	0.06
Second Grant	1.08	1.08	0.51	01.07.2013 - 17.09.2022		0.33	0.33	0.16
Third Grant	1.22	1.22	0.56	01.08.2013 - 17.09.2022		0.39	0.39	0.19
Fourth Grant	1.46	1.46	0.67	01.09.2013 - 17.09.2022		0.77	0.77	0.35
Fifth Grant	1.69	1.69	0.78	01.10.2013 - 17.09.2022		1.07	1.07	0.49
Sixth Grant	1.61	1.61	0.74	01.11.2013 - 17.09.2022		1.10	1.10	0.50
Seventh Grant	1.50	1.50	0.69	01.12.2013 - 17.09.2022		1.03	1.03	0.47
Eighth Grant	1.43	1.43	0.66	01.01.2014 - 17.09.2022		0.96	0.96	0.43
Ninth Grant	1.35	1.35	0.62	01.02.2014 - 17.09.2022		0.91	0.91	0.41
Tenth Grant	1.55	1.55	0.71	01.03.2014 - 17.09.2022		1.04	1.04	0.47
Eleventh Grant	1.55	1.55	0.71	01.04.2014 - 17.09.2022		1.09	1.09	0.50
Twelfth Grant	1.61	1.61	0.74	01.05.2014 - 17.09.2022		1.07	1.07	0.49
Thirteenth Grant	1.56	1.56	0.71	01.06.2014 - 17.09.2022		1.03	1.03	0.47
Fourteenth Grant	1.54	1.54	0.71	01.07.2014 - 17.09.2022		0.70	0.70	0.32
Fifteenth Grant	1.54	1.54	0.71	01.08.2014 - 17.09.2022		0.74	0.74	0.34
Sixteenth Grant	1.52	1.52	0.70	01.09.2014 - 17.09.2022		0.70	0.70	0.32
Seventeenth Grant	1.53	1.53	0.71	01.10.2014 - 17.09.2022		0.71	0.71	0.32
Eighteenth Grant	1.48	1.48	0.68	01.11.2014 - 17.09.2022		0.68	0.68	0.31
Nineteenth Grant	1.51	1.51	0.70	01.12.2014 - 17.09.2022		0.59	0.59	0.27
Twentieth Grant	1.44	1.44	0.66	01.01.2015 - 17.09.2022		0.62	0.62	0.28
Twenty-First Grant	1.40	1.40	0.64	01.02.2015 - 17.09.2022		0.55	0.55	0.25
Twenty-Second Grant	1.40	1.40	0.64	01.03.2015 - 17.09.2022		0.52	0.52	0.24
Twenty-Third Grant	1.35	1.35	0.62	01.04.2015 - 17.09.2022		0.63	0.63	0.28
Twenty-Fourth Grant	1.40	1.40	0.64	01.05.2015 - 17.09.2022		0.61	0.61	0.28
Twenty-Fifth Grant	1.48	1.48	0.68	01.06.2015 - 17.09.2022		0.65	0.65	0.29
Twenty-Sixth Grant	1.44	1.44	0.66	01.07.2015 - 17.09.2022		0.61	0.61	0.28
Twenty-Seventh Grant	1.33	1.33	0.61	01.08.2015 - 17.09.2022		0.57	0.57	0.17
Twenty-Eighth Grant	1.18	1.18	0.54	01.09.2015 - 17.09.2022		0.43	0.43	0.20
Twenty-Ninth Grant	1.33	1.33	0.61	01.10.2015 - 17.09.2022		0.52	0.52	0.27
Thirtieth Grant	1.29	1.29	0.60	01.11.2015 - 17.09.2022		0.52	0.52	0.27
Thirty-First Grant	1.23	1.23	0.57	01.12.2015 - 17.09.2022		0.48	0.48	0.22
Thirty-Second Grant	1.28	1.28	0.59	01.01.2016 - 17.09.2022		0.51	0.51	0.23
Thirty-Third Grant	1.22	1.22	0.56	01.02.2016 - 17.09.2022		0.46	0.46	0.21
Thirty-Fourth Grant	1.21	1.21	0.56	01.03.2016 - 17.09.2022		0.46	0.46	0.21
Thirty-Fifth Grant	1.42	1.42	0.65	01.04.2016 - 17.09.2022		0.55	0.55	0.25
Thirty-Sixth Grant	1.43	1.43	0.66	01.05.2016 - 17.09.2022		0.56	0.56	0.25
Thirty-Seventh Grant	1.41	1.41	0.65	01.06.2016 - 17.09.2022		0.54	0.54	0.25
Thirty-Eighth Grant	1.40	1.40	0.64	01.07.2016 - 17.09.2022		0.51	0.51	0.23
Thirty-Ninth Grant	1.45	1.45	0.67	01.08.2016 - 17.09.2022		0.50	0.50	0.23

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31 December 2021 (Cont'd)

41. EMPLOYEES' SHARE OPTION SCHEME (CONT'D)

Details of share options outstanding at the end of the reporting period are as follows: (Cont'd)

Share Options	Original exercise prices			Adjusted exercise prices*	Exercise periods	Original fair value of share options at grant date		Adjusted fair value of share options at grant date
	2021		2020			2021	2020	
	RM	RM	RM			RM	RM	
ESOS								
Fortieth Grant	1.45	1.45	0.67	01.09.2016 - 17.09.2022		0.60	0.60	0.27
Forty-First Grant	1.61	1.61	0.74	01.10.2016 - 17.09.2022		0.57	0.57	0.26
Forty-Second Grant	1.57	1.57	0.72	01.11.2016 - 17.09.2022		0.54	0.54	0.24
Forty-Third Grant	1.51	1.51	0.70	01.12.2016 - 17.09.2022		0.53	0.53	0.24
Forty-Fourth Grant	1.51	1.51	0.70	01.01.2017 - 17.09.2022		0.52	0.52	0.24
Forty-Fifth Grant	1.60	1.60	0.73	01.02.2017 - 17.09.2022		0.58	0.58	0.26
Forty-Sixth Grant	1.71	1.71	0.79	01.03.2017 - 17.09.2022		0.59	0.59	0.27
Forty-Seventh Grant	1.78	1.78	0.81	01.04.2017 - 17.09.2022		0.61	0.61	0.28
Forty-Eighth Grant	1.84	1.84	0.84	15.06.2017 - 17.09.2022		0.54	0.54	0.25
Forty-Ninth Grant	1.69	1.69	0.78	16.09.2017 - 17.09.2022		0.46	0.46	0.21

* Additional Options were granted under the Fiftieth Grant pursuant to the corporate exercise in relation to the share subdivision and bonus issue on 27 February 2018. Such additional Options and their Exercise Prices were included/adjusted to the respective First to Forty-Ninth Grant.

The fair value of services received in return for share options granted during the financial year is based on the fair value of share options granted estimated by the management using Black-Scholes-Merton model, taking into account the terms and conditions upon which the options were granted. The weighted average fair value of share options measured at grant date and the assumptions are as follows:

	Group/Company		
	31.12.2021 RM	31.12.2020 RM	1.1.2020 RM
Weighted average fair value at grant date	0.32	0.32	0.32
Weighted average share price at grant date	1.26	1.26	1.26
Weighted average exercise price	1.18	1.18	1.18
Expected volatility (%)	15.64 - 19.85	15.64 - 19.85	15.64 - 19.85
Expected option life (years)	10	10	10
Risk-free interest rate, p.a. (%)	3.72 - 3.95	3.72 - 3.95	3.72 - 3.95
Expected dividend yield (%)	1.86 - 2.15	1.86 - 2.15	1.86 - 2.15

The expected life of the share options is based on historical data that has been adjusted accordingly to the management's best estimate for the effects of non-transferability exercise restriction and behaviours conditions. The expected volatility is based on the historical volatility, adjusted for unusual or extraordinary volatility arising from certain economic or business occurrences which is not reflective of its long-term average level. While the expected volatility is assumed to be indicative of future trends, it may not necessarily be the actual outcome.

No other features of the option grant were incorporated into the measurement of fair value.

41. EMPLOYEES' SHARE OPTION SCHEME (CONT'D)

Executive Directors of the Group and of the Company and other members of key management have been granted the following number of options under the ESOS:

	Number of share options	
	Group/Company 31.12.2021	31.12.2020
ESOS		
At 1 January	5,628,920	5,074,080
Additions *	115,120	554,840
Forfeited	(261,800)	-
At 31 December	5,482,240	5,628,920

* Unexercised share options previously granted to new key management personnel.

The share options were granted on the same terms and conditions as those offered to other employees of the Group.

42. STAFF COSTS

	Group	
	2021 RM	2020 RM
Fees	678,829	645,235
Salaries, gratuity and other emoluments	69,072,814	60,094,767
Defined contribution plans	7,750,177	7,625,619
Social security contributions	1,340,021	720,398
Employment insurance scheme	31,868	28,449
Benefits-in-kind	603,749	547,476
Other benefits	4,269,386	4,428,182
	83,746,844	74,090,126

The Group's staff costs do not include the estimated monetary value of benefits-in-kind amounting to RM1,118,775 (2020: RM1,371,324).

	Company	
	2021 RM	2020 RM
Other benefits	50,217	47,557

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31 December 2021 (Cont'd)

42. STAFF COSTS (CONT'D)

Included in staff costs is aggregate amount of remuneration received and receivable by the Executive Directors of the Company and of the subsidiaries during the financial year as below:

	Group		
	2021	2020	
	RM	RM	
Executive Directors			
Company's Directors			
Fees	678,829	645,235	
Salaries, gratuity and other emoluments	11,244,627	10,994,707	
Defined contribution plans	1,600,481	1,591,896	
Social security contributions	6,118	5,921	
Employment insurance scheme	553	474	
Benefits-in-kind	466,518	438,046	
Other benefits	43,093	62,594	
	14,040,219	13,738,873	
Subsidiaries' Directors			
Salaries, gratuity and other emoluments	2,816,970	2,457,677	
Defined contribution plans	250,634	234,193	
Social security contributions	63,903	19,516	
Employment insurance scheme	190	190	
Benefits-in-kind	77,270	78,036	
Other benefits	75,850	84,799	
	3,284,817	2,874,411	
Executive Directors			
Company's Directors	14,040,219	13,738,873	
Subsidiaries' Directors	3,284,817	2,874,411	
	17,325,036	16,613,284	
Company			
	2021	2020	
	RM	RM	
Executive Directors			
Company's Directors			
Other benefits	9,188	8,694	

The Group's Executive Directors' remuneration does not include the estimated monetary value of benefits-in-kind amounting to RM451,523 (2020: RM660,117).

43. DIVIDENDS

	Group/Company		Group/Company
	2021	2020	
	RM	RM	
Dividends recognised as distribution to shareholders of the Company:			
Ordinary Shares			
In respect of the financial year ended 31 December 2019:			
Share dividend distribution of 45,484,206 treasury shares on the basis of 3 treasury shares for every 100 existing ordinary shares held in the Company	-	21,832,246	
In respect of the financial year ended 31 December 2020:			
A first and final single-tier dividend of 1.45 sen per ordinary share on 1,561,660,457 ordinary shares	22,644,051	-	
RCPS			
In respect of the financial year ended 31 December 2020:			
A preferential dividend of 6.6 sen per RCPS on 94,099,035 RCPS	-	6,210,536	
In respect of the financial year ended 31 December 2021:			
A preferential dividend of 6.6 sen per RCPS on 94,099,035 RCPS	6,210,536	-	
	<hr/>	<hr/>	<hr/>
	28,854,587	28,042,782	

On 15 April 2022, the Board of Directors:

- (i) Declared first interim single-tier dividend of 0.85 sen per ordinary share in respect of the financial year ended 31 December 2021. The entitled shareholders of the Company will receive the dividend on 14 July 2022.
- (ii) Proposed final single-tier dividend of 1 sen per ordinary share in respect of the financial year ended 31 December 2021. The proposed dividend is subject to the approval of the shareholders at the forthcoming 22nd Annual General Meeting of the Company.

The financial statements for the current financial year do not reflect the dividends declared/ proposed on 15 April 2022. Such dividends will be accounted for in equity as an appropriation of retained earnings for the financial year ending 31 December 2022.

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44. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below shows the details changes in the liabilities of the Group and of the Company arising from financing activities, including both cash and non-cash changes:

	Note	At 1 January RM	Financing cash flows (i) RM	New finance leases RM	Other changes (ii) RM	At 31 December RM
31.12.2021						
Group						
Financial liabilities						
Lease liabilities	30	37,942,448	(15,558,849)	10,481,285	2,545	32,867,429
Bank borrowings	31	911,102,539	(14,348,447)	-	274,112	897,028,204
Sukuk	32	84,824,000	(9,202,000)	-	-	75,622,000
		1,033,868,987	(39,109,296)	10,481,285	276,657	1,005,517,633
Company						
Financial liabilities						
Amount due to subsidiaries	18	29,299,171	(14,901,827)	-	(14,397,344)	-
Bank borrowings	31	197,780,548	(35,344,965)	-	-	162,435,583
		227,079,719	(50,246,792)	-	(14,397,344)	162,435,583
31.12.2020						
Group						
Financial liabilities						
Lease liabilities	30	41,902,674	(9,743,989)	7,116,280	(1,332,517)	37,942,448
Bank borrowings	31	1,008,757,064	(100,530,550)	-	2,876,025	911,102,539
Sukuk	32	89,276,000	(4,452,000)	-	-	84,824,000
RCPS	34	20,000,000	(20,000,000)	-	-	-
		1,159,935,738	(134,726,539)	7,116,280	1,543,508	1,033,868,987
Company						
Financial liabilities						
Amount due to subsidiaries	18	-	14,901,827	-	14,397,344	29,299,171
Bank borrowings	31	268,454,878	(69,278,369)	-	(1,395,961)	197,780,548
		268,454,878	(54,376,542)	-	13,001,383	227,079,719

- (i) The financing cash flows include the payment of lease liabilities and net amount of proceeds from or repayments of bank borrowings, Sukuk, RCPS, holding company and subsidiaries in the statements of cash flows.
- (ii) Other changes include exchange differences, income from rent concessions, unpaid interests, reclassification from other payable, expiration of lease contracts and net amount of non-interest bearing advances from/or repayments to subsidiaries.

45. RELATED PARTY DISCLOSURES

(a) Identifying related parties

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

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group and/or the Company either directly or indirectly. The key management personnel comprise the Directors and management personnel of the Group, having authority and responsibility for planning, directing and controlling the activities of the Group entities directly or indirectly.

(b) Related party transactions have been entered into in the normal course of business under negotiated terms. In addition to the related party balances disclosed elsewhere in the financial statements, the significant related party transactions of the Group and of the Company are as follows:

	Group	
	2021 RM	2020 RM
Transactions with holding company:		
Income		
Dividends paid	8,131,211	7,839,872
Interest expenses on advances	-	1,073
Transactions with other related parties:		
Income		
Sale of development properties	-	2,097,800
Cost sharing with landowner	-	97,404
Rental income	12,000	12,000
Expenses		
Contractors' fees	3,743,108	-
Deposit paid	3,000,000	-
Equity instrument	24,550,000	10,695,001
Landowner entitlement	20,000,000	-
Legal fees	69,445	604,290
Lease expenses	50,400	85,400
Profit sharing with landowner	46,668	-
Rendering of services	2,818,471	2,052,404
Dividends paid	4,920,354	6,272,337

Notes To The Financial Statements

31 December 2021 (Cont'd)

45. RELATED PARTY DISCLOSURES (CONT'D)

(b) Related party transactions have been entered into in the normal course of business under negotiated terms. In addition to the related party balances disclosed elsewhere in the financial statements, the significant related party transactions of the Group and of the Company are as follows: (Cont'd)

	Company	
	2021	2020
	RM	RM
Transaction with holding company:		
Dividends paid	8,131,211	7,839,872
Transactions with subsidiaries:		
Dividend income	63,000,000	34,260,000
Management fees expenses	1,150,000	1,150,000
Management fees income	-	5,000
Interest expenses on advances	46,246	31,184
Interest income from advances	12,462,900	12,485,282
Transaction with other related parties:		
Dividends paid	4,728,036	6,076,464

The nature and relationship between the Group and the Company with other related parties are as follows:

- (i) A firm or companies in which a close family member of certain Directors of the Company or its subsidiaries have financial interest;
- (ii) A firm or companies in which certain Directors of the Company or its subsidiaries have financial interest;
- (iii) A person who has financial interest in subsidiaries;
- (iv) Directors or key management personnel of the Company or its subsidiaries and their close family members;
- (v) A holding company of the Company;
- (vi) An associate of the Company; and
- (vii) A substantial shareholder of the Company or its subsidiaries.

(c) Compensation of key management personnel

Remuneration of Directors and other members of key management are as follows:

	Group	
	2021	2020
	RM	RM
Fees	1,222,999	1,196,885
Salaries, gratuity and other emoluments	22,706,004	19,439,550
Defined contribution plans	2,679,793	2,508,041
Social security contributions	89,826	43,592
Employment insurance scheme	2,820	2,449
Benefits-in-kind	1,437,023	1,482,536
Other benefits	218,628	246,553
	28,357,093	24,919,606

45. RELATED PARTY DISCLOSURES (CONT'D)

(c) Compensation of key management personnel (Cont'd)

Remuneration of Directors and other members of key management are as follows: (Cont'd)

	Company 2021 RM	2020 RM
Fees	173,400	166,950
Salaries and other emoluments	29,000	29,400
Other benefits	16,930	15,337
	<hr/> 219,330	<hr/> 211,687

46. SEGMENT INFORMATION

The Group has five major reporting segments, as described below, which are the Group's strategic business units. Segment information is primarily presented in respect of the Group's business segment which is based on the Group's management and internal reporting structure. For each of the strategic business units, the Group's managing director reviews internal management reports at least on quarterly basis. The following summary describes the operations in each of the Group's reportable segments:

The main business segments of the Group comprise the followings:

Property development	Development of residential, industrial and commercial properties.
Construction and trading	Design and build, civil engineering, general construction, piling activities, trading of construction materials and manufacturing of Industrialised Building System ("IBS") precast products.
Motor racing circuit	Motor racing circuit development and management.
Management and investment	Investment holding and provision of management services.
Hotel	Hotel operation.
Others	Hospitality, provision of finance through money lending, letting and management of a retail mall and provision of treasury management services.

Investment holding and provision of management services are being managed by two different operating segments within the Group. These operating segments have been aggregated to form a reportable segment as management services taking into account that these operating segments have similar nature of the services.

Others business segments include tourism development, hospitality, provision of finance through money lending and retail mall, none of which are of a sufficient size to be reported separately. The accounting policies of the segments are consistent with the accounting policies of the Group.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statements.

Transactions between segments are carried out on agreed terms between both parties. The effects of such inter-segment transactions are eliminated on consolidation. The measurement basis and classification are consistent with those adopted in the previous financial year.

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46. SEGMENT INFORMATION (CONT'D)

The total of segment assets is measured based on all assets (including goodwill) of a segment, as included in the internal management reports that are reviewed by the Group's managing director. Segment total assets are used to measure the return of assets of each segment.

Additions to non-current assets represent addition of property, plant and equipment, right-of-use assets, capital work-in-progress, inventories, investment properties, other investment and trade receivables.

Segment liabilities information is neither included in the internal management reports nor provided regularly to the Group's managing director. Hence no disclosure is made on segment liabilities.

Geographical segments

In determining the Group segment, revenue and non-current assets are based on the geographical location of customers as follows:

	Revenue	
	2021 RM	2020 RM
Malaysia	1,353,330,946	1,073,142,637
People's Republic of China	12,426,038	23,188,420
	1,365,756,984	1,096,331,057

	Non-current assets	
	2021 RM	2020 RM
		Restated
Malaysia	1,733,832,600	1,814,502,953
People's Republic of China	162,425,040	160,687,350
Hong Kong	10,882,769	10,614,045
	1,907,140,409	1,985,804,348

Information about major customers

There is no significant concentration of revenue from any major customers as the major revenue generated by the Group is sale of its development properties to individual purchaser.

46. SEGMENT INFORMATION (CONT'D)

Segment results

	Property Development RM	Construction and Trading RM	Management and Investment RM	Motor Racing Circuit RM	Hotel RM	Others RM	Total RM
2021							
Revenue							
Total revenue	1,302,298,251	583,579,171	512,920,553	21,266,109	1,983,177	18,967,117	2,441,014,378
Less: Inter-segment revenue	-	(549,341,790)	(512,615,999)	-	-	(13,299,605)	(1,075,257,394)
Revenue from external customers	1,302,298,251	34,237,381	304,554	21,266,109	1,983,177	5,667,512	1,365,756,984
Financial results							
Segment results	214,680,296	56,424,256	5,250,061	3,335,198	(3,305,624)	(1,248,278)	275,135,909
Interest income	2,260,435	158,183	252,007	344,743	-	25,245	3,040,613
Finance costs	(34,559,848)	(4,717,183)	(19,085,906)	(1,250,922)	(1,709,304)	(167,017)	(61,490,180)
Depreciation	(6,110,933)	(14,996,521)	(5,503,800)	(8,795,700)	(2,150,466)	(2,107,451)	(39,664,871)
Amortisation of intangible assets	-	-	(347,177)	-	-	-	(347,177)
Share of profit/(loss) of associates, net of tax	-	141,433	-	-	-	(7,980)	133,453
Profit/(Loss) before tax	176,269,950	37,010,168	(19,434,815)	(6,366,681)	(7,165,394)	(3,505,481)	176,807,747
Taxation	(46,334,533)	(13,972,845)	(3,299,029)	1,693,456	-	26,756	(61,886,195)
Net profit/(loss) for the financial year	129,935,417	23,037,323	(22,733,844)	(4,673,225)	(7,165,394)	(3,478,725)	114,921,552
Assets							
Additions to non-current assets	134,093,851	11,616,133	3,796,734	853,468	9,997,407	146,402	160,503,995
Segment assets	3,390,457,745	201,067,427	359,886,640	216,932,528	80,273,971	146,595,579	4,395,213,890

Notes To The Financial Statements
31 December 2021 (Cont'd)

46. SEGMENT INFORMATION (CONT'D)

Segment results (Cont'd)

	Property Development RM	Construction and Trading RM	Management and Investment RM	Motor Racing Circuit RM	Hotel RM	Others RM	Total RM
2021							
Other non-cash expenses							
Allowance for impairment losses on:							
- Goodwill arising on consolidation	25,121,364						25,121,364
- Investment in associates	-	-	14,197	-	-	-	14,197
- Investment properties	267,949	-	130,084	-	-	-	398,033
- Other investments	-	-	8,000	-	-	-	8,000
- Property, plant and equipment	5,601	-	-	-	-	-	5,601
- Right-of-use assets	-	-	749,185	-	-	-	749,185
- Trade and other receivables	2,527,865	169,293	-	256,332	-	110,605	3,064,095
Bad debts written off	300,177	-	1,344,793	-	-	-	1,644,970
Bad debts written off							
- Amount due from a subsidiary under strike off	-	-	100	-	-	-	100
Deposits written off	809,919	-	2,500	-	-	-	812,419
Inventories written down to net realisable value	5,188,800	-	-	-	-	-	5,188,800
Loss on disposal of:							
- Property, plant and equipment	5,989	62,010	-	-	-	-	67,999
Loss on strike off of:							
- Subsidiaries	-	-	727,762	-	-	-	727,762
- An associate	-	-	11,697	-	-	-	11,697
Prepayments written off	192,410	-	-	-	-	-	192,410
Property development costs written off	12,744,321	-	-	-	-	-	12,744,321
Property, plant and equipment written off	66,000	1	57,453	54,162	-	-	177,616
Unrealised foreign exchange loss	-	-	4,855,613	103,131	-	-	4,958,744
Unwinding interest	5,523,703	-	-	-	-	-	5,523,703
Waiver of debts of associate	-	-	1,350	-	-	-	1,350
Waiver of interest income	630,166	-	-	-	-	-	630,166

46. SEGMENT INFORMATION (CONT'D)

Segment results (Cont'd)

	Property Development RM	Construction and Trading RM	Management and Investment RM	Motor Racing Circuit RM	Hotel RM	Others RM	Total RM
2021							
Other non-cash income							
Contingency sum accrued in prior years no longer required	(9,132,972)	-	-	-	-	-	(9,132,972)
Dividend income from financial assets measured at FVTPL	-	-	-	(2,560)	-	(2,856)	(5,416)
Fair value gain on revaluation of financial assets measured at FVTPL	-	-	-	-	-	(273)	(273)
Fair value adjustment on trade receivables	-	-	-	-	-	(28,075)	(28,075)
Gain on disposal of:							
- Assets held for sale	(398,108)	-	-	-	-	-	(398,108)
- Property, plant and equipment	(20)	(26,094)	(68,742)	-	-	-	(94,856)
- Right-of-use assets	-	-	(314,874)	-	-	-	(314,874)
Reversal of allowance for impairment losses:							
- Investment in An associates	-	-	(40)	-	-	-	(40)
- Trade and other receivables	(1,732,399)	-	(1,297,059)	-	-	(8,312)	(3,037,770)
Waiver of debts	-	(174,648)	-	-	-	-	(174,648)
Staff economic compensation provided in prior years no longer required	-	-	-	(17,943)	-	-	(17,943)

Notes To The Financial Statements

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46. SEGMENT INFORMATION (CONT'D)

Segment results (Cont'd)

	Property Development RM	Construction and Trading RM	Management and Investment RM	Motor Racing Circuit RM	Others RM	Total RM
2020 (Restated)						
Revenue						
Total revenue	1,034,886,995	497,580,668	195,281,036	23,188,420	5,881,897	1,756,819,016
Less: Inter-segment revenue	-	(465,433,407)	(194,906,486)	-	(148,066)	(660,487,959)
Revenue from external customers	1,034,886,995	32,147,261	374,550	23,188,420	5,733,831	1,096,331,057
Financial results						
Segment results	163,142,229	29,910,058	16,820,797	12,585,165	815,589	223,273,838
Interest income	2,940,923	274,003	719,796	219,997	36,202	4,190,921
Finance costs	(35,404,179)	(5,698,627)	(23,446,046)	(1,188,138)	(1,799,359)	(67,536,349)
Depreciation	(6,524,594)	(13,748,154)	(4,909,349)	(7,943,803)	(2,672,516)	(35,798,416)
Amortisation of intangible assets	-	-	(1,179,734)	-	-	(1,179,734)
Share of profit/(loss) of associates, net of tax	-	111,941	-	-	(25,265)	86,676
Profit/(Loss) before tax	124,154,379	10,849,221	(11,994,536)	3,673,221	(3,645,349)	123,036,936
Taxation	(45,957,892)	(7,794,457)	(4,121,011)	1,610,708	(39,067)	(56,301,719)
Net profit/(loss) for the financial year	78,196,487	3,054,764	(16,115,547)	5,283,929	(3,684,416)	66,735,217
Assets						
Additional investment in an associate	-	-	1	-	-	1
Additions to non-current assets	72,839,611	20,594,056	5,202,525	311,142	741,300	99,688,634
Segment assets	3,126,562,484	221,149,076	384,769,299	207,651,657	185,909,156	4,126,041,672

46. SEGMENT INFORMATION (CONT'D)

Segment results (Cont'd)

	Property Development RM	Construction and Trading RM	Management and Investment RM	Motor Racing Circuit RM	Others RM	Total RM
2020 (Restated)						
Other non-cash expenses						
Allowance for impairment losses on:						
- Assets held for sale	88,856	-	-	-	-	88,856
- Goodwill arising on consolidation	8,945,829	6,265,011	-	-	-	15,210,840
- Investment in an associate	-	-	48,268	-	-	48,268
- Investment properties	523,457	-	-	-	-	523,457
- Other investments	-	-	34,000	-	-	34,000
- Right-of-use assets	-	-	86,891	-	-	86,891
- Trade and other receivables	1,363,619	-	13,791	-	97,154	1,474,564
Bad debts written off	470,481	-	2,684	-	265,435	738,600
Deposits written off	-	-	10,000	-	8,883	18,883
Fair value loss on revaluation of financial assets measured at FVTPL	9,976	-	948	-	-	10,924
Loss on disposal of:						
- Financial assets measured at FVTPL	-	-	2,625	-	-	2,625
- Investment properties	65,149	-	-	-	-	65,149
- Investment in a subsidiary	-	-	40,902	-	-	40,902
- Property, plant and equipment	-	53,457	-	-	152,863	206,320
Prepayments written off	446,019	-	-	-	-	446,019
Property development costs written off	439,566	-	-	-	-	439,566
Provision for staff economic compensation	-	-	-	12,763	-	12,763
Property, plant and equipment written off	5	10,000	930	9,228	-	20,163
Unrealised foreign exchange loss	-	-	328,672	260,719	-	589,391
Waiver of interest income	1,479,115	-	-	-	-	1,479,115
Unwinding interest	5,356,407	-	-	-	-	5,356,407

Notes To The Financial Statements
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46. SEGMENT INFORMATION (CONT'D)

Segment results (Cont'd)

	Property Development RM	Construction and Trading RM	Management and Investment RM	Motor Racing Circuit RM	Others RM	Total RM
2020 (Restated)						
Other non-cash income						
Bargain purchase gain	-	-	(12,353)	-	-	(12,353)
Claims accrued in prior years no longer required	-	-	-	(6,928,283)	-	(6,928,283)
Contingency sum accrued in prior years no longer required	(19,515,780)	-	-	-	-	(19,515,780)
Dividend income from financial assets measured at FVTPL	(55,593)	-	(27,378)	-	-	(82,971)
Fair value gain on revaluation of financial assets measured at FVTPL	-	-	(2,443)	-	-	(2,443)
Fair value adjustment on trade receivables	-	-	-	-	(52,183)	(52,183)
Gain on disposal of:						
- Assets held for sale	-	-	(485,600)	-	(94,385)	(579,985)
- Financial assets measured at FVTPL	(6,961)	-	-	-	-	(6,961)
- Investment properties	(780,763)	-	(200)	-	(2,399,327)	(3,180,290)
- Property, plant and equipment	(2,079)	(135,206)	(48,017)	-	(297,256)	(482,558)
- Right-of-use assets	-	(258,251)	-	-	-	(258,251)
Income from rent concessions	(39,260)	-	-	-	-	(39,260)
Reversal of allowance for impairment losses on trade and other receivables	(1,665,719)	(47,935)	-	-	(293,502)	(2,007,156)
Waiver of debts	(3,535)	-	-	-	-	(3,535)

47. FINANCIAL INSTRUMENTS

(a) Classification of financial instruments

Financial assets and financial liabilities are measured on an ongoing basis either at fair value or at amortised cost. The principal accounting policies in Note 3 describe how the classes of financial instruments are measured, and how income and expense, including fair value gains and losses, are recognised.

The following table analyses the financial assets and liabilities in the statements of financial position by the class of financial instruments to which they are assigned, and therefore by the measurement basis:

	Carrying amount RM	Financial assets measured at			
		Amortised cost RM	FVTOCI RM	FVTPL RM	
Group					
31.12.2021					
Financial Assets					
Trade receivables	397,949,216	397,949,216	-	-	
Other receivables	114,234,435	114,234,435	-	-	
Amount due from associates	7,200	7,200	-	-	
Other investments	2,003,129	-	-	2,003,129	
Fixed deposits with licensed banks	22,302,268	22,302,268	-	-	
Cash held under Housing Development Accounts	147,831,952	147,831,952	-	-	
Cash and bank balances	112,618,530	112,618,530	-	-	
	796,946,730	794,943,601	-	2,003,129	
31.12.2020 (Restated)					
Financial Assets					
Trade receivables	205,630,662	205,630,662	-	-	
Other receivables	90,089,922	90,089,922	-	-	
Amount due from associates	7,247	7,247	-	-	
Fixed deposits with licensed banks	20,620,182	20,620,182	-	-	
Cash held under Housing Development Accounts	153,675,969	153,675,969	-	-	
Cash and bank balances	127,903,940	127,903,940	-	-	
	597,927,922	597,927,922	-	-	

Notes To The Financial Statements
31 December 2021 (Cont'd)

47. FINANCIAL INSTRUMENTS (CONT'D)

(a) Classification of financial instruments (Cont'd)

The following table analyses the financial assets and liabilities in the statements of financial position by the class of financial instruments to which they are assigned, and therefore by the measurement basis: (Cont'd)

	Carrying amount RM	Financial assets measured at		
		Amortised cost RM	FVTPL RM	
Company				
31.12.2021				
Financial Assets				
Other receivables	1,414,729	1,414,729	-	
Amount due from subsidiaries	621,982,530	621,982,530	-	
Fixed deposits with licensed banks	988,305	988,305	-	
Cash and bank balances	11,778,001	11,778,001	-	
	636,163,565	636,163,565	-	
31.12.2020				
Financial Assets				
Other receivables	3,025,560	3,025,560	-	
Amount due from subsidiaries	668,189,772	668,189,772	-	
Fixed deposits with licensed banks	983,492	983,492	-	
Cash and bank balances	16,437,344	16,437,344	-	
	688,636,168	688,636,168	-	
Group				
31.12.2021				
Financial Liabilities				
Trade payables	961,166,902	961,166,902		
Other payables	571,097,867	571,097,867		
Amount due to an associate	65,834	65,834		
Lease liabilities	32,867,429	32,867,429		
Bank borrowings and overdrafts	972,866,950	972,866,950		
Sukuk	75,622,000	75,622,000		
	2,613,686,982	2,613,686,982		

47. FINANCIAL INSTRUMENTS (CONT'D)

(a) Classification of financial instruments (Cont'd)

The following table analyses the financial assets and liabilities in the statements of financial position by the class of financial instruments to which they are assigned, and therefore by the measurement basis: (Cont'd)

Group	Carrying amount RM	Financial liabilities measured at amortised cost RM
Financial Liabilities		
Trade payables	874,313,509	874,313,509
Other payables	504,984,013	504,984,013
Amount due to an associate	69,283	69,283
Lease liabilities	37,942,448	37,942,448
Bank borrowings and overdrafts	991,015,454	991,015,454
Sukuk	84,824,000	84,824,000
	2,493,148,707	2,493,148,707
 Company		
31.12.2021		
Financial Liabilities		
Other payables	2,309,485	2,309,485
Bank borrowings and overdrafts	164,766,581	164,766,581
	167,076,066	167,076,066
 31.12.2020		
Financial Liabilities		
Other payables	1,228,292	1,228,292
Amount due to subsidiaries	29,299,171	29,299,171
Bank borrowings and overdrafts	200,701,001	200,701,001
	231,228,464	231,228,464

(b) Financial risk management objectives and policies

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

Notes To The Financial Statements

31 December 2021 (Cont'd)

47. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management objectives and policies (Cont'd)

The Group and the Company have exposure to the following risks from its use of financial instruments:

(i) Credit risk

Credit risk is the risk of a financial loss to the Group and to the Company 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 from customers and deposits with banks. The Company's exposure to credit risk arises principally from deposits with banks, amount due from subsidiaries and financial guarantees given to banks and non-financial institutions granted to certain subsidiaries.

The Group and the Company have adopted a policy of only dealing with creditworthy counterparties. Receivables are monitored on an ongoing basis via the Group's and the Company's management reporting procedures and action will be taken for long outstanding debts. Majority of the receivables are from property development segment. The credit risk is limited as the property purchasers were using financing from reputable end-financiers, legal title to the properties revert to the Group in the event of default.

The Company provides unsecured loans and advances to subsidiaries. It also provides unsecured financial guarantees to banks for banking facilities granted to certain subsidiaries. The Company monitors on an ongoing basis the results of the subsidiaries and repayments made by the subsidiaries.

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

The gross carrying amounts of credit impaired trade receivables and contract assets are written off (either partial or full) when there is no realistic prospect of recovery. This is generally the case when the Group or the Company determines 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. Nevertheless, trade receivables and contract assets that are written off could still be subject to enforcement activities.

The carrying amounts of the financial assets recorded on the statements of financial position at the end of the reporting period represent the Group's and the Company's maximum exposure to credit risk except for financial guarantees provided to banks and non-financial institutions granted to certain subsidiaries. The Company's maximum exposure in this respect is RM914,422,682 (31.12.2020: RM807,355,531), representing the outstanding financial guarantees to the subsidiaries as at the end of the reporting period. There was no indication that any subsidiary would default on repayment as at the end of the reporting period.

The Group has no significant concentration of credit risk as its exposure spread over a large number of customers. The Company has no significant concentration of credit risk, except for loans and advances to its subsidiaries where risks of default have been assessed to be low.

(ii) Liquidity risk

Liquidity risk is the risk that the Group and the Company will not be able to meet its financial obligations as they fall due. The Group's and the Company's exposure to liquidity risk arises principally from mismatches of maturities of financial assets and liabilities.

The Group's and the Company's funding requirements and liquidity risks is managed with the objective of meeting business obligations on a timely basis. The Group and the Company monitor its cash flows and ensure that sufficient funding is in place to meet the obligations as and when they fall due.

47. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management objectives and policies (Cont'd)

(ii) Liquidity risk (Cont'd)

The following table analyses the remaining contractual maturity for financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and the Company can be required to pay. It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

	Carrying amount RM	Contractual cash flows RM	On demand or within 1 year RM				1 to 2 years RM	2 to 5 years RM	After 5 years RM					
			1 year RM	2 years RM	5 years RM									
Group														
31.12.2021														
Non-derivative financial liabilities														
Trade payables	961,166,902	995,706,348	507,738,270	4,500,000	46,964,022	436,504,056								
Other payables	571,097,867	571,097,867	515,540,318	-	-	55,557,549								
Amount due to associates	65,834	65,834	65,834	-	-	-								
Lease liabilities	32,867,429	35,142,563	15,494,422	13,241,138	6,407,003	-								
Bank borrowings and overdrafts	972,866,950	1,055,846,277	687,052,790	201,607,400	106,905,179	60,280,908								
Sukuk	75,622,000	90,987,307	17,997,777	17,251,345	24,541,943	31,196,242								
Financial guarantees*	-	-	-	-	-	-								
	2,613,686,982	2,748,846,196	1,743,889,411	236,599,883	184,818,147	583,538,755								
31.12.2020 (Restated)														
Non-derivative financial liabilities														
Trade payables	874,313,509	910,083,331	392,095,926	17,690,687	83,887,612	416,409,106								
Other payables	504,984,013	504,984,013	452,629,862	-	-	52,354,151								
Amount due to associates	69,283	69,283	69,283	-	-	-								
Lease liabilities	37,942,448	41,219,864	15,172,877	12,091,736	13,903,611	51,640								
Bank borrowings and overdrafts	991,015,454	1,081,939,006	669,086,727	177,779,376	147,408,686	87,664,217								
Sukuk	84,824,000	121,140,926	13,740,084	17,997,777	53,516,641	35,886,424								
Financial guarantees*	-	-	-	-	-	-								
	2,493,148,707	2,659,436,423	1,542,794,759	225,559,576	298,716,550	592,365,538								

Notes To The Financial Statements 31 December 2021 (Cont'd)

47. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management objectives and policies (Cont'd)

(ii) Liquidity risk (Cont'd)

The following table analyses the remaining contractual maturity for financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and the Company can be required to pay. It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts. (Cont'd)

	Carrying amount RM	Contractual cash flows RM	On demand or within 1 year			1 to 2 years RM	2 to 5 years RM				
			RM	RM	RM						
Company											
31.12.2021											
Non-derivative financial liabilities											
Other payables	2,309,485	2,309,485	2,309,485			-	-				
Bank borrowings and overdrafts	164,766,581	179,330,938	130,890,938	34,377,500	14,062,500						
Financial guarantees*	-	-	-	-	-	-	-				
	167,076,066	181,640,423	133,200,423	34,377,500	14,062,500						
31.12.2020											
Non-derivative financial liabilities											
Other payables	1,228,292	1,228,292	1,228,292			-	-				
Amount due to subsidiaries	29,299,171	29,299,171	29,299,171			-	-				
Bank borrowings and overdrafts	200,701,001	215,013,310	199,268,685	13,909,750	1,834,875						
Financial guarantees*	-	-	-	-	-	-	-				
	231,228,464	245,540,773	229,796,148	13,909,750	1,834,875						

* At the end of the reporting period, financial guarantee liabilities have not been recognised as there is no indication that the subsidiaries would default on repayment and the probability that the financial guarantee contracts will be called by third parties is remote. Consequently, the amount is RMNil.

47. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management objectives and policies (Cont'd)

(iii) Market risks

Foreign currency risk

The Group is exposed to foreign currency risk on transactions that are denominated in currencies other than the respective functional currencies of the Group entities. The currencies giving rise to this risk are primarily United States Dollar ("USD"), Hong Kong Dollar ("HKD"), EURO ("EUR"), Chinese Renminbi ("RMB") and Singapore Dollar ("SGD").

The Group has not entered into any derivative instruments for hedging or trading purposes. Where possible, the Group will apply natural hedging by selling and purchasing in the same currency. However, the exposure to foreign currency risk is monitored from time to time by the management.

The carrying amounts of the Group's and of the Company's foreign currency denominated monetary assets and monetary liabilities that are exposed to foreign currency risk at the end of the reporting period are as follows:

	USD RM	HKD RM	EUR RM	RMB RM	SGD RM	Total RM
Group						
31.12.2021						
Other receivables	-	1,496	-	-	-	1,496
Cash and bank balances	963,680	163,652	1,864,627	84,604	481,705	3,558,268
Trade payables	(297,348)	-	-	-	-	(297,348)
Other payables	-	(193,880)	-	-	-	(193,880)
Net exposure	666,332	(28,732)	1,864,627	84,604	481,705	3,068,536
31.12.2020						
Other receivables	-	1,451	-	-	-	1,451
Fixed deposits with licensed banks	-	-	-	23,135	-	23,135
Cash and bank balances	2,532,838	748,930	995,369	111,098	474,676	4,862,911
Trade payables	(286,761)	-	-	-	-	(286,761)
Other payables	-	(188,077)	-	-	-	(188,077)
Net exposure	2,246,077	562,304	995,369	134,233	474,676	4,412,659

Notes To The Financial Statements 31 December 2021 (Cont'd)

47. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management objectives and policies (Cont'd)

(iii) Market risks (Cont'd)

Foreign currency risk (Cont'd)

The carrying amounts of the Group's and of the Company's foreign currency denominated monetary assets and monetary liabilities that are exposed to foreign currency risk at the end of the reporting period are as follows: (Cont'd)

	HKD RM
Company	
31.12.2021	
Cash and bank balances	6,136
31.12.2020	
Cash and bank balances	6,249

Foreign currency risk sensitivity

Foreign currency risk arises from Group entities which have a RM functional currency. The exposure to currency risk of Group entities which do not have a RM functional currency is not material and hence, sensitivity analysis is not presented.

The following table demonstrates the sensitivity of the Group's and of the company's profit before tax to a reasonably possible change in the USD, HKD, EUR, RMB and SGD exchange rates against RM, with all other variables held constant.

		Changes in currency rate	2021		2020	
			Effect on profit before tax RM	Changes in currency rate	Effect on profit before tax RM	Changes in currency rate
Group						
USD	Strengthened 10%	66,633	Strengthened 10%	224,608		
	Weakened 10%	(66,633)	Weakened 10%	(224,608)		
HKD	Strengthened 10%	(2,873)	Strengthened 10%	56,230		
	Weakened 10%	2,873	Weakened 10%	(56,230)		
EUR	Strengthened 10%	186,463	Strengthened 10%	99,537		
	Weakened 10%	(186,463)	Weakened 10%	(99,537)		
RMB	Strengthened 10%	8,460	Strengthened 10%	13,423		
	Weakened 10%	(8,460)	Weakened 10%	(13,423)		
SGD	Strengthened 10%	48,171	Strengthened 10%	47,468		
	Weakened 10%	(48,171)	Weakened 10%	(47,468)		
Company						
HKD	Strengthened 10%	614	Strengthened 10%	625		
	Weakened 10%	(614)	Weakened 10%	(625)		

47. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management objectives and policies (Cont'd)

(iii) Market risks (Cont'd)

Interest rate risk

The Group's and the Company's fixed rate deposits placed with licensed banks and borrowings are exposed to a risk of change in their fair value due to changes in interest rates. The Group's and the Company's variable rate borrowings are exposed to a risk of change in cash flows due to changes in interest rates.

The Group manages the interest rate risk of its deposits with licensed banks by placing them at the most competitive interest rates obtainable, which yield better returns than cash at bank and maintaining a prudent mix of short and long-term deposits.

The Group manages its interest rate risk exposure from interest bearing borrowings by obtaining financing with the most favourable interest rates in the market. The Group constantly monitors its interest rate risk by reviewing its debts portfolio to ensure favourable rates are obtained. The Group does not utilise interest swap contracts or other derivative instruments for trading or speculative purposes. The carrying amounts of the Group's and of the Company's financial instruments that are exposed to interest rate risk at the end of the reporting period are as follows:

	31.12.2021 RM	31.12.2020 RM	Group
Fixed Rate Instrument			
Financial Asset			
Fixed deposits with licensed banks	22,302,268	20,620,182	
Financial Liability			
Lease liabilities	32,867,429	37,942,448	
Floating Rate Instruments			
Financial Assets			
Cash held under Housing Development Accounts	147,831,952	153,675,969	
Cash and bank balances	5,823,814	5,296,662	
	153,655,766	158,972,631	
Financial Liabilities			
Bank borrowings and overdrafts	972,866,950	991,015,454	
Sukuk	75,622,000	84,824,000	
	1,048,488,950	1,075,839,454	

Notes To The Financial Statements
31 December 2021 (Cont'd)

47. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management objectives and policies (Cont'd)

(iii) Market risks (Cont'd)

Interest rate risk (Cont'd)

	Company	31.12.2021	31.12.2020
		RM	RM
Fixed Rate Instrument			
Financial Asset			
Fixed deposits with licensed banks		988,305	983,492
Floating Rate Instruments			
Financial Assets			
Cash and bank balances		333,388	1,007,966
Amount due from subsidiaries		610,014,411	663,328,341
		610,347,799	664,336,307
Financial Liabilities			
Amount due to a subsidiary		-	14,901,827
Bank borrowings and overdrafts		164,766,581	200,701,001
		164,766,581	215,602,828

Interest rate risk sensitivity

The Group and the Company do not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

A change in 1% interest rate at the end of the reporting period would have increased or decreased the Group's profit before tax by RM8,948,332 (2020: RM9,168,668), arising mainly as a result of lower or higher interest expense on floating rate financial assets and financial liabilities. A change in 1% interest rate at the end of the reporting period would have increased or decreased the Company's profit before tax by RM4,455,812 (2020: RM4,487,335), arising mainly as a result of higher or lower interest income on floating rate financial assets and financial liabilities. This analysis assumes that all other variables remain constant. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

47. FINANCIAL INSTRUMENTS (CONT'D)

(c) Market price risk

Market price risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market prices (other than interest or exchange rates).

The Group is exposed to equity price risk arising from its investment in quoted instruments. These investments are listed on Bursa Securities and Hong Kong Stock Exchange and are classified as financial assets measured at fair value through profit or loss or financial assets measured at fair value through other comprehensive income.

Management of the Group monitors investments in quoted instruments on a portfolio basis. Material investments within the portfolio are managed on an individual basis and all buy and sell decisions are approved by Risk Management Committee of the Group.

(d) Fair value of financial instruments

The carrying amounts of short-term receivables and payables, cash and cash equivalents and short-term loans and borrowings approximate their fair value due to the relatively short-term nature of these financial instruments and insignificant impact of discounting.

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

It was not practical to estimate the fair value of investment in unquoted equity due to the lack of comparable quoted prices in an active market and the fair value cannot be reliably measured.

The table below analyses financial instruments carried at fair value together with their fair values and carrying amounts shown in the statements of financial position.

	Fair value of financial instruments carried at fair value			Total fair value RM	Carrying amount RM		
	Level 1 RM	Level 2 RM	Level 3 RM				
31.12.2021							
Group							
Financial asset							
Other investments	2,003,129	-	-	2,003,129	2,003,129		

Not applicable as at 31 December 2020, as the above other investments have been disposed of during 31 December 2020.

The fair value above has been determined using the following basis:

- The fair value of other investments was determined by reference to the quoted market price in an active market and/or provided by financial intermediaries.

Transfer between levels of fair value hierarchy

There is no transfer between levels of fair value hierarchy during the financial year.

Notes To The Financial Statements

31 December 2021 (Cont'd)

48. CAPITAL MANAGEMENT

The Group's and the Company's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group and the Company may adjust the amount of dividends to shareholders, return capital to shareholders, issue new shares, buy back issued shares or sell assets to reduce debt.

The Group and the Company monitors capital using gearing ratio, which is the net debts divided by total equity. The Group's and the Company's policy is to maintain a prudent level of gearing ratio that complies with debt covenants and regulatory requirements. The gearing ratios at the end of the reporting period are as follows:

	31.12.2021 RM	31.12.2020 RM	1.1.2020 RM
Debts			
Lease liabilities	32,867,429	37,942,448	41,902,674
Bank borrowings and overdrafts	972,866,950	991,015,454	1,102,551,683
Sukuk	75,622,000	84,824,000	89,276,000
RCPS	-	-	20,000,000
 Total debts	 1,081,356,379	 1,113,781,902	 1,253,730,357
 Deposits, cash and bank balances			
Fixed deposits with licensed banks	22,302,268	20,620,182	58,166,355
Cash held under Housing Development Accounts	147,831,952	153,675,969	105,407,345
Cash and bank balances	112,618,530	127,903,940	112,829,690
 Total deposits, cash and bank balances	 282,752,750	 302,200,091	 276,403,390
 Net debts	 798,603,629	 811,581,811	 977,326,967
 Total equity	 1,707,415,792	 1,535,408,672	 1,375,128,965
 Gross gearing ratio	 0.63	 0.73	 0.91
 Net gearing ratio	 0.47	 0.53	 0.71

48. CAPITAL MANAGEMENT (CONT'D)

The Group and the Company monitors capital using gearing ratio, which is the net debts divided by total equity. The Group's and the Company's policy is to maintain a prudent level of gearing ratio that complies with debt covenants and regulatory requirements. The gearing ratios at the end of the reporting period are as follows: (Cont'd)

	31.12.2021 RM	Company 31.12.2020 RM	1.1.2020 RM
Debts			
Bank borrowings and overdrafts	164,766,581	200,701,001	270,955,466
Total debts	164,766,581	200,701,001	270,955,466
Deposits, cash and bank balances			
Fixed deposits with licensed banks	988,305	983,492	25,131,609
Cash and bank balances	11,778,001	16,437,344	10,230,119
Total deposits, cash and bank balances	12,766,306	17,420,836	35,361,728
Net debts	152,000,275	183,280,165	235,593,738
Total equity	1,221,520,475	1,094,191,836	957,472,552
Gross gearing ratio	0.13	0.18	0.28
Net gearing ratio	0.12	0.17	0.25

There were no changes in the Group's and the Company's approach to capital management during the financial year.

49. SIGNIFICANT EVENT

Impact of Covid-19 pandemic

The year 2021 was a tough year with the Covid-19 pandemic extension creating a lacklustre environment within the current property sector due to the various lockdowns throughout the country. Our Group's and Company's performance remained strong through utilising the right strategy on the affordable housing category. This included in-demand product launches, attractive marketing campaigns and innovative digital initiatives, the Group managed to turn in a solid result for the year 2021.

Moving forward, Malaysia joins the global movement in transitioning from pandemic status to endemicity on 1 April 2022. Among its back-to-normal routines are the reopening of schools and workplaces, and full opening of international borders with no required pre-arrival Covid-19 test or post-arrival quarantine.

As the Group continues to monitor both global and local developments, the Group is cautiously optimistic on the property market outlook.

Notes To The Financial Statements

31 December 2021 (Cont'd)

50. SUBSEQUENT EVENTS

- (a) On 3 January 2022, MGBCE had entered into a Share Sale Agreement for the disposal of all the equity interest in Prisma Craft Sdn. Bhd. ("PCSB") for a total cash consideration of RM750,000 only. Consequently, PCSB has ceased to be a wholly-owned subsidiary of MGBCE.
- (b) On 17 January 2022, Megah Solaris Sdn. Bhd. ("MSSB"), a wholly-owned subsidiary of LBS Bina, had increased its paid-up share capital from 8,987 to 25,987 ordinary shares. LBS Bina has subscribed for an additional 17,000 ordinary shares in MSSB for a total cash consideration of RM17,000 only.
- (c) On 17 January 2022, Kalimah Jaya Sdn. Bhd. ("KJSB"), a wholly-owned subsidiary of LBS Bina, had increased its paid-up share capital from 3 to 24,003 ordinary shares. LBS Bina has subscribed for an additional 24,000 ordinary shares in KJSB for a total cash consideration of RM24,000 only.
- (d) On 24 January 2022, Restu Bidara Sdn. Bhd. ("RBSB"), a wholly-owned subsidiary of Pelangi Homes Sdn. Bhd. ("PHSB"), had increased its paid-up share capital from 100 to 674,100 ordinary shares. PHSB has subscribed for an additional 674,000 ordinary shares in RBSB for a total cash consideration of RM674,000 only.
- (e) On 27 January 2022, the Company has undertaken internal restructuring whereby LBS Bina, acquired 1,000 ordinary shares, representing the entire equity interest in Nuevoprima Development Sdn. Bhd., an indirect wholly-owned subsidiary of the Company from LESB, for a total cash consideration of RM1,000 only.
- (f) On 28 January 2022, the Company has undertaken internal restructuring whereby LBS Bina had disposed of 10 ordinary shares, representing the entire equity interest in Maju Kamabisa Sdn. Bhd. to LESB, for a total cash consideration of RM9,904 only.
- (g) On 14 February 2022, LBS Bina acquired 600,000 ordinary shares representing 6% equity interest in KESB for a total cash consideration of RM9,000,000 only. Consequently, KESB became a 88% owned subsidiary of LBS Bina.
- (h) On 18 February 2022, the Company has undertaken internal restructuring whereby the Company acquired 10,106,799 ordinary shares, representing the entire equity interest in GCSB from LBS Bina for a total cash consideration of RM97,348 only. Consequently, GCSB became a wholly-owned subsidiary of the Company.
- (i) On 23 February 2022, MGBCE had entered into a Share Sale Agreement for the disposal of 45,000 ordinary shares, representing 30% equity interest in YLT Consultancy Sdn. Bhd. ("YLT"), for a total cash consideration of RM45,000 only. Consequently, YLT has ceased to be associate of MGBCE.
- (j) On 8 March 2022, LESB had increased its paid-up share capital from 2,000,000 to 2,500,000 ordinary shares. GCSB has subscribed for an additional 350,000 ordinary shares in LESB for a total cash consideration of RM350,000 only. Consequently, LESB remained as 70% owned subsidiary of GCSB.
- (k) On 14 March 2022, MGB Land Sdn. Bhd. ("MGBLSB"), a wholly-owned subsidiary of MGB, had subscribed for 1 ordinary share in Idaman Rawang Sdn. Bhd. ("IRSB") for a total cash consideration of RM1 only. Consequently, IRSB became a wholly-owned subsidiary of MGBLSB.
- (l) On 21 March 2022, the Company entered into a Heads of Agreement ("HOA") with Ancom Berhad, Nylex (Malaysia) Berhad, Sinar Bina Infra Sdn. Bhd. ("SBI") and BTS Group Holdings Public Company Limited ("BTS") for the collaboration to build and operate a light rail transport system connected with the railway shuttle link currently being built from Singapore to Johor Bahru, with an integrated property development using the "Transit-Oriented Development" concept in Johor Bahru metropolitan region.

The HOA is subject to the completion of a feasibility study to be conducted by BTS and professional consultants, the grant of the LRT Project concessions by the state government of Johor to SBI and signing of definitive agreements.

- (m) On 22 March 2022, Casa Inspirasi Sdn. Bhd. ("CISB"), a 69% owned subsidiary of LBS Bina, had subscribed for 100 ordinary shares in Seri Aliran Sdn. Bhd. ("SESB") for a total cash consideration of RM100 only. Consequently, SESB became a wholly-owned subsidiary of CISB.

51. CAPITAL COMMITMENTS

	31.12.2021 RM	Group 31.12.2020 RM	1.1.2020 RM
Approved and contracted for property development:			
- Development Rights Agreements	-	86,940,000	86,940,000
- Joint Venture Agreements	295,877,534	425,482,075	425,547,626
- Sale and Purchase Agreements	-	-	3,420,000
- Reclamation and Development Agreement	64,862,400	-	-
Approved and contracted for:			
- Investment properties	34,707,547	10,943,093	-
- Properties, plant and equipment	195,691	1,880,211	2,689,785
- Right-of-use assets	316,930	299,162	286,551
Authorised but not contracted for right-of-use assets:			
- Sale and Purchase Agreements	-	-	1,425,600
	<hr/> 395,960,102	<hr/> 525,544,541	<hr/> 520,309,562

31 December 2021

The capital commitment amounting to RM6,000,000 held under Bimbangan Simfoni Sdn. Bhd., a subsidiary of LBS Bina, ceased upon the termination of Joint Venture Agreement on 7 February 2022.

52. FINANCIAL GUARANTEES

	31.12.2021 RM	Group 31.12.2020 RM	1.1.2020 RM
<u>Secured:</u>			
Bank guarantees for:			
- property development	45,002,180	49,822,712	49,038,576
- construction contracts	72,232	3,632,927	3,560,695
- others	16,700	48,200	48,200
	<hr/> 45,091,112	<hr/> 53,503,839	<hr/> 52,647,471

Notes To The Financial Statements
31 December 2021 (Cont'd)

52. FINANCIAL GUARANTEES (CONT'D)

	31.12.2021 RM	Company 31.12.2020 RM	1.1.2020 RM
<u>Unsecured:</u>			
Corporate guarantees given to:			
- licensed banks to secure banking facilities granted to subsidiaries	865,649,471	758,582,320	855,113,848
- suppliers of goods for credit terms/facilities granted to subsidiaries	-	-	15,533
- third parties for undertaking due performance in relation to development rights and joint venture agreements	48,773,211	48,773,211	63,823,211
	914,422,682	807,355,531	918,952,592

53. LIST OF SUBSIDIARIES

Name of company	Place of business/ Country of incorporation	Effective interest			Principal activities
		31.12.2021	31.12.2020	1.1.2020	
Direct holding					
Intellplace Holdings Limited	British Virgin Islands	100	100	100	Investment holding
LBS Bina Holdings Sdn. Bhd.	Malaysia	100	100	100	Property development, provision of management services and investment holding
LBS Landscape Sdn. Bhd.	Malaysia	100	100	100	Turfing and landscaping
^ Linkway Property Co., Ltd	British Virgin Islands	-	100	100	Dormant
Kita Sejati Sdn. Bhd.	Malaysia	100	100	100	Property development
MGB Berhad	Malaysia	58.65	59.85	59.36	Provision of management services and investment holding
^ Puncak Maksimum Sdn. Bhd. (formerly known as Puncak Maksimum Berhad)	Malaysia	-	100	100	Dormant

53. LIST OF SUBSIDIARIES (CONT'D)

Name of company	Place of business/ Country of incorporation	Effective interest			Principal activities
		31.12.2021 %	31.12.2020 %	1.1.2020 %	
Direct holding (Cont'd)					
Saujana Tunggal Sdn. Bhd.	Malaysia	100	100	100	Investment holding
SPJ Construction Sdn. Bhd.	Malaysia	60	60	60	Dormant
Indirect holding					
<u>Subsidiaries of LBS Bina Holdings Sdn. Bhd.:</u>					
Adil Restu Sdn. Bhd.	Malaysia	100	100	100	Property development
Alunan Prestasi Sdn. Bhd.	Malaysia	100	100	100	Property development
Angsana Abadi Sdn. Bhd.	Malaysia	100	100	100	Property development and other related activities
Astana Modal (M) Sdn. Bhd.	Malaysia	100	100	100	Property development
Azam Perspektif Sdn. Bhd.	Malaysia	100	100	100	Property development
Bimbingan Simfoni Sdn. Bhd.	Malaysia	51	51	51	Property development
Bimbingan Sumber Sdn. Bhd.	Malaysia	60	60	60	Property development
Casa Inspirasi Sdn. Bhd.	Malaysia	69	69	69	Property development
Cergas Asal (M) Sdn. Bhd.	Malaysia	100	100	100	Property development
Dataran Enigma Sdn. Bhd.	Malaysia	61	61	61	Property development
^ Dayang Merdeka Sdn. Bhd.	Malaysia	-	51	51	Property development
Duta Abadi Sdn. Bhd.	Malaysia	100	100	100	Property development

Notes To The Financial Statements
31 December 2021 (Cont'd)

53. LIST OF SUBSIDIARIES (CONT'D)

Name of company	Place of business/ Country of incorporation	Effective interest			Principal activities		
		31.12.2021	31.12.2020	1.1.2020			
Indirect holding (Cont'd)							
<u>Subsidiaries of LBS Bina Holdings Sdn. Bhd.: (Cont'd)</u>							
Equal Alliance Sdn. Bhd.	Malaysia	100	100	100	Property development		
Equal Sign Sdn. Bhd.	Malaysia	100	100	100	Property development and hotel operations		
Focal Remedy Sdn. Bhd.	Malaysia	100	100	100	Property development		
Fokus Awana Sdn. Bhd.	Malaysia	100	100	100	Property development		
Galeri Cekap Sdn. Bhd.	Malaysia	100	100	100	Property development related activities and investment holding		
Generasi Nostalgia Sdn. Bhd.	Malaysia	100	100	100	Dormant		
Generasi Simbolik Sdn. Bhd.	Malaysia	100	100	100	Property development		
Getstyle Sdn. Bhd.	Malaysia	100	100	100	Property development		
Healthguard Medicare Sdn. Bhd.	Malaysia	60	60	60	Dormant		
Inderaloka Impian Sdn. Bhd.	Malaysia	100	100	100	Property development and provision of treasury management services		
^ Induk Pelita Sdn. Bhd.	Malaysia	-	81	81	Dormant		
Intellview Sdn. Bhd.	Malaysia	100	100	100	Property development		
Iringan Kejora Sdn. Bhd.	Malaysia	70	70	70	Property development		
Jatidiri Gigih Sdn. Bhd.	Malaysia	100	100	100	Property development		
Jauhari Unggul Sdn. Bhd	Malaysia	100	100	100	Property development		

53. LIST OF SUBSIDIARIES (CONT'D)

Name of company	Place of business/ Country of incorporation	Effective interest			Principal activities		
		31.12.2021 %	31.12.2020 %	1.1.2020 %			
Indirect holding (Cont'd)							
<u>Subsidiaries of LBS Bina Holdings Sdn. Bhd.: (Cont'd)</u>							
Johan Anggun Sdn. Bhd.	Malaysia	85	85	85	Property development		
Kalimah Jaya Sdn. Bhd.	Malaysia	100	100	100	Investment holding		
Kemudi Ehsan Sdn. Bhd.	Malaysia	82	82	80	Property development		
Kilatlima Sdn. Bhd.	Malaysia	100	100	100	Property development and car park management		
Kirana Emas Sdn. Bhd.	Malaysia	51	51	51	Property development		
Koleksi Sigma Sdn. Bhd.	Malaysia	75	75	75	Property development		
LBS Borneo Sdn. Bhd.	Malaysia	51	51	51	Dormant		
LBS Capital Sdn. Bhd.	Malaysia	100	100	100	Provision of finance through money lending		
^ LBS Maju Sdn. Bhd.	Malaysia	-	70	70	Dormant		
^ LBS Properties Sdn. Bhd.	Malaysia	-	100	100	Property investment		
^ Legasi Holdings Group Sdn. Bhd.	Malaysia	-	51	51	Dormant		
Maju Kamabisa Sdn. Bhd.	Malaysia	100	100	100	Property development and other related activities		
Mayang Jelatek Sdn. Bhd.	Malaysia	51	51	51	Property development		
Megah Solaris Sdn. Bhd.	Malaysia	100	100	100	Dormant		
Misi Aktif Sdn. Bhd.	Malaysia	100	100	100	Property development		
MITC Sdn. Bhd.	Malaysia	100	100	100	Property development and provision of management services		
^ Nuevo Attraction & Destination Sdn. Bhd.	Malaysia	-	60	60	Dormant		

Notes To The Financial Statements
31 December 2021 (Cont'd)

53. LIST OF SUBSIDIARIES (CONT'D)

Name of company	Place of business/ Country of incorporation	Effective interest			Principal activities		
		31.12.2021	31.12.2020	1.1.2020			
Indirect holding (Cont'd)							
<u>Subsidiaries of LBS Bina Holdings Sdn. Bhd.: (Cont'd)</u>							
** Nuevoprima Development Sdn. Bhd.	Malaysia	-	100	100	Dormant		
Panglima Riang Sdn. Bhd.	Malaysia	51	51	51	Dormant		
Pelangi Homes Sdn. Bhd.	Malaysia	100	100	100	Property development and investment holding		
Pembangunan Primer Sdn. Bhd.	Malaysia	100	80	80	Property development		
^ Prima Utuh Sdn. Bhd.	Malaysia	-	80	80	Dormant		
Puncak Gama Sdn. Bhd.	Malaysia	100	100	100	Property development		
# Retro Court Sdn. Bhd.	Malaysia	-	-	51	Dormant		
Saga Megah Sdn. Bhd.	Malaysia	100	100	100	Trading of building materials and general construction		
Seloka Sinaran Sdn. Bhd.	Malaysia	100	87.17	81	Property development		
Sepadan Maju Sdn. Bhd.	Malaysia	100	100	100	Dormant		
Seribu Baiduri Sdn. Bhd.	Malaysia	100	100	100	Property development		
Sinaran Restu Sdn. Bhd.	Malaysia	100	100	100	Property development and investment holding		
Taman Sempurna Sdn. Bhd.	Malaysia	100	100	51	Dormant		
Utuh Aspirasi Sdn. Bhd.	Malaysia	100	100	100	Property development		
Wirama Era Baru Sdn. Bhd.	Malaysia	51	51	51	Property development		
<u>Subsidiary of Saujana Tunggal Sdn. Bhd.:</u>							
Gerbang Mekar Sdn. Bhd.	Malaysia	100	100	100	Letting and management of a retail mall		

53. LIST OF SUBSIDIARIES (CONT'D)

Name of company	Place of business/ Country of incorporation	Effective interest			Principal activities
		31.12.2021 %	31.12.2020 %	1.1.2020 %	

Indirect holding (Cont'd)

Subsidiaries of Sinaran Restu Sdn. Bhd.:

Juaraplex Sdn. Bhd.	Malaysia	100	100	100	Property development
Kenderong Sdn. Bhd.	Malaysia	100	100	100	Property development
Keranji Bina Sdn. Bhd.	Malaysia	100	100	100	Property development
Lingkaran Semangat Sdn. Bhd.	Malaysia	100	100	100	Property development
^ Nilam Mewah Sdn. Bhd.	Malaysia	-	55	55	Dormant
Pacific Grant Sdn. Bhd.	Malaysia	100	100	100	Dormant
Silibin Jaya Sdn. Bhd.	Malaysia	100	100	100	Property development

Subsidiary of Kalimah Jaya Sdn. Bhd.:

Utuh Sejagat Sdn. Bhd.	Malaysia	100	100	100	Property development
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Subsidiaries of Pelangi Homes Sdn. Bhd.:

Restu Bidara Sdn. Bhd.	Malaysia	100	100	100	Property development
Biz Bena Development Sdn. Bhd.	Malaysia	51.92	51.92	51.92	Property development

Subsidiary of Galeri Cekap Sdn. Bhd.:

Leaptec Engineering Sdn. Bhd.	Malaysia	70	70	-	Industry hub with port facilities and investment holding
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Subsidiary companies of Leaptec Engineering Sdn. Bhd.:

** Nuevoprima Development Sdn. Bhd.	Malaysia	70	-	-	Dormant
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Notes To The Financial Statements
31 December 2021 (Cont'd)

53. LIST OF SUBSIDIARIES (CONT'D)

Name of company	Place of business/ Country of incorporation	Effective interest			Principal activities		
		31.12.2021	31.12.2020	1.1.2020			
Indirect holding (Cont'd)							
<u>Subsidiaries of MGB Berhad:</u>							
Alunan Warta Sdn. Bhd.	Malaysia	29.91	30.52	30.27	Dormant		
MGB Construction Sdn. Bhd.	Malaysia	58.65	59.85	59.36	Civil engineering, design and build and general construction activities		
MGB Land Sdn. Bhd.	Malaysia	58.65	59.85	59.36	Investment holding		
MGB Construction & Engineering Sdn. Bhd.	Malaysia	58.65	59.85	59.36	Civil engineering, design and build, general construction activities, trading of construction materials, management consultancy activities and investment holding		
@ MGB Water Solution Sdn. Bhd.	Malaysia	41.06	-	-	Dormant		
Newsteel Building Systems Sdn. Bhd.	Malaysia	46.92	47.88	47.49	Dormant		
Vintage Roofing & Construction Sdn. Bhd.	Malaysia	58.65	59.85	59.36	Dormant		
Vintage Tiles Holdings Sdn. Bhd.	Malaysia	58.65	59.85	59.36	Dormant		
<u>Subsidiaries of MGB Land Sdn. Bhd.:</u>							
Delta Gallery Sdn. Bhd.	Malaysia	58.65	59.85	59.36	Property development		
Idaman Aktif Sdn. Bhd.	Malaysia	58.65	59.85	59.36	Dormant		
Idaman Elegan Sdn. Bhd.	Malaysia	58.65	59.85	59.36	Dormant		
Idaman Kukuh Sdn. Bhd.	Malaysia	58.65	59.85	59.36	Dormant		
Idaman Living Sdn. Bhd.	Malaysia	58.65	59.85	59.36	Dormant		
Multi Court Developers Sdn. Bhd.	Malaysia	58.65	59.85	59.36	Property development		
Sinaran Kencana Sdn. Bhd.	Malaysia	58.65	59.85	59.36	Dormant		

53. LIST OF SUBSIDIARIES (CONT'D)

Name of company	Place of business/ Country of incorporation	Effective interest			Principal activities		
		31.12.2021 %	31.12.2020 %	1.1.2020 %			
Indirect holding (Cont'd)							
<u>Subsidiaries of MGB Construction & Engineering Sdn. Bhd.:</u>							
Prisma Craft Sdn. Bhd.	Malaysia	58.65	59.85	59.36	Dormant		
Prisma Kasturi Sdn. Bhd.	Malaysia	58.65	59.85	59.36	Dormant		
Top Ace Solutions Sdn. Bhd.	Malaysia	58.65	59.85	59.36	Trading of building materials and general construction activities		
MGB Geotech Sdn. Bhd.	Malaysia	58.65	59.85	59.36	Piling and foundation construction works		
MGB SANY (M) IBS Sdn. Bhd.	Malaysia	47.51	48.48	48.08	Manufacturing of Industrialised Building System precast products		
<u>Subsidiary of Intellplace Holdings Limited:</u>							
* Dragon Hill Corporation Limited	Hong Kong	100	100	100	Investment holding		
<u>Subsidiary of Dragon Hill Corporation Limited:</u>							
* Lamdeal Investments Limited	Hong Kong	100	100	100	Project investment through a subsidiary in The People's Republic of China ("PRC")		
<u>Subsidiary of Lamdeal Investments Limited:</u>							
* Zhuhai International Circuit Limited	PRC	60	60	60	Racing circuit development and management		
<u>Subsidiary of Zhuhai International Circuit Limited:</u>							
* Zhuhai International Circuit Promotion (HK) Limited	Hong Kong	60	60	60	Providing handling services to its holding company		

* Subsidiaries not audited by UHY

@ Became subsidiary during the financial year

Disposed during the financial year 2020

^ Strike off during the financial year 2021

** Changes in holding company due to internal restructuring

Notes To The Financial Statements
31 December 2021 (Cont'd)

54. LIST OF ASSOCIATES

Name of company	Place of business/ Country of incorporation	Effective interest			Principal activities		
		31.12.2021 %	31.12.2020 %	1.1.2020 %			
Indirect holding							
<u>Associates of LBS Bina Holdings Sdn. Bhd.:</u>							
^ Bayu Cergas Sdn. Bhd.	Malaysia	-	40	40	Dormant		
Bendera Berlian Sdn. Bhd.	Malaysia	49	49	49	Dormant		
Pristine Sunrise (M) Sdn. Bhd.	Malaysia	30	30	30	Dormant		
Sambungan Aktif Sdn. Bhd.	Malaysia	35	35	30	Dormant		
Setara Armada Sdn. Bhd.	Malaysia	30	30	30	Dormant		
Tarikan Puncak Sdn. Bhd.	Malaysia	20	20	20	Dormant		
* Usaha Semarak Sdn. Bhd.	Malaysia	35	35	35	Property development		
Warnasari Idaman Sdn. Bhd.	Malaysia	30	30	30	Dormant		
<u>Associates of MGB Construction & Engineering Sdn. Bhd.:</u>							
* YLT Consultancy Sdn. Bhd.	Malaysia	17.60	17.96	17.81	Engineering consultancy services		
MGB JPC Consultancy Sdn. Bhd.	Malaysia	17.60	17.96	17.81	Engineering consultancy services		

* Associates not audited by UHY

^ Strike off during the financial year 2021

55. EFFECTS ON ADOPTION OF THE AGENDA DECISION

The effect on adoption of the Agenda Decision on the statements of the financial position of the Group are summarised as follows:

Statements of Financial Position

	As previously stated RM	Effect on adoption of the Agenda Decision RM	As restated RM
1.1.2020			
ASSETS			
Non-current assets			
Property, plant and equipment	42,054,415	-	42,054,415
Right-of-use assets	310,928,483	(19,205)	310,909,278
Capital work-in-progress	84,800,715	-	84,800,715
Inventories	1,478,792,061	(96,703,799)	1,382,088,262
Investment properties	164,247,318	-	164,247,318
Investment in associates	2,561,521	-	2,561,521
Other investments	50,392,672	-	50,392,672
Intangible assets	1,526,911	-	1,526,911
Goodwill on consolidation	113,165,843	-	113,165,843
Trade receivables	3,368,268	-	3,368,268
Deferred tax assets	35,501,864	9,378,585	44,880,449
Total non-current assets	2,287,340,071	(87,344,419)	2,199,995,652
Current assets			
Inventories	825,463,666	(39,862,755)	785,600,911
Contract assets	388,233,630	-	388,233,630
Trade receivables	409,942,829	-	409,942,829
Other receivables	119,643,263	-	119,643,263
Amount due from an associate	12,296	-	12,296
Other investments	9,620,634	-	9,620,634
Tax recoverable	4,744,821	-	4,744,821
Fixed deposits with licensed banks	58,166,355	-	58,166,355
Cash held under Housing Development Accounts	105,407,345	-	105,407,345
Cash and bank balances	112,829,690	-	112,829,690
Assets held for sale	2,034,064,529	(39,862,755)	1,994,201,774
	4,087,940	-	4,087,940
Total current assets	2,038,152,469	(39,862,755)	1,998,289,714
Total assets	4,325,492,540	(127,207,174)	4,198,285,366

Notes To The Financial Statements
31 December 2021 (Cont'd)

55. EFFECTS ON ADOPTION OF THE AGENDA DECISION (CONT'D)

The effect on adoption of the Agenda Decision on the statements of the financial position of the Group are summarised as follows: (Cont'd)

Statements of Financial Position (Cont'd)

	As previously stated RM	Effect on adoption of the Agenda Decision RM	As restated RM
1.1.2020			
EQUITY AND LIABILITIES			
Equity			
Share capital	922,473,410	-	922,473,410
Treasury shares	(10,932,709)	-	(10,932,709)
Other reserves	(161,956,290)	-	(161,956,290)
Retained earnings	599,070,312	(77,889,601)	521,180,711
Equity attributable to owners of the parent	1,348,654,723	(77,889,601)	1,270,765,122
Non-controlling interests	109,809,808	(5,445,965)	104,363,843
Total equity	1,458,464,531	(83,335,566)	1,375,128,965
Non-current liabilities			
Trade payables	449,003,146	(42,735,687)	406,267,459
Other payables	49,892,363	-	49,892,363
Lease liabilities	27,553,165	-	27,553,165
Bank borrowings	498,755,480	-	498,755,480
Sukuk Murabahah ("Sukuk")	84,824,000	-	84,824,000
Deferred tax liabilities	39,224,839	(1,146,568)	38,078,271
Total non-current liabilities	1,149,252,993	(43,882,255)	1,105,370,738
Current liabilities			
Contract liabilities	53,928,881	-	53,928,881
Trade payables	516,783,000	10,647	516,793,647
Other payables	444,609,479	-	444,609,479
Bank overdrafts	93,794,619	-	93,794,619
Lease liabilities	14,349,509	-	14,349,509
Bank borrowings	510,001,584	-	510,001,584
Sukuk Murabahah ("Sukuk")	4,452,000	-	4,452,000
RCPS	20,000,000	-	20,000,000
Amount due to an associate	7,200	-	7,200
Tax payable	59,848,744	-	59,848,744
Total current liabilities	1,717,775,016	10,647	1,717,785,663
Total liabilities	2,867,028,009	(43,871,608)	2,823,156,401
Total equity and liabilities	4,325,492,540	(127,207,174)	4,198,285,366

55. EFFECTS ON ADOPTION OF THE AGENDA DECISION (CONT'D)

The effect on adoption of the Agenda Decision on the statements of the financial position of the Group are summarised as follows: (Cont'd)

Statements of Financial Position (Cont'd)

	As previously stated RM	Effect on adoption of the Agenda Decision RM	As restated RM
31.12.2020			
ASSETS			
Non-current assets			
Property, plant and equipment	44,140,593	-	44,140,593
Right-of-use assets	307,974,183	(41,115)	307,933,068
Capital work-in-progress	123,133,270	(300,166)	122,833,104
Inventories	1,296,756,020	(87,709,031)	1,209,046,989
Investment properties	147,880,303	-	147,880,303
Investment in associates	2,599,930	-	2,599,930
Other investments	576,000	-	576,000
Intangible assets	347,177	-	347,177
Goodwill on consolidation	97,955,003	-	97,955,003
Trade receivables	3,984,661	-	3,984,661
Deferred tax assets	38,537,375	9,970,145	48,507,520
Total non-current assets	2,063,884,515	(78,080,167)	1,985,804,348
Current assets			
Inventories	962,887,513	(50,604,815)	912,282,698
Contract assets	545,541,058	-	545,541,058
Trade receivables	201,646,001	-	201,646,001
Other receivables	172,563,570	367,830	172,931,400
Amount due from associates	7,247	-	7,247
Tax recoverable	5,290,057	-	5,290,057
Fixed deposits with licensed banks	20,620,182	-	20,620,182
Cash held under Housing Development Accounts	153,675,969	-	153,675,969
Cash and bank balances	127,903,940	-	127,903,940
Assets held for sale	2,190,135,537	(50,236,985)	2,139,898,552
	338,772	-	338,772
Total current assets	2,190,474,309	(50,236,985)	2,140,237,324
Total assets	4,254,358,824	(128,317,152)	4,126,041,672

Notes To The Financial Statements
31 December 2021 (Cont'd)

55. EFFECTS ON ADOPTION OF THE AGENDA DECISION (CONT'D)

The effect on adoption of the Agenda Decision on the statements of the financial position of the Group are summarised as follows: (Cont'd)

Statements of Financial Position (Cont'd)

	As previously stated RM	Effect on adoption of the Agenda Decision RM	As restated RM
31.12.2020			
EQUITY AND LIABILITIES			
Equity			
Share capital	922,887,304	-	922,887,304
Treasury shares	(2,685,339)	-	(2,685,339)
Other reserves	(160,877,032)	(28,661)	(160,905,693)
Retained earnings	617,768,806	(85,471,224)	532,297,582
Equity attributable to owners of the parent	1,377,093,739	(85,499,885)	1,291,593,854
Perpetual Sukuk	130,000,000	-	130,000,000
Non-controlling interests	119,461,760	(5,646,942)	113,814,818
Total equity	1,626,555,499	(91,146,827)	1,535,408,672
Non-current liabilities			
Trade payables	459,095,497	(37,353,662)	421,741,835
Other payables	52,354,151	-	52,354,151
Lease liabilities	24,469,563	-	24,469,563
Bank borrowings	355,809,486	-	355,809,486
Sukuk Murabahah ("Sukuk")	75,622,000	-	75,622,000
Deferred tax liabilities	39,193,141	(697,012)	38,496,129
Total non-current liabilities	1,006,543,838	(38,050,674)	968,493,164
Current liabilities			
Contract liabilities	31,097,683	-	31,097,683
Trade payables	451,691,325	880,349	452,571,674
Other payables	452,629,862	-	452,629,862
Bank overdrafts	79,912,915	-	79,912,915
Lease liabilities	13,472,885	-	13,472,885
Bank borrowings	555,293,053	-	555,293,053
Sukuk Murabahah ("Sukuk")	9,202,000	-	9,202,000
Amount due to an associate	69,283	-	69,283
Tax payable	27,890,481	-	27,890,481
Total current liabilities	1,621,259,487	880,349	1,622,139,836
Total liabilities	2,627,803,325	(37,170,325)	2,590,633,000
Total equity and liabilities	4,254,358,824	(128,317,152)	4,126,041,672

55. EFFECTS ON ADOPTION OF THE AGENDA DECISION (CONT'D)

The effect on adoption of the Agenda Decision on the statements of the profit or loss and other comprehensive income of the Group are summarised as follows:

Statements of Profit or Loss and Other Comprehensive Income

	As previously stated RM	Effect on adoption of the Agenda Decision RM	As restated RM
2020			
Revenue	1,096,331,057	-	1,096,331,057
Cost of sales	(769,360,475)	16,730,580	(752,629,895)
Gross profit	326,970,582	16,730,580	343,701,162
Other income	24,015,542	-	24,015,542
Administrative and operating expenses	(177,762,920)	233	(177,762,687)
Changes on impairment of financial instruments and contract assets	532,592	-	532,592
Profit from operations	173,755,796	16,730,813	190,486,609
Finance costs	(42,852,271)	(24,684,078)	(67,536,349)
Share of profit in associates, net of tax	86,676	-	86,676
Profit before tax	130,990,201	(7,953,265)	123,036,936
Taxation	(56,443,723)	142,004	(56,301,719)
Net profit for the financial year	74,546,478	(7,811,261)	66,735,217
Other comprehensive income, net of tax			
Items that are or may be reclassified subsequently to profit or loss			
Exchange translation differences for foreign operations	3,185,371	-	3,185,371
Net fair value changes of financial assets measured at FVTOCI	228,789	-	228,789
	3,414,160	-	3,414,160
Total comprehensive income for the financial year	77,960,638	(7,811,261)	70,149,377

Notes To The Financial Statements
31 December 2021 (Cont'd)

55. EFFECTS ON ADOPTION OF THE AGENDA DECISION (CONT'D)

The effect on adoption of the Agenda Decision on the statements of the profit or loss and other comprehensive income of the Group are summarised as follows: (Cont'd)

Statements of Profit or Loss and Other Comprehensive Income (Cont'd)

	As previously stated RM	Effect on adoption of the Agenda Decision RM	As restated RM
2020			
Net profit for the financial year attributable to:			
Owners of the parent	51,322,168	(7,581,623)	43,740,545
Non-controlling interests	23,224,310	(229,638)	22,994,672
	<hr/> 74,546,478	<hr/> (7,811,261)	<hr/> 66,735,217
Total comprehensive income for the financial year attributable to:			
Owners of the parent	54,468,927	(7,581,623)	46,887,304
Non-controlling interests	23,491,711	(229,638)	23,262,073
	<hr/> 77,960,638	<hr/> (7,811,261)	<hr/> 70,149,377
Earnings per share attributable to owners of the parent (sen)			
Basic earnings per share	2.65		2.15
	<hr/> 2.65		<hr/> 2.15

55. EFFECTS ON ADOPTION OF THE AGENDA DECISION (CONT'D)

The effect on adoption of the Agenda Decision on the statements of the cash flows of the Group are summarised as follows:

Statements of Cash Flows

	As previously stated RM	Effect on adoption of the Agenda Decision RM	As restated RM
2020			
Statements of Cash Flows			
Operating activities			
Profit before tax	130,990,201	(7,953,265)	123,036,936
Adjustments for:			
Depreciation of right-of-use assets	23,583,485	(233)	23,583,252
Finance costs	42,852,271	24,684,078	67,536,349
Changes in working capital:			
Inventories	60,651,651	(17,258,071)	43,393,580
Other receivables	(45,975,625)	(367,830)	(46,343,455)
Trade payables	(36,735,492)	895,321	(35,840,171)

56. DATE OF AUTHORISATION FOR ISSUE OF FINANCIAL STATEMENTS

The financial statements of the Group and of the Company for the financial year ended 31 December 2021 were authorised for issue in accordance with a resolution of the Board of Directors on 15 April 2022.

Section 8

LIST OF MATERIAL PROPERTIES OWNED BY THE GROUP AS AT 31 DECEMBER 2021

Location	Description	Tenure	Net Book Value RM'000	Land Area (acres)	Date of Acquisition
Jinding, Zhuhai The People's Republic of China	Land and building (age: 22 years)	Land use right term (expiring on 23.10.2043)	157,126	263.34	02.10.2013
Lot 62606 & 62607 Mukim Tanjong Duabelas Daerah Kuala Langat Selangor Darul Ehsan	Land under development and held for development	Leasehold (expiring on 05.02.2094)	136,205	92.80	31.10.2012
Lot 102143 & Lot 102142 Mukim Petaling Wilayah Persekutuan Kuala Lumpur	Land under development	Leasehold (expiring on 14.08.2116)	132,945	10.90	24.09.2018
Lot 13961, Mukim Dengkil Daerah Sepang Selangor Darul Ehsan	Land under development and held for development	Leasehold (expiring on 06.10.2108)	128,475	73.35	09.10.2009
Lot 20952, 24962 & 24963 District of Johor Bahru Johor Darul Takzim	Land held for development	Freehold and leasehold (expiring on 01.11.2099)	123,348	5.50	30.04.2015 / 27.10.2015
Mukim Linau Daerah Batu Pahat Johor Darul Takzim	Land under development and held for development	Freehold	97,136	434.30	27.07.2007
LOT 22823 & LOT 22824 Mukim Ulu Sungai Johor Kota Tinggi Johor Darul Takzim	Land held for development	Leasehold (expiring on 12.01.2103)	89,649	341.00	19.04.2016
Gombak Kuala Lumpur	Retail mall known as M3 Mall buildings (age: 5 years)	Leasehold (expiring on 01.11.2111)	85,523	3.24	08.03.2018
PT 3273-3279 & PT 3290 Mukim Tanah Rata Cameron Highlands Pahang Darul Makmur	Land held for development	Leasehold (expiring on 03.03.2115 & 24.04.2115)	81,298	79.51	30.11.2016
LBS Alam Perdana Mukim Ijok Daerah Kuala Selangor Selangor Darul Ehsan	Land under development	Leasehold (expiring on 15.02.2111)	79,013	78.65	06.10.2017

Analysis of Ordinary Shareholdings as at 31 March 2022

ORDINARY SHARE CAPITAL

Types of Shares : Ordinary Shares
 Issued Shares Capital : 1,559,867,557 ordinary shares (excluding treasury shares of 9,377,594)
 No. of Shareholders : 8,598
 Voting Rights : One (1) vote per ordinary share on a poll, in the meeting of shareholders.

DISTRIBUTION OF ORDINARY SHAREHOLDINGS

Size of Shareholders	No. of Shareholders	Percentage (%) of Shareholders	No. of Shares Held	Percentage (%) of Shareholdings
1 - 99	712	8.281	31,544	0.002
100 - 1,000	1,657	19.272	602,971	0.039
1,001 - 10,000	2,901	33.740	14,374,059	0.922
10,001 - 100,000	2,759	32.089	83,331,795	5.342
100,001 - 77,993,376 (*)	566	6.583	1,092,366,662	70.029
77,993,377 AND ABOVE (**)	3	0.035	369,160,526	23.666
	8,598	100.000	1,559,867,557	100.000

Remarks:

- * Less than 5% of Issued Shares
- ** 5% and above of Issued Shares

SUBSTANTIAL SHAREHOLDERS

Name of Shareholders	Shareholdings			
	Direct	No. of Share	%	Indirect
Gaterich Sdn. Bhd.	560,773,150	35.95	-	-
Tan Sri Dato' Sri Lim Hock San	31,714,614	2.03	560,773,150 ⁽¹⁾	35.95
Datuk Wira Lim Hock Guan	28,130,444	1.80	560,773,150 ⁽¹⁾	35.95
Kumpulan Wang Persaraan (Diperbadankan)	130,016,426	8.34	50,422,636 ⁽⁴⁾	3.23

Analysis of Ordinary Shareholdings as at 31 March 2022 (Cont'd)

DIRECTORS' INTEREST IN SHARES

Name of Shareholders	Shareholdings		Indirect	
	Direct	%		
	No. of Share	%	No. of Share	%
Tan Sri Dato' Sri Lim Hock San	31,714,614	2.03	564,844,019 ⁽³⁾	36.21
Datuk Wira Lim Hock Guan	28,130,444	1.80	563,400,010 ⁽³⁾	36.12
Maj (Hon) Dato' Sri Lim Hock Sing	571,650	0.04	615,280 ⁽²⁾	0.04
Dato' Lim Mooi Pang	5,622,759	0.36	-	-
Datuk Lim Si Cheng	269,654	0.02	-	-
Datuk Dr. Haji Baharum Bin Hj Mohamed	269,654	0.02	-	-
Dato' Lim Han Boon	150,000	0.01	-	-

Notes:

- ⁽¹⁾ Deemed interested by virtue of his substantial shareholdings in Gaterich Sdn. Bhd. pursuant to Section 8 of the Companies Act, 2016 ("the Act").
- ⁽²⁾ Shares held by virtue of Section 59(11)(c) of the Act.
- ⁽³⁾ Deemed interested by virtue of his substantial shareholdings in Gaterich Sdn. Bhd. pursuant to Section 8 of the Act and by virtue of Section 59(11)(c) of the Act.
- ⁽⁴⁾ Deemed interested by virtue of shares held by Fund Managers of Kumpulan Wang Persaraan (Diperbadankan).

LIST OF THE THIRTY (30) LARGEST SHAREHOLDERS

(Without aggregating securities from different securities accounts belonging to the same registered holder)

Holder Name	Shares Held	Percentage%
1 RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR GATERICH SDN BHD	134,084,100	8.595
2 KUMPULAN WANG PERSARAAN (DIPERBADANKAN)	130,016,426	8.335
3 AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT - AMBANK (M) BERHAD FOR GATERICH SDN. BHD. (SMART)	105,060,000	6.735
4 ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR GATERICH SDN BHD	69,500,000	4.455
5 MAYBANK NOMINEES (TEMPATAN) SDN BHD MTRUSTEE BERHAD FOR PRINCIPAL DALI EQUITY GROWTH FUND (UT-CIMB-DALI) (419455)	65,392,564	4.192
6 CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR LIM WEE CHAI (PB)	54,656,250	3.504
7 RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR GATERICH SDN BHD	44,886,040	2.878
8 KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR GATERICH SDN BHD	44,192,500	2.833
9 CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD (CIMB PRIN)	40,099,045	2.571
10 RHB NOMINEES (TEMPATAN) SDN BHD INDUSTRIAL AND COMMERCIAL BANK OF CHINA (MALAYSIA) BERHAD PLEDGED SECURITIES ACCOUNT FOR GATERICH SDN BHD	39,964,000	2.562
11 CITIGROUP NOMINEES (TEMPATAN) SDN BHD KUMPULAN WANG PERSARAAN (DIPERBADANKAN) (KENANGA)	32,276,777	2.069
12 KENANGA INVESTMENT BANK BERHAD IVT-(EDSP-OTC/ESH)	29,709,078	1.905
13 CIMB GROUP NOMINEES (TEMPATAN) SDN BHD CIMB COMMERCE TRUSTEE BERHAD - KENANGA GROWTH FUND	27,600,725	1.769
14 KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR GATERICH SDN BHD	27,392,518	1.756
15 CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR GATERICH SDN BHD (PB)	25,123,000	1.611

LIST OF THE THIRTY (30) LARGEST SHAREHOLDERS (CONT'D)

(Without aggregating securities from different securities accounts belonging to the same registered holder) (Cont'd)

Holder Name	Shares Held	Percentage%
16 AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT - AMBANK (M) BERHAD FOR GATERICH SDN BHD	23,525,200	1.508
17 HSBC NOMINEES (TEMPATAN) SDN BHD HSBC (M) TRUSTEE BHD FOR ALLIANZ LIFE INSURANCE MALAYSIA BERHAD (MEF)	21,103,868	1.353
18 CGS-CIMB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIM HOCK SAN (MY2970)	19,234,278	1.233
19 MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR GATERICH SDN BHD (51401138104A)	19,028,220	1.219
20 AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR LIM HOCK GUAN	17,420,000	1.117
21 CITIGROUP NOMINEES (TEMPATAN) SDN BHD KUMPULAN WANG PERSARAAN (DIPERBADANKAN) (PRINCIPAL EQITS)	17,263,459	1.107
22 HSBC NOMINEES (TEMPATAN) SDN BHD HSBC (M) TRUSTEE BHD FOR ALLIANZ LIFE INSURANCE MALAYSIA BERHAD (P)	16,357,944	1.049
23 CITIGROUP NOMINEES (TEMPATAN) SDN BHD GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (LEEF)	15,826,600	1.015
24 MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR GATERICH SDN BHD (5140113810 5A)	15,108,923	0.969
25 CIMB GROUP NOMINEES (TEMPATAN) SDN BHD CIMB COMMERCE TRUSTEE BERHAD FOR KENANGA SHARIAH GROWTH OPPORTUNITIES FUND (50156 TR01)	13,145,600	0.843
26 ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIM HOCK SAN (8071190)	12,480,336	0.800
27 MAYBANK NOMINEES (TEMPATAN) SDN BHD ETIQA LIFE INSURANCE BERHAD (LIFE PAR)	11,177,700	0.716
28 HSBC NOMINEES (TEMPATAN) SDN BHD HSBC (M) TRUSTEE BHD FOR PRINCIPAL DALI OPPORTUNITIES FUND	10,799,753	0.692
29 LIM HOCK GUAN	10,710,444	0.687
30 TMF TRUSTEES MALAYSIA BERHAD LBS BINA GROUP BERHAD	10,688,136	0.685
TOTAL	1,103,823,484	70.763

Analysis of Preference Shareholdings as at 31 March 2022

PREFERENCE SHARE CAPITAL

Types of Shares : Redeemable Convertible Preference Shares ("RCPS")
 Issued RCPS capital : 94,099,035 RCPS
 No. of Shareholders : 938
 Voting Rights : Ten (10) RCPS for eleven (11) votes

DISTRIBUTION OF RCPS SHAREHOLDINGS

Size of Shareholders	No. of Shareholders	Percentage (%) of Shareholders	No. of Shares Held	Percentage (%) of Shareholdings
1 - 99	20	2.132	942	0.001
100 - 1,000	357	38.060	251,412	0.267
1,001 - 10,000	403	42.964	1,454,519	1.546
10,001 - 100,000	111	11.834	3,689,541	3.921
100,001 - 4,704,950 (*)	45	4.797	24,902,901	26.465
4,704,951 AND ABOVE (**)	2	0.213	63,799,720	67.800
	938	100.000	94,099,035	100.000

Remarks:

- * Less than 5% of Issued RCPS
- ** 5% and above of Issued RCPS

DIRECTORS' INTEREST IN RCPS

Name of Shareholders	Shareholdings			Indirect	
	Direct	No. of RCPS	%		%
Tan Sri Dato' Sri Lim Hock San	-	-	-	158,000 (1)	0.17
Maj (Hon) Dato' Sri Lim Hock Sing	-	-	-	38,800 (1)	0.04
Datuk Lim Si Cheng	23,800	0.03	-	-	-
Datuk Dr. Haji Baharum Bin Hj Mohamed	23,800	0.03	-	-	-

Note:

(1) RCPS held by virtue of Section 59(11)(c) of the Companies Act, 2016.

**Analysis of Preference Shareholdings
 as at 31 March 2022 (Cont'd)**

LIST OF THE THIRTY (30) LARGEST RCPS HOLDERS

(Without Aggregating Securities From Different Securities Accounts Belonging To The Same Registered Holder)

Holder Name	RCPS Held	Percentage%
1 AMSEC NOMINEES (TEMPATAN) SDN BHD AMBANK (M) BERHAD (SWAP)	53,026,600	56.352
2 KUMPULAN WANG PERSARAAN (DIPERBADANKAN)	10,773,120	11.449
3 CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD (CIMB PRIN)	3,320,000	3.528
4 CIMB GROUP NOMINEES (TEMPATAN) SDN BHD CIMB COMMERCE TRUSTEE BERHAD - KENANGA GROWTH FUND	2,732,120	2.903
5 CITIGROUP NOMINEES (TEMPATAN) SDN BHD KUMPULAN WANG PERSARAAN (DIPERBADANKAN) (KENANGA)	2,116,120	2.249
6 CITIGROUP NOMINEES (TEMPATAN) SDN BHD KUMPULAN WANG PERSARAAN (DIPERBADANKAN) (PRINCIPAL EQITS)	1,600,000	1.700
7 TEO TIN LUN	1,353,200	1.438
8 TEO TIN LUN	1,005,100	1.068
9 HSBC NOMINEES (TEMPATAN) SDN BHD HSBC (M) TRUSTEE BHD FOR ALLIANZ LIFE INSURANCE MALAYSIA BERHAD (P)	964,260	1.025
10 CGS-CIMB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LOH YEM PHOI (J KUNING 2-CL)	908,300	0.965
11 CITIGROUP NOMINEES (TEMPATAN) SDN BHD GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (LPF)	826,300	0.878
12 CIMB ISLAMIC NOMINEES (TEMPATAN) SDN BHD CIMB ISLAMIC TRUSTEE BERHAD - KENANGA SYARIAH GROWTH FUND	817,580	0.869
13 NG HO FATT	734,800	0.781
14 YEAP CHOE HOON	576,000	0.612
15 CITIGROUP NOMINEES (TEMPATAN) SDN BHD GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (LGF)	568,320	0.604

LIST OF THE THIRTY (30) LARGEST RCPS HOLDERS (CONT'D)

(Without Aggregating Securities From Different Securities Accounts Belonging To The Same Registered Holder) (Cont'd)

Holder Name	RCPS Held	Percentage%
16 CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD (F. TEMISLAMIC)	538,350	0.572
17 LIM KUAN ENG	470,000	0.499
18 HSBC NOMINEES (TEMPATAN) SDN BHD HSBC (M) TRUSTEE BHD FOR ALLIANZ LIFE INSURANCE MALAYSIA BERHAD (ULIFE)	413,360	0.439
19 CGS-CIMB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHAN SIN SANG (KUCHAI LAMA-CL)	373,100	0.396
20 YEOH WAN CHIN	361,000	0.384
21 HSBC NOMINEES (TEMPATAN) SDN BHD HSBC (M) TRUSTEE BHD FOR ALLIANZ LIFE INSURANCE MALAYSIA BERHAD (MEF)	335,391	0.357
22 HSBC NOMINEES (TEMPATAN) SDN BHD HSBC (M) TRUSTEE BHD FOR ALLIANZ LIFE INSURANCE MALAYSIA BERHAD (ULIFE2)	288,880	0.307
23 PUA POH CHU	282,000	0.300
24 CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD (F TEMPLETON)	272,540	0.290
25 CIMB GROUP NOMINEES (TEMPATAN) SDN BHD CIMB COMMERCE TRUSTEE BERHAD - KENANGA MALAYSIAN INC FUND	264,300	0.281
26 PUBLIC INVEST NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR PHILLIP SECURITIES PTE LTD (CLIENTS)	260,000	0.276
27 CARTABAN NOMINEES (TEMPATAN) SDN BHD RHB TRUSTEES BERHAD FOR KENANGA ASIA PACIFIC TOTAL RETURN FUND	255,620	0.272
28 PANG CHONG YEN	235,700	0.250
29 CARTABAN NOMINEES (TEMPATAN) SDN BHD UNIVERSAL TRUSTEE (MALAYSIA) BERHAD FOR KENANGA GLOBAL ISLAMIC FUND	234,920	0.250
30 HLB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHONG KIM CHAN	210,000	0.223
TOTAL	86,116,981	91.517

Section 9

Notice of Twenty-Second Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Twenty-Second Annual General Meeting ("22nd AGM") of LBS Bina Group Berhad ("Company") will be held on a fully virtual basis through live streaming and online remote voting via TIIH Online website at <http://tiih.online> on Thursday, 16 June 2022 at 10.00 a.m. for the following purposes:-

AGENDA

1. To receive the Audited Financial Statements for the financial year ended 31 December 2021 together with the Reports of the Directors and Auditors thereon.

(Please refer to Note 1 of the Explanatory Notes on Ordinary Business)

2. To approve the payment of a Single-Tier Final Dividend of 1 sen per ordinary share for the financial year ended 31 December 2021.

Resolution 1

3. To approve the payment of Directors' Fees of RM240,000 to the Independent Non-Executive Directors for the financial year ended 31 December 2021.

Resolution 2

4. To approve the payment of Directors' Fees, allowances and benefits-in-kind to the Directors of the Company up to an amount of RM2.0 million, for the period from the conclusion of the 22nd AGM to the next Annual General Meeting in 2023.

Resolution 3

5. To re-elect the following Directors who retire in accordance with Clause 100 of the Company's Constitution:-

- (i) Datuk Wira Lim Hock Guan, JP
- (ii) Dato' Lim Mooi Pang

Resolution 4
Resolution 5

6. To re-elect Dato' Yong Lei Choo who retires in accordance with Clause 106 of the Company's Constitution.

Resolution 6

7. To re-appoint Messrs. UHY as Auditors and to authorise the Directors to fix their remuneration.

Resolution 7

8. As Special Business:

To consider and, if thought fit, to pass with or without any modifications, the following resolutions:-

(a) ORDINARY RESOLUTION

AUTHORITY TO ISSUE SHARES PURSUANT TO SECTIONS 75 & 76 OF THE COMPANIES ACT, 2016 ("THE ACT")

Resolution 8

"THAT, subject always to the Act, the Constitution of the Company and the approvals of the relevant governmental and/or regulatory authorities, the Directors be and are hereby empowered, pursuant to Sections 75 & 76 of the Act, to issue shares in the Company from time to time at such price, upon such terms and conditions, for such purposes and to such person or persons whomsoever as the Directors may deem fit provided that the aggregate number of shares issued pursuant to this Resolution does not exceed 10% of the issued share capital of the Company for the time being AND THAT the Directors be also empowered to obtain the approval for the listing and quotation of the additional shares so issued on the Bursa Malaysia Securities Berhad ("Bursa Malaysia") AND THAT such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company."

(b) ORDINARY RESOLUTION**Resolution 9****PROPOSED SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE INVOLVING LBS BINA GROUP BERHAD ("LBS") AND ITS SUBSIDIARIES ("LBS GROUP") AND DIRECTORS AND MAJOR SHAREHOLDERS OF LBS GROUP AND PERSONS CONNECTED WITH THEM**

"THAT approval be and is hereby given pursuant to Chapter 10.09 of the Main Market Listing Requirements of Bursa Malaysia for the Company, its subsidiaries or any one of them to enter into the specified recurrent transactions of a revenue or trading nature with the related parties stated in Part A of Section 2.3 of the Circular to Shareholders dated 29 April 2022 which is necessary for its day-to-day operations, in its ordinary course of business, made on an arm's length basis and on normal commercial terms of the Group and on such terms which are no more favourable to the related party than those generally available to the public and which are not detrimental to the minority shareholders of the Company.

AND THAT such approval shall continue to be in force until:-

- (i) the conclusion of the next Annual General Meeting of the Company at which time it will lapse, unless by ordinary resolution passed at the meeting, the authority is renewed;
- (ii) the expiration of the period within the next Annual General Meeting after this date it is required to be held pursuant to Section 340(2) of the Act, but shall not extend to such extensions as may be allowed pursuant to Section 340(4) of the Act); or
- (iii) revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting;

whichever is earlier.

AND THAT the aggregate value of the transactions conducted pursuant to the Proposed Shareholders' Mandate during the financial year of the Company be disclosed in the annual report by providing a breakdown of the aggregate value of the transaction, amongst others, based on the following information:-

- (i) the type of transactions made; and
- (ii) the names of the related parties involved in each type of transactions made and their relationship with the Company and its subsidiaries.

AND THAT the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing all such documents as may be required or approved or permitted by the relevant authorities) as they may consider expedient or necessary or in the interests of the Company to give effect to the Proposed Shareholders' Mandate described in the Circular to Shareholders dated 29 April 2022 and/or this resolution."

Notice of Twenty-Second Annual General Meeting (Cont'd)

(c) ORDINARY RESOLUTION

PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY

Resolution 10

"THAT, subject always to the provisions under the Act, the Company's Constitution, the Main Market Listing Requirements of Bursa Malaysia and the approvals of all relevant authorities (if any), the Company be and is hereby authorised to purchase such number of ordinary shares in the Company ("LBS Shares") as may be determined by the Directors of the Company from time to time through Bursa Malaysia upon such terms and conditions as the Directors may deem fit and expedient in the interest of the Company provided that the aggregate number of shares purchased pursuant to this resolution shall not exceed ten per centum (10%) of the total issued and paid-up share capital of the Company as at the point of purchase ("Proposed Renewal of Shares Buy-Back Authority").

THAT the maximum amount of funds to be utilised for the purpose of the Proposed Renewal of Share Buy-Back Authority shall not exceed the retained profits of the Company.

THAT authority be and is hereby given to the Directors of the Company to decide at their discretion as may be permitted and prescribed by the Act and/or any prevailing laws, rules, regulations, orders, guidelines and requirements issued by the relevant authorities for the time being in force to deal with any LBS Shares so purchased ("Purchased Shares") by the Company in the following manners:-

- (i) to cancel the Purchased Shares;
- (ii) to retain the Purchased Shares as treasury shares held by the Company;
- (iii) to distribute the treasury shares as dividend to shareholders;
- (iv) to resell the treasury shares on Bursa Malaysia in accordance with the relevant rules of Bursa Malaysia;
- (v) to transfer the treasury shares for the purposes of or under an employees' share scheme and/or as purchase consideration; and/or
- (vi) in such manner as may be permitted pursuant to Section 127 of the Act, the provision of the Main Market Listing Requirements and any other relevant authorities for the time being in force.

THAT the authority conferred by this resolution will be effective immediately from the passing of this ordinary resolution until:-

- (i) the conclusion of the next Annual General Meeting of the Company, at which time the said authority will lapse unless by an ordinary resolution passed at a general meeting of the Company, the authority is renewed, either unconditionally or subject to conditions; or
- (ii) the expiration of the period within which the next Annual General Meeting after that date is required to be held; or
- (iii) revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting,

whichever occurs first.

AND THAT the Directors of the Company be and are hereby authorised to take such steps to give full effect to the Proposed Renewal of Share Buy-Back Authority with full power to assent to any conditions, modifications, variations and/or amendments as may be imposed by the relevant authorities and/or to do all such acts and things as the Directors may deem fit and expedient in the best interest of the Company."

(d) ORDINARY RESOLUTION**Resolution 11****PROPOSED GRATUITY PAYMENT TO FORMER INDEPENDENT NON-EXECUTIVE DIRECTOR**

“THAT approval be and is hereby given for the Company to pay a gratuity amounting to RM150,000.00 to Datuk Lim Tong Lee, the former Independent Non-Executive Director of the Company, in recognition of his contribution and efforts to the Company AND THAT authority be and is hereby given to the Directors of the Company to take all such actions as they may consider necessary to give full effect to this resolution.”

9. To consider any other business of which due notice shall have been given.

NOTICE OF DIVIDEND ENTITLEMENT

NOTICE IS HEREBY GIVEN that, subject to the approval of the shareholders at the 22nd AGM, a Single-Tier Final Dividend of 1 sen per ordinary share in respect of the financial year ended 31 December 2021 will be paid on 15 September 2022 to depositors registered in the Record of Depositors on 30 August 2022.

A Depositor shall qualify for entitlement to the dividend only in respect of:-

- (a) shares transferred into the Depositor's Securities Account before 4.30 p.m. on 30 August 2022 in respect of transfers; and
- (b) shares bought on Bursa Malaysia on a cum entitlement basis according to the Rules of Bursa Malaysia.

By Order of the Board

LEE CHING CHING
CHOY WAI NEE
Company Secretaries

Petaling Jaya, Selangor
29 April 2022

Notes:

- (1) *The 22nd AGM of the Company will be held on a fully virtual basis through live streaming and online remote voting using the Remote Participation and Voting (“RPV”) Facilities via TIIH Online website at <http://tiih.online>.*
- (2) *Members of the Company are to attend, participate, speak (in the form of real-time submission of typed texts) and vote remotely at the 22nd AGM using RPV Facilities provided by the Company's Share Registrar via TIIH Online website at <http://tiih.online>. Please follow the Procedures for RPV Facilities provided in the Administrative Guide for the 22nd AGM.*
- (3) *A member of the Company who is entitled to attend, participate, speak and vote at the 22nd AGM via RPV Facilities, may appoint more than 1 proxy to attend and vote instead of the member at the 22nd AGM. A proxy may but need not be a member.*
- (4) *If a member has appointed a proxy to attend a meeting and subsequently he/she attends such meeting via the RPV Facilities, the appointment of such proxy shall be null and void, and his/her proxy shall not be entitled to attend the 22nd AGM.*
- (5) *A member who has appointed a proxy or attorney or authorised representative to participate at the 22nd AGM via RPV Facilities must request his/her proxy or attorney or authorised representative to register himself/herself for RPV Facilities via TIIH Online website at <http://tiih.online>. Procedures for RPV Facilities can be found in the Administrative Guide for the 22nd AGM.*
- (6) *In the case of a corporate member, the instrument appointing a proxy shall be under its Common Seal or under the hand of a duly authorised officer or attorney.*
- (7) *Where a member appoints more than one proxy, the appointment shall be invalid unless he specifies the proportions of his shareholdings to be represented by each proxy.*
- (8) *Please ensure ALL the particulars as required in the Proxy Form are completed, signed and dated accordingly. Any alteration to the instrument appointing a proxy must be initialled.*

Notice of Twenty-Second Annual General Meeting (Cont'd)

(9) The instrument appointing of a proxy may be made in a hard copy form or electronic means in the following manner and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the 22nd AGM or adjourned 22nd AGM at which the person named in the appointment proposes to vote:

(i) In hard copy form
In the case of an appointment made in hard copy form, the proxy form must be deposited with the Company's Share Registrar at Tricor Investor & Issuing House Services Sdn. Bhd. of Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia.

(ii) By electronic form
The proxy form can be electronically lodged with the Share Registrar of the Company via TIIH Online at <https://tiih.online> and steps to submit are summarised in the Administrative Guide for the 22nd AGM.

(10) For a corporate member who has appointed an authorised representative instead of a proxy to attend this meeting, please deposit the **ORIGINAL** certificate of appointment of authorised representative with the Share Registrar of the Company at Tricor Investor & Issuing House Services Sdn. Bhd. of Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia. Alternatively, please bring the **ORIGINAL** certificate of appointment of authorised representative if it has not been deposited with the Share Registrar.

(11) The certificate of appointment of authorised representative should be executed in the following manner:

(i) If the corporate member has a common seal, the certificate of appointment of authorised representative should be executed under seal in accordance with the constitution of the corporate member.

(ii) If the corporate member does not have a common seal, the certificate of appointment of authorised representative should be affixed with the rubber stamp of the corporate member (if any) and executed by:

(a) at least two (2) authorised officers, of whom one shall be a director; or

(b) any director and/or authorised officers in accordance with the laws of the country under which the corporate member is incorporated.

(12) Where a member of the Company is an exempt authorised nominee which holds shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

(13) The date of Record of Depository for the purpose of determining members' entitlement to attend, vote and speak at the meeting is Thursday, 9 June 2022.

(14) Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia, all resolutions set out in this Notice of 22nd AGM will be put to vote by way of poll.

Explanatory Notes on Ordinary Business

(1) Item 1 of the Agenda

This item is meant for discussion only as the provision of Section 340(1)(a) of the Act does not require a formal approval of shareholders for the Audited Financial Statements. Hence, this item on the Agenda is not put forward for voting.

(2) Ordinary Resolution 2

Pursuant to Section 230(1) of the Act stipulates that the fees of Directors and any benefits payable to Directors shall be subject to annual shareholders' approval at a general meeting. Therefore, shareholders' approval is required for the determination and payment of Directors' fees amounting to RM240,000 for the financial year ended 31 December 2021.

Non-Executive Directors who are members of the Company will abstain from voting on this Resolution concerning their own remuneration at the 22nd AGM.

(3) Ordinary Resolution 3

The Proposed Directors' Fees, allowances and benefits-in-kind including payments such as meeting allowance, share based benefits, medical and insurance coverage, telecommunication devices, allowance/fee from certain subsidiaries in respect of the significant roles in oversight and the wide-ranging scope of responsibilities.

In determining the estimated total amount payable, the Board considered various factors including the Directors' involvement and responsibilities in the Group. Payment of the fees, allowances and benefits-in-kind will be made in arrear on a monthly basis and/or as and when incurred, if the Ordinary Resolution 3 has been passed. The Board is of the view that it is just and equitable for the Directors to be paid such fees, allowances and benefits-in-kind on a monthly basis and/or as and when incurred, particularly after they have discharged their responsibilities and rendered their services to the Group throughout the period from the conclusion of the 22nd AGM to the next Annual General Meeting in 2023.

Executive Directors who are members of the Company will abstain from voting on this Resolution concerning their own remuneration at the 22nd AGM.

(4) Ordinary Resolutions 4 to 5

Datuk Wira Lim Hock Guan, JP and Dato' Lim Mooi Pang are standing for re-election as Directors in accordance with Clause 100 of the Constitution of the Company and being eligible, have offered themselves for re-election at the 22nd AGM.

The profiles of Datuk Wira Lim Hock Guan, JP and Dato' Lim Mook Pang are set out in the Board of Directors' Profiles section and details of their interests in the securities of the Company are set out in the Analysis of Shareholdings section of the Company's Integrated Annual Report 2021.

(5) Ordinary Resolution 6

Dato' Yong Lei Choo is standing for re-election as Director in accordance with Clause 106 of the Constitution of the Company and being eligible, has offered herself for re-election at the 22nd AGM.

The profile of Dato' Yong Lei Choo is set out in the Board of Directors' Profiles section of the Company's Integrated Annual Report 2021.

(6) Ordinary Resolution 7

The Board has through the Audit Committee, considered the re-appointment of Messrs. UHY as the Auditors of the Company. The factors considered by the Audit Committee in making the recommendation to the Board to table their re-appointment at the 22nd AGM are disclosed in the Corporate Governance Overview Statement of the Company's Integrated Annual Report 2021.

Explanatory Notes on Special Business

(1) Ordinary Resolution 8

The Ordinary Resolution 8 proposed for the renewal of general mandate in relation to the authorisation for issuance of shares by the Directors, if passed, will enable the Directors to issue up to 10% of the issued share capital of the Company for the time being for such purposes as the Directors consider would be in the best interest of the Company. This authority unless revoked or varied at a general meeting will expire at the next Annual General Meeting.

As at the date of this Notice, no new share of the Company was issued pursuant to the mandate granted to the Directors at the Twenty-First Annual General Meeting held on 3 August 2021.

The renewed mandate will provide the flexibility to the Company for any possible fund raising activities, including but not limited to further placing of shares, for the purpose of funding future investment, working capital and/or acquisition.

(2) Ordinary Resolution 9

Ordinary Resolution 9, if passed, will allow the Group to enter into the Recurrent Related Party Transactions in its ordinary course of business and the necessity to convene separate general meetings from time to time to seek shareholders' approval as and when such Recurrent Related Party Transactions occur would not arise. This will reduce substantial administrative time, inconvenience and expenses associated with the convening of such meetings, without compromising the corporate objectives of the Group or adversely affecting the business opportunities available to the Group. The shareholders' mandate is subject to renewal on an annual basis.

Further information on the Recurrent Related Party Transactions is set out in the Part A of Circular to Shareholders dated 29 April 2022 of the Company.

(3) Ordinary Resolution 10

Ordinary Resolution 10, if passed, will give authority to the Company to purchase its own shares up to ten per centum (10%) of the issued and paid-up share capital of the Company as at the point of purchase. This authority, unless revoked or varied by the shareholders of the Company in general meeting, will expire at the conclusion of the next Annual General Meeting.

Further information on the Proposed Renewal of Share Buy-Back Authority is set out in the Part B of Circular to Shareholders dated 29 April 2022 of the Company.

(4) Ordinary Resolution 11

Shareholders' approval is sought for the Proposed Payment in accordance with Section 230(1) of the Act. The proposed Ordinary Resolution 11, if approved, will authorise the Company to pay a sum of RM150,000 to Datuk Lim Tong Lee, a former Independent Non-Executive Director of the Company, in recognition of his contributions and efforts to the Company.

Section 9 Privacy Notice

Dear Sirs/Madams,

This privacy notice for personal data ("Privacy Notice") is issued to all shareholders of LBS Group (details of which can be found at <https://lbs.com.my/pdpa-notice/>) ("Company", "we", "us" or "our"), pursuant to the statutory requirements of the Personal Data Protection Act 2010 ("PDPA").

During your course of dealings with us, we will collect and process your personal data for purposes, including, to communicate with you, provide administrative assistance to you in the course of you being our shareholder, respond to your enquiries or input, invite you to meetings and events, provide you with notices, documents, information and/or updates relating to us and any matters relating to your involvement in the Board of Directors, for publication and dissemination of your personal data in any circulars, reports, minutes, websites, newsletters, bulletins, brochures, pamphlets or any other materials which may be published and circulated internally or to the general public, to comply with our legal and regulatory obligations and other purposes required to operate and maintain our business as set out in our Privacy Policy (collectively referred to as "Purposes").

We will not disclose any of your personal data to any third party without your consent except to the LBS Group, our professional advisers, vendors, suppliers, agents, contractors, service providers, business partners, insurance companies, banks and financial institutions, any governmental agencies, regulatory authorities and/or statutory bodies, within or outside Malaysia, where necessary, for the Purposes mentioned above, to any party who undertakes to keep your personal data confidential, to any person as set out in our Privacy Policy, or to whom we are compelled or required under the law to disclose to. A copy of our Privacy Policy is available on our website at <http://www.lbs.com.my/>.

It is necessary for us to collect and process your personal data. If you do not provide us with your personal data, or do not consent to this Privacy Notice, we will not be able to effectively provide products and/or services to you in connection with or incidental to your role as our shareholder or process your personal data for any of the Purposes, if at all.

We are committed to ensuring that your personal data is stored securely. You have the right to request for access to, request for a copy of and request to update or correct, your personal data held by us. You also have the right at any time to request us to limit the processing and use of your personal data, subject to our right to rely on any statutory exemptions and/or exceptions to collect, use and disclose your personal data.

Your written requests or queries should be addressed to:

Legal Department

Address: Plaza Seri Setia, Level 1-4, No. 1, Jalan SS9/2, 47300 Petaling Jaya, Selangor Darul Ehsan
Contact No.: 03-7877 7333
Fax No.: 03-7861 6099
Email Address: pdpa@lbs.com.my

If we do not hear from you within the next fourteen (14) days from the date of issuance of this Privacy Notice, we will take it that you have consented to us continuing to process your personal data in accordance with this Privacy Notice, and we will also take it that all personal data provided by you is accurate and complete, and that none of it is misleading or out of date. You will promptly update us in the event of any change to your personal data. You shall also procure the consent of your proxy appointed to attend any general meeting of the Company on your behalf whose personal data is provided to us by you for any purpose relating to the general meeting.

To the extent that you have provided (or will provide) personal data about your family members, spouse and/or other dependents/individuals, you confirm that you have explained to them that their personal data will be provided to, and processed by, us and you represent and warrant that you have obtained their consent to the processing (including disclosure and transfer) of their personal data in accordance with this Privacy Notice.

In respect of minors (i.e. individuals under 18 years of age) or individuals not legally competent to give consent, you confirm that you are the parent or guardian or person who has parental responsibility over them or the person appointed by court to manage their affairs or that they have appointed you to act for them, to consent on their behalf to the processing (including disclosure and transfer) of their personal data in accordance with this Privacy Notice.

We reserve the right to update and amend this Privacy Notice or our Privacy Policy from time to time. Any updates and amendments to our Privacy Policy will be posted on our website as above, and you are advised to check the Privacy Policy from time to time. If we amend this Privacy Notice or our Privacy Policy, the amendment(s) will apply retrospectively to all personal data collected.

In accordance with Section 7(3) of the PDPA, this Privacy Notice is issued in both English and Bahasa Malaysia. In the event of any inconsistencies or discrepancies between the English version and the Bahasa Malaysia version, the English version shall prevail.

Section 9

Notis Privasi

Kepada tuan-tuan dan puan-puan,

Notis privasi untuk data peribadi ini (**“Notis Privasi”**) diberikan kepada semua pemegang saham LBS Group (butirannya boleh didapati di <https://lbs.com.my/pdpa-notice/>) (**“Syarikat”**, **“kita”** atau **“kami”**), selaras dengan obligasi statutori di bawah Akta Perlindungan Data Peribadi 2010 (**“PDPA”**).

Data peribadi anda yang telah dikumpulkan sebelum ini sedang, dan akan diproses secara berterusan bagi tujuan, termasuk, berkomunikasi dengan anda, memberi bantuan pentadbiran kepada anda, memberi maklum balas terhadap pertanyaan atau input anda, menjemput anda ke mesyuarat dan acara kami, memberi anda notis, dokumen, maklumat dan/atau isu-isu terkini berkaitan dengan kami dan perkara-perkara berhubungan dengan penglibatan anda di Lembaga Pengarah, untuk penerbitan dan pendedahan data peribadi anda di pekeliling, laporan, minit, laman web, surat berita, buletin, brosur, risalah atau media lain yang mungkin diterbitkan dan diedarkan di dalam organisasi kami atau kepada orang awam, untuk memenuhi kewajipan kami dalam mematuhi undang-undang dan peraturan-peraturan, serta tujuan-tujuan lain yang kami perlukan untuk mengendalikan dan mengekalkan perniagaan kami seperti dalam Polisi Privasi kami (secara kolektifnya dirujuk sebagai **“Tujuan-Tujuan”**).

Kami tidak akan mendedahkan apa-apa data peribadi anda kepada mana-mana pihak ketiga tanpa kebenaran anda kecuali kepada syarikat-syarikat LBS Group, penasihat profesional, ejen, vendor, pembekal, kontraktor, pembekal perkhidmatan, rakan kongsi perniagaan, syarikat insurans, bank dan institusi kewangan, agensi kerajaan, pihak berkuasa dan/atau badan berkanun, di dalam atau di luar Malaysia, jika perlu, bagi Tujuan-Tujuan yang disebut di atas, kepada mana-mana pihak yang berjanji untuk menyimpan data peribadi anda secara sulit, kepada mana-mana pihak seperti dalam Polisi Privasi kami, atau sekiranya diperlukan di bawah undang-undang. Sesalinan Polisi Privasi kami boleh didapati di laman web kami di <http://www.lbs.com.my/>.

Kami perlu mengumpul dan menyimpan data peribadi anda. Sekiranya anda tidak memberikan data peribadi anda kepada kami, atau tidak bersetuju dengan Notis Privasi ini, kami mungkin tidak dapat memberikan produk dan/atau perkhidmatan secara efektif kepada anda berkaitan atau bersampingan dengan peranan anda sebagai pemegang saham kami atau memproses data peribadi anda bagi Tujuan-Tujuan yang disebut di atas.

Kami akan memastikan data peribadi anda disimpan dengan selamat. Anda mempunyai hak untuk meminta akses kepada, mendapat salinan, mengemaskini atau memperbaikkan data peribadi anda yang disimpan oleh kami. Anda juga mempunyai hak untuk meminta kami menghadkan pemprosesan dan penggunaan data peribadi anda pada bila-bila masa. Walaubagaimana pun, kami mempunyai hak untuk bergantung kepada mana-mana pengecualian dalam mengumpul, menggunakan dan mendedah data peribadi anda.

Permintaan atau pertanyaan bertulis anda perlu disampaikan ke alamat di bawah:

Jabatan Undang-Undang

Alamat: Plaza Seri Setia, Level 1-4, No. 1, Jalan SS9/2, 47300 Petaling Jaya, Selangor Darul Ehsan
 No Telefon: 03-7877 7333
 No Faks: 03-7861 6099
 Alamat E-mel: pdpa@lbs.com.my

Jika kami tidak menerima maklumbalas daripada anda berkenaan dengan perkara di atas dalam tempoh empat belas (14) hari dari tarikh Notis Privasi ini dikeluarkan, kami akan menganggap bahawa anda telah memberi kebenaran kepada kami untuk terus memproses data peribadi anda seperti dalam Notis Privasi ini, dan kami akan menganggap bahawa semua data peribadi yang diberikan oleh anda adalah betul dan lengkap, dan tiada data peribadi yang mengelirukan atau yang belum dikemaskinikan. Anda mesti, dengan segera, mengemaskini data peribadi anda sekiranya terdapat apa-apa perubahan kepada data peribadi yang anda beri kepada kami. Anda juga harus mendapatkan persetujuan proksi anda yang dilantik untuk menghadiri apa-apa mesyuarat agung Syarikat bagi pihak anda, sekiranya data peribadi mereka dibekalkan oleh anda kepada kami untuk apa-apa tujuan yang berkaitan dengan mesyuarat agung.

Setakat mana yang anda telah memberikan (atau akan memberikan) data peribadi tentang ahli keluarga, pasangan, tanggungan anda dan/atau individu lain, anda mengesahkan bahawa anda telah menjelaskan kepada mereka bahawa data peribadi mereka akan didedahkan kepada, dan akan diproses oleh, kami dan anda menyata dan menjamin bahawa anda telah diberi kuasa untuk mendedahkan data peribadi mereka kepada kami dan anda telah memperolehi persetujuan daripada mereka berkenaan dengan pemprosesan (termasuk pendedahan dan pemindahan) data peribadi mereka seperti dalam Notis Privasi ini.

Berkenaan dengan individu yang belum mencapai usia dewasa (iaitu individu di bawah umur 18 tahun) atau individu yang tidak mempunyai kompeten untuk memberi persetujuan, anda mengesahkan bahawa anda ialah ibu bapa atau penjaga atau orang yang mempunyai kewajipan terhadap mereka atau orang yang dilantik oleh mahkamah untuk menguruskan urusan mereka atau mereka telah melantik anda untuk mewakil mereka, untuk memberi persetujuan bagi pihak mereka berkenaan dengan pemprosesan (termasuk pendedahan dan pemindahan) data peribadi mereka seperti dalam Notis Privasi ini.

Kami berhak untuk mengemaskini dan meminda Notis Privasi ini atau Polisi Privasi kami dari semasa ke semasa. Sebarang perubahan atau pemindahan kepada Notis Privasi ini atau Polisi Privasi kami akan dimaklumkan di laman web kami seperti di atas, dan anda dinasihatkan untuk menyemak Polisi Privasi dari semasa ke semasa. Jika kami meminda Notis Privasi ini atau Polisi Privasi kami, pindaan itu akan berkuat-kuasa secara retrospektif kepada semua data peribadi yang dikumpul.

Mengikut Seksyen 7(3) PDPA, Notis Privasi ini diterbitkan dalam Bahasa Inggeris dan Bahasa Malaysia. Sekiranya terdapat sebarang ketidakseragaman atau percanggahan di antara versi Bahasa Inggeris dan Bahasa Malaysia, versi Bahasa Inggeris akan digunakan.

Form of Proxy

I/We _____ NRIC No. / Company No. _____

of _____

being a member/members of **LBS BINA GROUP BERHAD**, hereby appoint:-

Full Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

and/or

Full Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

or failing him/her, the Chairman of the Meeting, as my/our proxy to vote for me/us and on my/our behalf at the Twenty-Second Annual General Meeting of the Company to be held on a fully virtual basis through live streaming and online remote voting via TIIH Online website at <http://tiih.online> on Thursday, 16 June 2022 at 10.00 a.m. or at any adjournment thereof.

RESOLUTIONS	FOR	AGAINST
Ordinary Resolution 1		
Ordinary Resolution 2		
Ordinary Resolution 3		
Ordinary Resolution 4		
Ordinary Resolution 5		
Ordinary Resolution 6		
Ordinary Resolution 7		
Ordinary Resolution 8		
Ordinary Resolution 9		
Ordinary Resolution 10		
Ordinary Resolution 11		

Please indicate with (X) how you wish your vote to be cast. If no specific direction as to voting is given, the proxy will vote or abstain at his/her discretion.

Dated this _____ day of _____ 2022

Signature/ Common Seal of Shareholder(s)

No. of Shares Held	
CDS Account No.	

NOTES:

- (1) The 22nd AGM of the Company will be held on a fully virtual basis through live streaming and online remote voting using the Remote Participation and Voting ("RPV") Facilities via TIIH Online website at <http://tiih.online>.
- (2) Members of the Company are to attend, participate, speak (in the form of real-time submission of typed texts) and vote remotely at the 22nd AGM using RPV Facilities provided by the Company's Share Registrar via TIIH Online website at <http://tiih.online>. Please follow the Procedures for RPV Facilities provided in the Administrative Guide for the 22nd AGM.
- (3) A member of the Company who is entitled to attend, participate, speak and vote at the 22nd AGM via RPV Facilities, may appoint more than 1 proxy to attend and vote instead of the member at the 22nd AGM. A proxy may but need not be a member.
- (4) If a member has appointed a proxy to attend a meeting and subsequently he/she attends such meeting via the RPV Facilities, the appointment of such proxy shall be null and void, and his/her proxy shall not be entitled to attend the 22nd AGM.
- (5) A member who has appointed a proxy or attorney or authorised representative to participate at the 22nd AGM via RPV Facilities must request his/her proxy or attorney or authorised representative to register himself/herself for RPV Facilities via TIIH Online website at <http://tiih.online>. Procedures for RPV Facilities can be found in the Administrative Guide for the 22nd AGM.
- (6) In the case of a corporate member, the instrument appointing a proxy shall be under its Common Seal or under the hand of a duly authorised officer or attorney.
- (7) Where a member appoints more than one proxy, the appointment shall be invalid unless he specifies the proportions of his shareholdings to be represented by each proxy.
- (8) Please ensure ALL the particulars as required in the Proxy Form are completed, signed and dated accordingly. Any alteration to the instrument appointing a proxy must be initialled.
- (9) The instrument appointing of a proxy may be made in a hard copy form or electronic means in the following manner and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the 22nd AGM or adjourned 22nd AGM at which the person named in the appointment proposes to vote:
 - (i) **In hard copy form**
In the case of an appointment made in hard copy form, the proxy form must be deposited with the Company's Share Registrar at Tricor Investor & Issuing House Services Sdn. Bhd. of Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia.
 - (ii) **By electronic form**
The proxy form can be electronically lodged with the Share Registrar of the Company via TIIH Online at <https://tiih.online> and steps to submit are summarised in the Administrative Guide for the 22nd AGM.
- (10) For a corporate member who has appointed an authorised representative instead of a proxy to attend this meeting, please deposit the **ORIGINAL** certificate of appointment of authorised representative with the Share Registrar of the Company at Tricor Investor & Issuing House Services Sdn. Bhd. of Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia. Alternatively, please bring the **ORIGINAL** certificate of appointment of authorised representative if it has not been deposited with the Share Registrar.
- (11) The certificate of appointment of authorised representative should be executed in the following manner:
 - (i) If the corporate member has a common seal, the certificate of appointment of authorised representative should be executed under seal in accordance with the constitution of the corporate member.
 - (ii) If the corporate member does not have a common seal, the certificate of appointment of authorised representative should be affixed with the rubber stamp of the corporate member (if any) and executed by:
 - (a) at least two (2) authorised officers, of whom one shall be a director; or
 - (b) any director and/or authorised officers in accordance with the laws of the country under which the corporate member is incorporated.
- (12) Where a member of the Company is an exempt authorised nominee which holds shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
- (13) The date of Record of Depository for the purpose of determining members' entitlement to attend, vote and speak at the meeting is Thursday, 9 June 2022.
- (14) Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia, all resolutions set out in this Notice of 22nd AGM will be put to vote by way of poll.

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The Share Registrar

TRICOR INVESTOR & ISSUING HOUSE SERVICES SDN BHD
[197101000970 (11324-H)]

Unit 32-01, Level 32, Tower A
Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur.

STAMP

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LBS BINA GROUP BERHAD
Registration No. 200001015875 (518482-H)
Plaza Seri Setia, Level 1-4
No.1, Jalan SS9/2
47300 Petaling Jaya
Selangor Darul Ehsan, Malaysia
T +603 7877 7333 F +603 7877 7111

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